APB RESOURCES

APB RESOURCES BERHAD

(Company No. 564838-V)

Annual Report 2008

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Yap Kow @ Yap Kim Fah
Chairman / Managing Director

Tan Teng Khuan
Chief Operating Officer / Executive Director

Gan Chin Boon
Executive Director

Lim Hong Liang
- Appointed on 26 November 2008
Non-Independent Non-Executive Director

Yap Kau @ Yap Yeow Ho
Non-Independent Non-Executive Director

Chua Eng Seng
Independent Non-Executive Director

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

Mak Fong Ching (Ms.)
Independent Non-Executive Director

Muhayuddin bin Musa
Independent Non-Executive Director

AUDIT COMMITTEE

Mak Fong Ching (Ms.) - *Chairperson*

Chua Eng Seng

Johari Low bin Abdullah
@ Low Han Hing

Muhayuddin bin Musa

NOMINATION COMMITTEE

Chua Eng Seng - *Chairman*

Mak Fong Ching (Ms.)

Muhayuddin bin Musa

REMUNERATION COMMITTEE

Muhayuddin bin Musa - *Chairman*

Chua Eng Seng

Mak Fong Ching (Ms.)

Yap Kow @ Yap Kim Fah

Tan Teng Khuan

COMPANY SECRETARY

Cheok Kim Chee (LS000012)

AUDITORS

KPMG *(Firm Number: AF 0758)*
(Chartered Accountants)
Level 10, KPMG Tower
No. 8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 - 7721 3388

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia
Securities Berhad
Stock Code – 5568

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
(Company No. 378993-D)
Level 26, Menara Multi-Purpose
Capital Square
No.8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03 - 2721 2222
Fax : 03 - 2721 2530/31

REGISTERED OFFICE

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

PRINCIPAL BANKERS

Affin Bank Berhad
AmBank (M) Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

CORPORATE STRUCTURE

APB RESOURCES

- 100% **LANDAS FIKIR SDN. BHD.**
- 100% **ERA JULUNG SDN. BHD.**
  - 100% **AMALGAMATED METAL CORPORATION (M) SDN. BHD.**
    - 100% **FINNED TUBES MALAYSIA SDN. BHD.**
  - 100% **PRESCAN SDN. BHD.**

DIRECTORS' PROFILE

YAP KOW @ YAP KIM FAH

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

Mr. Yap was appointed to the Board of Directors ("the Board") of APB Resources Berhad ("the Company") on 30 March 2004. He is the founder and Managing Director of Amalgamated Metal Corporation (M) Sdn Bhd ("AMC"), a wholly owned subsidiary of the Company. His working career started in 1968 as a welder with Brown & Root / McDermott Ltd, one of the largest engineering, construction and maintenance company in the world. He left Brown & Root / McDermott Ltd in 1974 and joined Industrial Boiler Allied Equipment Sdn Bhd, a manufacturer 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 with fabrication, welding and provision of engineering services.

Mr. Yap, equipped with his vast experience and technical expertise as a manufacturer of process equipment for oil and gas industry, proceeded to set up AMC in 1989. Mr. Yap is instrumental for the growth of AMC, providing strategic directions and leadership thus establishing AMC as one of the major manufacturer of process equipment. Mr. Yap is also a Director of several other private companies.

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

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

TAN TENG KHUAN

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

Mr. Tan a Board member since 30 March 2004, oversee the Group's corporate, strategic, financial, investment and human resource matters and is the key personnel handling the corporate affairs and investment relation. He has over twenty years of corporate experience in banking, accounting and equity research. 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 a Diploma in Management from the New Zealand Institute of Management.

Mr. Tan working career began in 1979 as a Development Engineer with 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, Mr. Tan worked at UOB Bank Malaysia Berhad (then Lee Wah Bank Limited) in the Credit & Marketing division until 1988 when he left to join Asia Commercial Finance (M) Berhad as Loans Supervision Manager. Mr. Tan joined Metroplex Berhad as Senior Corporate Investment and Planning Manager in 1990 and in 1992, he moved from the corporate to equity sector when he joined GK Goh Research Pte Ltd as a Senior Investment Analyst where he undertook equity research assignments on 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 its research team and was responsible for strategies, equity research on the banking and finance sectors and macro research on Malaysia. He was subsequently promoted to Chief Representative for Malaysia in 1997 and subsequently moved to Hwang-DBS Securities Berhad as the Senior Vice-President, Business Development before he joined SJ Asset Management Sdn Bhd in 2001 as Senior Vice-President, Private Equity and also became the Managing Partner at SJAM Capital Partners Sdn Bhd that same year, however he had resigned from both positions since 2003. Mr. Tan is also a Director of several other private companies.

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

directors' profile
(continued)

GAN CHIN BOON

49 years of age, Malaysian
Executive Director

Mr. Gan was appointed to the Board on 24 August 2007. Mr. Gan is the Director of Operations (Industrial Testing) of Prescan Sdn Bhd, a wholly owned subsidiary of the Company, since 1988. Mr. Gan received his Diploma in Complete Welding from International Correspondence School in 1985, Diploma in Welding Metallurgy from Metal Engineering Institute in 1988, Certificate of Proficiency Certification Scheme for Welding Inspection Personnel in Ultrasonic Practitioner in 1989, Senior Welding Inspector in 1987 and Radiographic Interpreter in 1985. His other qualifications include American Society for Non-Destructive Testing ASNT Level III (Radiographic Testing, Ultrasonic Testing and Magnetic Particle Testing) and ASNT Level II (Radiographic Testing, Ultrasonic Testing, Magnetic Particle Testing and Penetrant Testing). Mr. Gan has attended correspondence courses between 1985 and 1988 at the Metal Engineering Institute on the Fundamentals of Non-Destructive Testing ("NDT"), Welding Inspection and Quality Control, Arc Welding Metallurgical Technology, Principles of Failure Analysis and the Element of Metallurgy. He has also attended a course on Ultrasonic Testing of Materials at the Singapore Institute of Standard and Industrial Research ("SISIR") in 1981. Mr. Gan is a Member of American Society for Non-Destructive Testing ("ASNT") and a Member of Malaysian Society for Non-Destructive Testing ("MSNT").

Mr. Gan began his career in 1980 when he worked for Independent Testing Co. Sdn Bhd as NDT Technician. In 1981, he joined Jardine (M) Sdn Bhd as NDT Inspector. In March 1982, he joined Mitsui Ocean Development Engineering (M) Sdn Bhd as Radiographer Supervisor and in August 1982, he returned to Independent Testing Co Sdn Bhd as Ultrasonic Inspector. In 1983, he moved to Mapel Sdn Bhd to work as Structural Integrity Inspector and in 1984, he was employed at Solus Oceaneering (M) Sdn Bhd as Welding and Structural Inspector and was seconded to Sarawak Shell Berhad. He was employed at Petrochemical Inspection (M) Sdn Bhd in 1987 as an offshore Hook-Up Inspector and was seconded to Sarawak Shell Berhad.

Mr. Gan's current responsibilities as a Director of Prescan Sdn Bhd includes managing Prescan Sdn Bhd's operations, conducting training courses, certification of NDT personnel, preparing NDT procedures and interpretation of radiographic films. He is an appointed NDT Level III examiner on U-Stamp Pressure Vessel Fabrication Projects for various companies in the industry.

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

LIM HONG LIANG

49 years of age, Malaysian
Non-Independent Non-Executive Director

Mr. Lim was appointed to the Board on 26 November 2008. He received an Honours Degree in Bachelor of Commerce (Accounting) and Master of Commerce from University of New South Wales, Australia.

Mr. Lim was a bank officer at United Overseas Bank (Malaysia) Berhad (then Lee Wah Bank Limited) from 1984 to 1989. He then joined AmBank (M) Berhad (then Security Pacific Bank Limited) as an Assistant Vice President in 1989 and he left in 1990 to join Malpac Holdings Berhad as an Executive Director, a position he still holds. Mr. Lim is also a Director of several other private companies.

Mr. Lim sits on the Board of Directors of Malpac Holdings Berhad as an Executive Director and Kumpulan Powernet Berhad as an Independent Non-Executive Director.

YAP KAU @ YAP YEOW HO

65 years of age, Malaysian
Non-Independent Non-Executive Director

Mr. Yap was appointed to the Board on 30 March 2004. Mr. Yap started his career in the transportation sector and served as an Operation Manager with TTS Transport Sdn Bhd from 1977 to 1984. Since 1984, Mr. Yap has been a Director of TTS Transport Sdn Bhd. Mr. Yap 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 also a Director of several other private companies.

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
(continued)

CHUA ENG SENG

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

Mr. Chua was appointed to the Board on 30 January 2004. Mr. Chua graduated with a Bachelor of Mechanical Engineering (Honours) from University of Malaya. He had served with the Malaysian Industrial Development Authority ("MIDA") from 1971 to 2000. During his tenure with MIDA, Mr. Chua had 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. Mr. Chua had held the position of Deputy Director General of MIDA before retirement.

Mr. Chua currently sits on the Board of Directors of Hirotako Holdings Berhad as an Independent Non-Executive Director. He is also a Director of several other private companies.

JOHARI LOW BIN ABDULLAH @ LOW HAN HING

58 years of age, Malaysian
Non-Independent Non-Executive Director
Member of Audit Committee

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

En. Johari Low currently manages his own consultancy practices and serves as Chairman of the Rockwills International Group. He also sits on the Board of Directors of Nam Fatt Corporation Berhad as a Senior Independent Non-Executive Director, Kumpulan Powernet Berhad as an Independent Non-Executive Director and Malpac Holdings Berhad as an Independent Non-Executive Director.

MAK FONG CHING (MS.)

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

Ms. Mak was appointed to the Board on 27 January 2004. Ms. Mak is an Australian Certified Public Accountant and a member of the Malaysian Institute of Certified Public Accountants ("MICPA"). She started her career with the Inland Revenue Department of Malaysia as a Tax Examiner from 1977 to 1980 and then furthered her education in the University of Malaya where she graduated with an Honours Degree (Second Class Upper) Bachelor of Accounting in 1984. Thereafter, Ms. Mak worked as a Tax / Audit Senior in a top three accounting firm in Kuala Lumpur from 1984 to 1987. She then joined a local bank as an officer and subsequently worked as an Assistant Manager with the Loans Recovery Division of another financial institution before pursuing her studies in Australia in 1991. From 1993 to 1995, Ms. Mak was with JB Were & Sons, Australia as an Assistant to the Group Management Accountant. She joined Deutsche Securities, Kuala Lumpur in 1995 as an Investment Analyst for the banking, finance, insurance and stockbroking sectors until 1998. Thereafter, she worked as a Group Accountant with a housing construction group before taking up employment with Danaharta Urus Sdn Bhd in 1999 where she was involved in loan rehabilitation and recovery. Subsequently, she researched for the investment department of SJ Asset Management Sdn Bhd for six years (2000-2006) before her current position as a fund manager in TA Investment Management Sdn Bhd, a local investment management company.

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

MUHAYUDDIN BIN MUSA

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

En. Muhayuddin was appointed to the Board on 10 December 2001. He has a Bachelor of Commerce (Honours Degree) from Carleton University, Ottawa, Canada. En. Muhayuddin started his career in 1985 as a Financial Officer with Lembaga Letrik Negara ("LLN") and he has stayed with LLN until 1987. Thereafter, En. Muhayuddin joined the banking industry and has held various positions in both local and foreign banks. In 1993, he joined Federal Furniture Holdings (M) Berhad as Corporate Affairs Manager and Managing Director of a subsidiary of Federal Furniture Holdings (M) Berhad. En. Muhayuddin is currently the Executive Director and Chief Executive Officer of Computer Forms (Malaysia) Berhad since 1996.

En. Muhayuddin currently sits on the Board of Directors of Computer Forms (Malaysia) Berhad as an Executive Director and Malpac Holdings Berhad as an Independent Non-Executive Director.

directors' profile
(continued)

YAP SWEE SANG

32 years of age, Malaysian
Alternate Director to Yap Kow @ Yap Kim Fah

Mr. Yap was appointed to the Board on 26 November 2008. He holds a Victorian Certificate Education, Australia. Mr. Yap joined Amalgamated Metal Corporation (M) Sdn Bhd ("AMC"), a wholly owned subsidiary of APB Resources Berhad in 2000 as an Estimator and was promoted to Proposal Manager in 2003. Since October 2004, Mr. Yap is the Deputy General Manager of AMC.

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

His father, Mr. Yap Kow @ Yap Kim Fah, is the Chairman and Managing Director of the Company and his uncle, Mr. Yap Kau @ Yap Yeow Ho, is a Non-Independent Non-Executive Director of the Company.

YAP PUHUI LIN (MS.)

40 years of age, Malaysian
Alternate Director to Yap Kow @ Yap Yeow Ho

Ms. Yap was appointed to the Board on 26 November 2008. She is a registered insurance agent with General Insurance Association of Malaysia ("PIAM"). Ms. Yap has started her career in the transportation industry. From 1988 to 1992, while she was employed by TTS Transport Sdn Bhd she has served as an Operation Assistant, Administrative and Finance Assistant, and Personal Assistant to a director of TTS Transport Sdn Bhd. In 1993, Ms. Yap joined Amalgamated Metal Corporation (M) Sdn Bhd ("AMC"), a wholly owned subsidiary of APB Resources Berhad as the Administrative and Finance Manager.

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

Her father, Mr. Yap Kau @ Yap Yeow Ho, is a Non-Independent Non-Executive Director of the Company and his uncle, Mr. Yap Kow @ Yap Kim Fah, is the Chairman and Managing Director of the Company.

NOTES:

- **FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR SUBSTANTIAL SHAREHOLDER**

  None of the Directors other than Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho have any family relationship with any other Director and/or substantial shareholders of the Company.

- **CONFLICT OF INTEREST WITH THE GROUP**

  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 interests as disclosed in note XX of the accompanying financial statements. Save as disclosed above, none of the other Directors of the Company have any conflict of interest with the Group.

- **CONVICTIONS FOR OFFENCES (WITHIN THE PAST TEN YEARS, OTHER THAN TRAFFIC OFFENCES)**

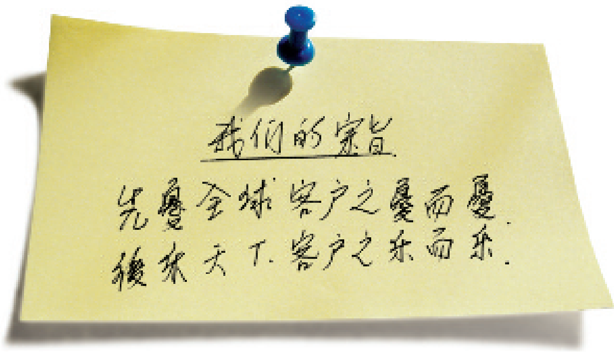
  None of the Directors of the Company have been convicted of any offences within the past ten (10) years other than traffic offences, if any.

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 ("the Group") for the financial year ended 30 September 2008.

chairman's statement
(continued)



FINANCIAL REVIEW

The operating environment started on a positive note but gradually deteriorated from middle of the year. As a whole, the Group performed credibly for the 2008 financial year with a 15.3% growth in revenue from RM176 million to RM203 million vis-à-vis the preceding year. However, profit before tax dipped 5.2% from RM28.6 million to RM27.1 million over the period largely due to change in product mix and a one-off provision amounting to RM5.6 million for rectification works on a project at the fabrication division. If not for the provision, profit before tax would be in line with that of 2007 financial year. Hence, profit after tax declined by 19.4% from RM21.6 million to RM17.4 million.

Demand for process equipment remained buoyant in the first half of the financial year but some cautious signs emerged in the second half as the global financial crisis unfolded. The oil and gas, energy, petrochemical and oleo-chemical sectors continued to be the primary demand drivers. The raw material supply situation had also returned to normalcy from a very tight environment in the preceding year. Revenue for the financial year comprised significantly of a larger portion of bulkier lower margin products mainly for the energy sector. Consequently, this product mix had generated a lower profit before tax. The later part of the year also saw the gradual easing of the tight capacity situation as new capital expenditure in the oil and gas sector started to soften in light of slumping commodity prices.

The Fabrication division, the principal revenue and profit contributor to the Group, accounted for 96.1% and 96.6% of the 2008 financial year revenue and profit before tax respectively. Exports accounted for over 90% of the fabrication business, the bulk of which went to the Middle-East, North Africa and Asian countries. Equipment demand from the oleo-chemical sector in Indonesia has continued to expand. Most encouraging is the buoyant global demand from the energy sector.

The Non-destructive Testing division performed in line with the fabrication division and recorded a moderate 4.8% year-on-year gain in revenue while profit before tax has maintained at RM1.1 million.

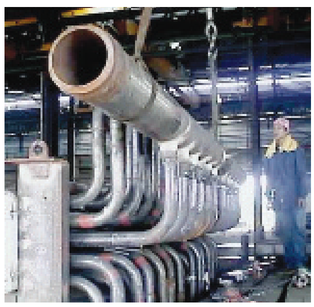
As the operating environment remained very difficult with no improvement in sight, the Group's Mechanical, Electrical and Industrial Air-conditioning (MEIA) division was disposed off at a loss of RM2.8 million.

Operationally, the Group has generated very strong cash flow which had financed its capital expenditure and dividends from these internally generated funds. Its financial position remains healthy with a net cash position of RM71.5 million or net cash per share of 64.5 sen (fully diluted basis) as at 30 September 2008.

PROSPECTS

The Fabrication division is the mainstay and dominant driver for the Group's earnings and this sector will continue to be dependentable on demand and hence, capital expenditure from the oil and gas, petrochemical, energy and oleo-chemical sectors. The Non-destructive Testing division performance is also expected to tie-in with the fabrication sector activities.



chairman's statement
(continued)

The current global financial crisis and the slump in demand and prices of commodities are starting to take a toll on capital expenditure worldwide. Needless to say, the oil and gas, petrochemical and oleo-chemical sectors would not be spared. Over the next year or so, committed capital expenditure allocated for major projects in the Middle-East, North Africa and Asian regions will continue to drive process equipment demand. Commitment for new projects in these sectors would slow significantly until the environment stabilizes and commodity prices recover. We anticipate both the energy and the oleo-chemical sectors to hold up relatively well given the less cyclical nature of demand.

The energy sector, a major user of process equipment should enjoy continued growth. Energy capacity addition is an on-going investment with relatively long lead time hence less capital expenditure spending is less influenced by short term factors. Highly populated countries like China, India, Russia, Brazil and Indonesia demand massive additions to energy capacity for many years to come. Rising energy costs are forcing utility companies in developed countries to replace old inefficient power plants. Both augur well for the sector and will be the mainstay of the Group's earnings stream at least for the near to medium term.

Despite the recent sharp correction of crude palm oil prices, moderate growth will persist as rapid expansion of palm oil acreage in East Malaysia in recent years has raised the production level of crude palm oil thereby necessitating capital expenditure for downstream oleo-chemical processing capacity. The sector is a major consumer of process equipment.

The oil and gas and petrochemical sectors will be most impacted by cutbacks in capital expenditure arising from the current global financial turmoil and slumping commodity prices. These would depress capital spending in both upstream and downstream oil, gas and petrochemical activities in the Middle-East, South America, North Africa and various parts of Asia. We expect demand to remain weak at least for a year until global economic activities pick up. However, in the longer term, capital spending should return and capacity expansion will necessary in the populated emerging economies.

Regionally, China, India, Indonesia and Vietnam will rapidly emerge as significant markets for fabricators. Their oil and gas and energy sectors are expected to attract large capital investment while the Indonesian oleo-chemical sector will continue with its capacity addition for years to come. As anticipated, the hype on the bio-fuel sector has subsided with a substantial number of the bio-fuel projects facing difficulties or have been shelved.

The Group is mindful of the prevailing uncertainties and difficulties in the operating environment and will continue to be vigilant and will take all the necessary measures to stay competitive. Over the past years the group has built a reputation and established strong goodwill with its list of clients which should enable it to weather this difficult period moreover, the strong cash position will enable the group to seize upon potential opportunities while maintaining a cautious and prudent strategy in all investments going forward.

DIVIDEND

The Board has recommended a final dividend of 3.0 sen per ordinary share less tax at 26% for the year ended 30 September 2008. This, upon approval by shareholders at the forthcoming Seventh Annual General Meeting, together with the interim dividend of 3.5 sen paid earlier, will bring the total dividend to 6.5 sen for the year ended 30 September 2008 (6.5% for 2007).

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.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of APB Resources Berhad ("the Board") is committed to the principles of corporate governance and best practises as prescribed within the Malaysian Code on Corporate Governance ("the Code"). The Board is committed to ensure the principles of corporate governance and best practises as set out in the Code are practiced throughout APB Resources Berhad ("the Company") and its subsidiary companies ("the Group") to protect and to enhance shareholders' value and financial performance.

The Board is pleased to report the Group's state of corporate governance for the financial year ended 30 September 2008.

1. THE BOARD OF DIRECTORS

1.1 The Board

The Group continues to be led and managed by an effective Board which has the overall responsibilities for corporate governance, for strategic, corporate and operational issues and also for capital expenditures, investment and divestment matters. These responsibilities ensure that the governance of the Group is firmly with the Board.

The Board comprises a balanced mix of members from diverse professional backgrounds and specialisations, collectively bringing with them a wide range of experience and expertise in areas such as operations, technical, strategy, finance, corporate affairs and risk management. The Executive Directors are responsible for implementing the policies and decisions of the Board, to oversee operations and to coordinate the development and implementation of business and corporate strategies. The Independent Non-Executive Directors bring objectivity and independent judgments to the decision making of the Board and to provide a review and challenge on the performance of management. As such, the Board is constituted of individuals who have proper understanding and competence to deal with the current and emerging business issues.

Brief descriptions on the background of each Director are presented on pages 4 to 7 of this Annual Report.

During the financial year ended 30 September 2008, the Board has held five (5) meetings. Details of Board meeting attendances during the financial year are as follows:

Name of Directors	Designation	Number of Meetings Attended
Yap Kow @ Yap Kim Fah	Chairman and Managing Director	5 / 5
Tan Teng Khuan	Chief Operating Officer and Executive Director	5 / 5
Gan Chin Boon	Executive Director	5 / 5
Yap Kau @ Yap Yeow Ho	Non-Independent Non-Executive Director	5 / 5
Mak Fong Ching (Ms.)	Independent Non-Executive Director	5 / 5
Chua Eng Seng	Independent Non-Executive Director	5 / 5
Johari Low bin Abdullah @ Low Han Hing	Independent Non-Executive Director	5 / 5
Muhayuddin bin Musa	Independent Non-Executive Director	5 / 5
Lim Hong Liang *- Appointed on 26 November 2008*	Non- Independent Non-Executive Director	N/A
Lim Lye Hock *- Resigned on 26 November 2008*	Executive Director	5 / 5

1.2 Board Balance

The Board is well balanced with Executive and Non-Executive Directors to meet the Group's requirements. As at the date of this statement, the Board has nine (9) members comprising of three (3) Executive Directors, two (2) Non-Independent Non-Executive Directors and four (4) Independent Non-Executive Directors. The majority of Directors are considered by the Board to be independent which complies and exceeds the directors' independence requirements as set out under paragraph 15.02 of Bursa Malaysia Securities Berhad's ("BMSB") Listing Requirements which requires that at least two (2) directors or one-third (1/3) of the board of the company, whichever is the higher, are independent directors.

statement on corporate governance
(continued)

1. THE BOARD OF DIRECTORS (continued)

1.2 Board Balance (continued)

The concept of independence adopted by the Board is in line with the definition of an independent director as per BMSB's Listing Requirements. The key elements for fulfilling the criteria are the appointment of directors who are not members of management i.e. non-executive directors and who are free of any relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of the company.

The roles of the Chairman and 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 (5) 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.

The Board is satisfied that the current Board composition fairly reflects the interests of the Company's minority shareholders.

1.3 Supply of Information

The Directors are provided with sufficient and timely information to enable the Directors to discharge their duties effectively. Meetings of the Board are scheduled in advance and information are prepared and circulated in timely manner to enable the Directors to peruse, obtain additional information and seek further clarification on the matters to be deliberated.

The Board recognises that the decision making process is highly dependent on the quality of information furnished. As such, all Directors have full and unrestricted access to timely and accurate information. The Board papers encompass both quantitative and qualitative factors so that informed decisions can be made. All proceedings from the Board meetings are minuted.

All Directors have access to the advice and services of the Company Secretary, who ensures that the Directors receive appropriate and timely information for its decision making, that the Board procedures are followed and the statutory and regulatory requirements are met. The Company Secretary also assists the Chairman in ensuring that all Directors are properly briefed on issues arising at Board meetings. The Board believes that the current Company Secretary is capable of carrying out his duties to ensure the effective functioning of the Board.

All Directors in discharging their respective duties have exercised balance and independent judgements when deliberating on matters of strategies, corporate, investments, operations and financials.

1.4 Re-election of Directors

In accordance with the Company's Articles of Association, at least one-third (1/3) of the Board members will retire by rotation at each Annual General Meeting ("AGM") and all Board members will retire from office at least once every three (3) years. Directors scheduled for retirement shall be eligible for re-election.

Re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors.

1.5 Directors' Training

All Board members have attended and successfully completed the Mandatory Accreditation Programme as prescribed by BMSB's Listing Requirements. The Board recognises the need to attend programmes and seminars to keep abreast with developments of new laws, regulations or best practises, or to be updated with new development in the market place.

During the financial year ended 30 September 2008, the Directors have attended seminars on "Investing in Turbulent Times", "Maximising your Strategic Media Relationships", "Legal Pitfalls in Property Purchase" and "Investing Offshore in Today's Climate".

statement on corporate governance
(continued)

1. THE BOARD OF DIRECTORS (continued)

1.6 Sub-Committees

To ensure the most effective and professional discharge of duties, the Board maintains three (3) committees, namely Audit Committee, Nomination Committee and Remuneration Committee, whereby each committee will focus on specific areas and will operate within clearly defined terms of reference. The details of these committees are as set out below. These committees are empowered to examine specific issues under their respective purview and to make recommendations to the Board. However, the ultimate responsibilities and decisions on all matters deliberated by these committees still rest with the Board.

(a) Audit Committee

The Audit Committee comprises four (4) Independent Non-Executive Directors. The Audit Committee members are as follows:

(i) Mak Fong Ching (Ms.) – Chairperson;
(ii) Chua Eng Seng;
(iii) Muhayuddin bin Musa; and
(iv) Johari Low bin Abdullah @ Low Han Hing.

The Audit Committee assists the Board to meet its fiduciary responsibilities relating to financial management and controls, and provide greater emphasis to audit functions by reviewing the objectivity and independence of external and internal auditors.

The Report of the Audit Committee for the financial year ended 30 September 2008 is presented on pages 17 to 20 of this Annual Report.

(b) Nomination Committee

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

(i) Chua Eng Seng – Chairman;
(ii) Mak Fong Ching; and
(iii) Muhayuddin bin Musa.

The Nomination Committee has held one (1) meeting for the financial year ended 30 September 2008 whereby the Company Secretary shall be the secretary for the Nomination Committee.

The Nomination Committee is to assist the Board in assessing the contributions of each Director, assessing the effectiveness of the Board and Board Committees, and where necessary, to consider and recommend new directors to the Board and to Board Committees. The Nomination Committee is also responsible to review the required mix of competencies and skills of Board members to serve the Group's business and operation needs.

(c) Remuneration Committee

The Remuneration Committee comprises three (3) Independent Non-Executive Directors and two (2) Executive Directors. The Remuneration Committee members are as follows:

(i) Muhayuddin bin Musa – Chairman;
(ii) Chua Eng Seng;
(iii) Mak Fong Ching;
(iv) Yap Kow @ Yap Kim Fah; and
(v) Tan Teng Khuan.

statement on corporate governance
(continued)

1. THE BOARD OF DIRECTORS (continued)

1.6 Sub-Committees (continued)

(c) Remuneration Committee (continued)

The Remuneration Committee has held one (1) meeting for the financial year ended 30 September 2008 whereby the Company Secretary shall be the secretary for the Remuneration Committee. The quorum for this meeting has been a majority of members who are Non-Executive Directors.

The Remuneration Committee is to assist the Board in assessing the responsibility and contribution of Board members and to ensure the remuneration packages of Board members reflect their responsibility and contribution. The Remuneration Committee is also responsible to recommend to the Board the remuneration packages of Executive Directors to ensure that these remuneration packages commensurate with the Executive Directors' contributions to the Group's growth and profitability. This is necessary to align the Executive Directors' interests with those of the shareholders.

However, the Board will have the responsibility to determine the Executive Directors' remuneration packages and the fees for Non-Executive Directors. The Board members are required to abstain from participating in any deliberation regarding their own remuneration packages or fees.

2. DIRECTORS' REMUNERATION

The aggregate remuneration paid or payable, by nature and amount, to all Directors of the Company for the financial year ended 30 September 2008 is as follow:

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Remuneration	783	-
Fees	20	85
Total	**803**	**85**

The number of Directors of the Company whose remuneration and fees fell within the respective bands is as follow:

	Executive Directors	Non-Executive Directors
Below RM50,000	1	5
RM100,001 – RM250,000	2	-
RM250,001 – RM400,000	1	-

3. SHAREHOLDERS

3.1 Communication and Investor Relations

The Board recognises the importance for the Company's shareholders to be adequately informed of all material business matters pertaining to the Group. The Board has maintained an active and constructive communication policy that enables the Board to communicate effectively with the Company's shareholders and members of the public.

statement on corporate governance
(continued)

3. SHAREHOLDERS (continued)

3.1 Communication and Investor Relations (continued)

The Company has made regular and timely announcements of its quarterly results, audited financial statements and annual reports, which have provided the Company's shareholders and members of the public with the necessary insight into the Group's business operations and financial performance. All announcements are electronically published at BMSB's website at www.bursamalaysia.com and this information is accessible at all time.

Mr. Tan Teng Khuan *(Chief Operating Officer and Executive Director)* has been designated as the Group's principal investor relation officer. Investors are welcome to direct their queries to him. The Group's Corporate and Finance Division has met with institutional investors and investment analysts from time to time to explain and to provide information pertaining to the Group's business operations and financial performance.

3.2 Annual General Meeting

The Board recognises that AGM is an important forum to communicate with the Company's shareholders on Group's strategies, goals, business operations, financial performance and major developments. It has been the Company's practise to send the Notice of the AGM and related documents to its shareholders at least twenty one (21) working days before the AGM.

The Company will hold its Seventh (7th) AGM on 26 February 2009 at 10.00 a.m.

At the AGM, the Board will present the progress and performance of the Group's businesses as contained within the annual reports and this provides opportunities for shareholders to raise queries pertaining to the Group's business activities. All Directors will be available to respond to shareholders' queries during the AGM. Nevertheless, in conducting these meetings, the Board is mindful of "share price" sensitive information and the fair opportunity of information to shareholders and potential investors.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

The Board is committed to present a balanced and understandable assessment of the Group's financial position and prospects to the Company's shareholders and members of the public. These results and write-ups on the prospects are contained in the Company's quarterly results, audited financial statements and annual reports.

The Group's financial statements were prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group at 30 September 2008. The Group's quarterly results and financial statements are reviewed and deliberated by the members of the Audit Committee in the presence of senior staff members of the Group's Corporate and Finance Division. The Group's external and internal auditors are encouraged to attend, whenever possible.

All quarterly results and financial statements have to be adopted by the Audit Committee before being recommended to the Board for its adoption. The Audit Committee's chairperson will brief the Board on any significant matters including material changes that need to be made to the quarterly results and financial statements.

statement on corporate governance
(continued)

4. ACCOUNTABILITY AND AUDIT (continued)

4.2 Internal Control

The Board affirms that it is their responsibility to maintain a sound system of internal controls that provides reasonable assurance in monitoring the effectiveness and efficiency of operations, reliability of management and financial reporting, and compliance with applicable laws and regulations. The system of internal controls also aims to identify and to manage any risks that the Group may encounter in pursuit of its business objectives. The Board recognizes that reviewing the adequacy of the Group's system of internal controls is a concerted and continuous process, and need to take into account the changes in the Group's external and internal environment.

The Group's Statement of Internal Control Statement is set out on pages 21 to 22 of this Annual Report.

4.3 Relationship with the Auditors

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

The roles of the Audit Committee in relation to the external and internal auditors are as stated on pages 17 to 20 of this Annual Report.

4.4 Compliance with Best Practises

Other than the separation of Chairman and Managing Director, identification of a senior independent non-executive director and the disclosure of detailed remuneration of each director, the Board believes that the Best Practices of the Code have been complied with and will endeavour to ensure continual compliance.

The Board regards the presence of independent and non-executive directors as majority within the composition of the Board indicates the existence of strong independent elements within the Board. Therefore, the non-separation of Chairman and Managing Director and naming of a senior independent non-executive director would not affect materially the Board balance of power and authority.

For the non-disclosure of detailed remuneration of each director, the Board is of the view that the transparency of directors' remuneration has been sufficiently deal with by 'band disclosure' presented in this statement.

This statement is made in accordance with a resolution of the Board dated 19 January 2009.

AUDIT COMMITTEE REPORT

1. MEMBERSHIP AND MEETINGS

The Audit Committee comprises of four (4) members whereby all members of the Committee are Independent Non-Executive Directors.

The Audit Committee members are as follows:

(i) Mak Fong Ching (Ms.) - Chairperson;
(ii) Chua Eng Seng;
(iii) Johari Low bin Abdullah @ Low Han Hing; and
(iv) Muhayuddin bin Musa.

During the financial year ended 30 September 2008, the Audit Committee has held six (6) meetings. Details of Audit Committee meeting attendances during the financial year are as follows:

Name of Directors	Number of Meetings Attended
Mak Fong Ching (Ms.) – Chairperson	6/6
Chua Eng Seng	6/6
Johari Low bin Abdullah @ Low Han Hing	6/6
Muhayuddin bin Musa	6/6

The Chief Operating Officer and the Company Secretary were present by invitation in all Audit Committee meetings. Representatives of the external auditors and internal auditors as well as other senior management personnel also attended the Audit Committee meetings by invitation.

2. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

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

In line with the terms of reference for the Audit Committee, the following activities were carried out during the financial year ended 30 September 2008:

(i) Reviewed with external auditors the results of their auditing processes, their audit reports and their evaluation of APB Resources Berhad ("the Company") and its subsidiary companies' ("the Group") systems of internal control noted in the course of their audit;

(ii) Reviewed with internal auditors on the risk parameters unique to the Group, their internal auditing programmes, their scope of work and their audit plans;

(iii) The Audit Committee has met with the external auditors without the presence of any Executive Director and Group's management;

(iv) Reviewed the related party transactions entered into by the Group, the process involved and the disclosure of such transactions within the Group's Annual Report and interim unaudited financial statements;

(v) Reviewed the interim unaudited financial statements and year-end financial statements with the Group's management and external auditors, and recommended these financial statements for approval by the Board of Directors of APB Resources Berhad ("the Board"); and

(vi) Reviewed the Company's compliance with Bursa Malaysia Securities Berhad's ("BMSB") Listing Requirements, applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements.

audit committee report
(continued)

3. INTERNAL AUDIT FUNCTIONS

For the financial year ended 30 September 2008, the Group has outsourced its internal audit functions to an independent consulting firm. The internal auditors have examined the adequacy and effectiveness of the Group's systems of internal control, risk management processes and compliance frameworks. The internal auditors have also reviewed the Group's business processes and have conducted visits to the Group's key business units.

After each internal audit cycle, the internal auditors' findings and recommendations for improvement were communicated to the Group's management for their responses and corrective actions, if necessary. These internal audit reports with the Group's management responses were submitted to the Audit Committee for discussion and the Audit Committee has recommended these internal audit reports incorporating the Audit Committee's comments to the Board for adoption.

4. TERMS OF REFERENCE

4.1 Objectives

The primary function of the Audit Committee is to assist the Board in fulfilling the oversight objectives on the Group's activities:

(i) To assist the Board in discharging the Board's responsibilities on financial reporting, evaluating the Group's internal and external auditing processes, and assessing the Group's processes relating to risks and control environment;

(ii) To enhance the perceptions held by interested parties such as shareholders, investors, regulators and creditors, on the objectivity and credibility of the Group's financial reports; and

(iii) To maintain through regularly scheduled meetings, a direct line of communication between the Board and the auditors.

4.2 Authority

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

The Audit Committee is also authorised by the Board to obtain legal or other independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise as and when the Audit Committee deem necessary.

4.3 Composition of Members

The Board shall elect and appoint Audit Committee members from amongst themselves, comprising not less than three (3) Directors, all of whom shall be Independent Non-Executive Directors. The term of office for the Audit Committee shall be for three (3) years and its members may be re-nominated and re-appointed by the Board. If for any reason, the members of the Audit Committee be reduced to below three (3), the Board shall within three (3) months of the event appoint such number of new members as may be required to make-up the minimum number of three (3) members.

The members of the Audit Committee shall elect a Chairperson from amongst themselves. The appointment of the Chairperson of the Audit Committee shall be approved by the Board. The Chairperson of the Audit Committee shall be an Independent Non-Executive Director. All members of the Audit Committee, including the Chairperson, will hold office if they serve as Directors of the Company. Should any member cease to be a Director of the Company, his or her membership in the Audit Committee would cease forthwith. No Alternate Director of the Board shall be appointed as a member of the Audit Committee.

audit committee report
(continued)

4. TERMS OF REFERENCE (continued)

4.3 Composition of Members (continued)

The Board shall at all times ensure that at least one (1) member of the Audit Committee shall be:

(i) A member of the Malaysian Institute of Accountants ("MIA"); or

(ii) If he or she is not a member of MIA, he must have at least three (3) years of working experience and:

(a) He must have passed the examinations specified in Part I of the First (1st) Schedule of the Accountants Act, 1967; or

(b) He must be a member of one (1) of the associations of the accountants specified in Part II of the First (1st) Schedule of the Accountants Act, 1967; or

(c) Fulfils such other requirements as prescribed by BMSB.

4.4 Meetings

Meetings shall be held not less than four (4) times a year. The external auditors may request a meeting with the Audit Committee if the external auditors consider this necessary to discuss matters which they believe should be brought to the attention of the Audit Committee.

The external auditors shall appear before the Audit Committee as and when required. The external auditors shall have the right to appear and be heard at any meetings of the Audit Committee. At least twice a year, the Audit Committee shall meet with the external auditors without any executive Board member present.

4.5 Quorum

The quorum for each meeting of the Audit Committee shall be a majority of members who are Independent Directors.

4.6 Secretary

The Company Secretary shall be the secretary of the Audit Committee.

4.7 Duties and Responsibilities

In fulfilling its primary objectives, the Audit Committee shall undertake the following duties and responsibilities:

(i) To review with the Group's external auditors on their audit plans, their evaluation of the Group's systems of internal control, the external auditors' report on the Group's financial statements and the extent of cooperation and assistance given by the Group's employees to the external auditors;

(ii) To review the quarterly and year-end financial statements with the Group's management and external auditors, and to recommend these financial statements for approval by the Board;

(iii) To review the scope, functions and resources for the internal audit functions and that these functions have the necessary authority to carry out their work;

(iv) To review the internal audit programmes, reports, and management's responses to these reports;

(v) To review the coordination of audit approaches between external and internal auditors;

(vi) To confirm that management has placed no restriction on the internal and external auditors;

(vii) To review any resignation from the external and internal auditors;

(viii) To nominate external and internal auditors for the Group;

audit committee report
(continued)

4. TERMS OF REFERENCE (continued)

4.7 Duties and Responsibilities (continued)

(ix) To review the accounting policies adopted by the Group, any changes in accounting principles or practices, and level of prudence applied in areas requiring judgments;

(x) To review the interim financial statements with the Group's management and to recommend these interim financial statements for approval by the Board, and to review press releases relating to Group's financial matters;

(xi) To review any related party transactions or conflict of interest situations that may arise within the Group including any transactions, procedures or course of conduct that may affect management integrity;

(xii) To review any significant transactions which are not normal for the Group's businesses;

(xiii) To review the effectiveness of management information system ("MIS") and other systems of control within the Group;

(xiv) To review processes established by management for compliance with other regulatory or reporting requirements; and

(xv) To perform such other duties and responsibilities as may be agreed to by the Audit Committee and the Board.

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 listed companies' assets. Bursa Malaysia Securities Berhad's Listing Requirements under Paragraph 15.27(b) requires directors of listed companies to include in annual reports, a statement about the state of internal control of the listed company as a group.

RESPONSIBILITY

The Board of Directors of APB Resources Berhad ("the Board") acknowledges the importance of having a sound system of internal control and risk management processes. The Board affirms that it is their responsibility to maintain a sound system of internal control that provides reasonable assurance in monitoring the effectiveness and efficiency of operations, reliability of management and financial reporting, and compliance with applicable laws and regulations.

The Board also recognizes that reviewing the adequacy of APB Resources Berhad ("the Company") and its subsidiary companies' ("the Group") systems of internal control is a concerted and continuous process. It should be noted that systems of internal control is designed to manage rather than to eliminate risks. Therefore, the Group's systems of internal control can only provide a reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses or against fraud.

INTERNAL AUDIT FUNCTIONS

The Group's internal audit functions have been outsourced to an independent consulting firm for the financial year ended 30 September 2008 to review the adequacy and effectiveness of the Group's systems of internal control, risk management processes and compliance frameworks. The internal auditors have also reviewed the Group's business processes and have conducted visits to the Group's key business units.

The internal auditors have reported their findings and recommendations to the Company's Audit Committee. The Audit Committee, by reviewing the internal auditors' reports and by inquiring with the Group's management, will then inform the Board on the adequacy and effectiveness of the Group's systems of internal control, risk management processes and compliance frameworks.

KEY PROCESSES OF INTERNAL CONTROL

The key processes the Board has established to review the adequacy and integrity of the Group's systems of internal control are as follows:

(i) A clearly defined responsibilities and duties, organization structure and authorization levels have been established and communicated by the Board to the Committees of the Board and to the management of key operating subsidiary companies;

(ii) The existence of an Executive Committee ("EXCO") which comprises key members of the Group's senior management. The EXCO's principal role is to deliberate on strategic matters, capital expenditures, investment matters and other major corporate and operational issues. Issues deliberated at the EXCO are subsequently tabled to the Board for approval;

(iii) The Board meets at least once every quarter to deliberate on the Group's management and financial performances, business developments and corporate issues. The Board also reviews and approves the Group's quarterly financial results, audited financial statements and annual reports;

statement of internal control
(continued)

KEY PROCESSES OF INTERNAL CONTROL (continued)

(iv) The existence of an Environment, Safety and Health ("ESH") Committee at a major subsidiary company of the Group comprising representatives from various departments and this ESH Committee meets to deliberate on staff safety and health issues in accordance with ESH policies; and

(v) Internal audits are conducted on a quarterly basis to review the systems of internal control and the processes that are in place to identify, manage and report risks. The Audit Committee reviews the internal audit reports and highlights to the Board its activities, findings and recommendations.

CONCLUSION

The Board believes the above frameworks provide a reasonable assurance of the integrity of the Group's systems of internal control.

Nonetheless, the Board recognizes that the processes of identification, assessment and management of significant business issues and risks facing the Group are continuous and should take into account the changes in the external and internal environment facing the Group.

This statement is made in accordance with a resolution of the Board dated 19 January 2009.

DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

There were no material contracts entered into by the Company and/or its subsidiary companies which involve Directors' and/or substantial shareholders' interests for the financial year ended 30 September 2008.

There were no contracts relating to loan entered into by the Company and/or its subsidiary companies which involve Directors' and/or substantial shareholders' interests since the previous financial year ended 30 September 2007.

SHARE BUY-BACK

The Company has not undertaken any share buy-back exercise for the financial year ended 30 September 2008.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There was no issuance of options, warrants or convertible securities by the Company during the financial year ended 30 September 2008.

AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMMES

The Company did not sponsor any ADR or GDR programme during the financial year ended 30 September 2008.

IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions or penalties imposed on the Company and its subsidiary companies, Directors or management by the relevant regulatory bodies during the financial year ended 30 September 2008.

NON-AUDIT FEES

There were no non-audit fees paid to the external auditors, KPMG, by the Group for the financial year ended 30 September 2008.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection pertaining to the financial year ended 30 September 2008. There were no variances of 10% or more between the audited results for the financial year ended 30 September 2008 and the unaudited results previously announced.

PROFIT GUARANTEE

The Company did not give any profit guarantee to any parties during the financial year ended 30 September 2008.

REVALUATION POLICY ON PROPERTIES

The Group revalues its properties every five (5) years and at shorter intervals whenever the fair values of the revalued assets are expected to differ materially from their carrying amounts.

REMUNERATION OF DIRECTORS

The details of remuneration of Directors for the financial year ended 30 September 2008 are stated on page 14 of this Annual Report.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

At the forthcoming Annual General Meeting, the Company intends to seek its shareholders' approval to renew the shareholders' mandate for recurrent related party transactions of a revenue or trading nature. The details of the shareholders' mandate to be sought are within the Circular to Shareholders dated 3 February 2009 and are attached to this Annual Report.

The details of recurrent related party transactions entered into for the financial year ended 30 September 2008 are as disclosed in note 30 of the accompanying financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILTY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year. These financial statements are to be drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of the results of their operations and cash flows for the financial year.

In preparing these financial statements, the Directors have:

- Adopted appropriate accounting policies and have applied these accounting policies consistently;
- Made judgments and estimates that are deemed reasonable and prudent;
- Ensured that all applicable approved accounting standards have been adhered to; and
- Prepared these financial statements on the basis of going concern.

The Directors have the responsibility to ensure that the Group and the Company have properly kept their accounting and other records and the registers as required by the Companies Act, 1965. These records and registers are to disclose with reasonable accuracy the financial positions of the Group and the Company.

The Directors have the overall responsibilities for taking steps as are reasonably open to them to safeguard the assets of the Group and of the Company in order 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 30 of the accompanying financial statements.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008

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 2008.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of its subsidiaries are stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	17,386,967	3,618,931

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company declared and paid:

i) a final ordinary dividend of 3.0 sen per ordinary share less tax at 26% totalling RM1,911,774 (2.2 sen net per ordinary share) in respect of the year ended 30 September 2007 on 11 April 2008; and

ii) an interim ordinary dividend of 3.5 sen per ordinary share less tax at 26% totalling RM2,230,414 (2.6 sen net per ordinary share) in respect of the year ended 30 September 2008 on 25 June 2008.

The final ordinary dividend recommended by the Directors in respect of the year ended 30 September 2008 is 3.0 sen per ordinary share less tax at 26% totalling RM1,911,782 (2.2 sen net per ordinary share) which is subject to shareholders' approval at the forthcoming Annual General Meeting.

DIRECTORS OF THE COMPANY

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

Director	Alternate
Yap Kow @ Yap Kim Fah	Yap Swee Sang *(appointed on 26.11.08)*
Tan Teng Khuan	
Gan Chin Boon	
Yap Kau @ Yap Yeow Ho	Yap Puhui Lin *(appointed on 26.11.08)*
Chua Eng Seng	
Johari Low Bin Abdullah @ Low Han Hing	
Mak Fong Ching	
Muhayuddin Bin Musa	
Lim Hong Liang *(appointed on 26.11.08)*	
Lim Lye Hock *(resigned on 26.11.08)*	

directors' report

for the year ended 30 september 2008 (continued)

DIRECTORS OF THE COMPANY (continued)

The holdings and deemed holdings in the ordinary shares and irredeemable convertible preference shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year as recorded in the Register of Directors' Shareholdings as at 30 September 2008 are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1-10-2007	Bought	Sold	At 30-9-2008
Direct interest in the Company				
Yap Kow @ Yap Kim Fah	8,241,381	-	-	8,241,381
Tan Teng Khuan	1,993	-	-	1,993
Gan Chin Boon	624,144	-	-	624,144
Lim Lye Hock	12,566	-	-	12,566
Yap Kau @ Yap Yeow Ho	33,000	-	-	33,000
Johari Low Bin Abdullah @ Low Han Hing	20,522	-	-	20,522
Muhayuddin Bin Musa	1	-	-	1
Indirect interest in the Company				
Yap Kow @ Yap Kim Fah	21,828,257	-	-	21,828,257
Tan Teng Khuan	18,376,000	-	-	18,376,000
Gan Chin Boon	18,376,000	-	-	18,376,000
Lim Lye Hock	18,376,000	-	-	18,376,000
Yap Kau @ Yap Yeow Ho	3,472,257	113,200	-	3,585,457

	Number of irredeemable convertible preference shares of RM1.00 each			
	At 1-10-2007	Bought	Sold	At 30-9-2008
Direct interest in the Company				
Yap Kow @ Yap Kim Fah	3,975,023	-	-	3,975,023
Tan Teng Khuan	242,102	-	-	242,102
Gan Chin Boon	301,013	-	-	301,013
Lim Lye Hock	370,879	-	-	370,879
Indirect interest in the Company				
Yap Kow @ Yap Kim Fah	14,164,958	-	-	14,164,958
Tan Teng Khuan	12,500,000	-	-	12,500,000
Gan Chin Boon	12,500,000	-	-	12,500,000
Lim Lye Hock	12,500,000	-	-	12,500,000
Yap Kau @ Yap Yeow Ho	1,664,958	-	-	1,664,958

By virtue of their interests in the shares of 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 2008 had any interest in the shares of the Company and of its related corporations during the financial year.

directors' report
for the year ended 30 september 2008 (continued)

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 company 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 companies in which the Directors have financial interests as disclosed in Note 30 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 authorised, 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 financial year.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Era Julung Sdn. Bhd., a wholly owned subsidiary, had on 28 March 2008 entered into a share purchase agreement with Mr. Lim Lye Hock, a Director of the Company, to dispose of the entire equity interest in Benmarl Sdn. Bhd., a wholly owned subsidiary, of 500,000 ordinary shares of RM1.00 each for a total cash consideration of RM1,000,000. The disposal was completed on 30 May 2008. This disposal has resulted in a loss of RM2,771,731 to the Group which includes written off of goodwill amounting to RM1,751,897.

OTHER STATUTORY INFORMATION

Before the balance sheet and income statement 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

directors' report

for the year ended 30 september 2008 (continued)

OTHER STATUTORY INFORMATION (continued)

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 within 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.

In the opinion of the Directors, except for the loss on disposal of Benmarl Sdn. Bhd., a wholly owned subsidiary, and provision for rectification works as disclosed in the Notes to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 30 September 2008 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 on behalf of the Board of Directors in accordance with a resolution of the Directors:

……………………………………………………………..

Yap Kow @ Yap Kim Fah

……………………………………………………………..

Tan Teng Khuan

Kuala Lumpur,
Date: 19 January 2009

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 33 to 84 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 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 2008 and of the results of their operations and cash flows for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....
Yap Kow @ Yap Kim Fah

....
Tan Teng Khuan

Kuala Lumpur,
Date: 19 January 2009

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Cheong Wai Pong**, 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 33 to 84 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 19 January 2009.

....
Cheong Wai Pong

Before me:

P. Thurirajoo AMN, PJK (No. W. 438)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF APB RESOURCES BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of APB Resources Berhad, which comprise the balance sheets as at 30 September 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 84.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2008 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 6 to the financial statements.

c) We are satisfied that the accounts 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

independent auditors' report
to the members of APB Resources Berhad (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG

Firm Number: AF 0758
Chartered Accountants

PETER HO KOK WAI

Approval Number: 1745/12/09(J)
Chartered Accountant

Petaling Jaya,

Date: 19 January 2009

BALANCE SHEETS
AS AT 30 SEPTEMBER 2008

	Note	Group 2008 RM	Group 2007 RM Restated	Company 2008 RM	Company 2007 RM
Assets					
Property, plant and equipment	3	40,747,639	41,380,326	-	-
Prepaid lease payments	4	8,334,119	8,503,455	-	-
Investment properties	5	-	1,060,000	-	-
Investment in subsidiaries	6	-	-	76,837,002	76,837,002
Other investment	7	35,000	125,885	-	-
Intangible asset	8	13,458,008	15,209,905	-	-
Total non-current assets		62,574,766	66,279,571	76,837,002	76,837,002
Receivables, deposits and prepayments	9	46,263,459	63,645,397	40,855,856	43,294,506
Inventories	10	7,640,515	8,362,809	-	-
Current tax assets		358,634	349,224	358,601	349,224
Assets classified as held for sale	11	415,000	-	-	-
Cash and cash equivalents	12	71,829,808	40,259,536	2,191,736	262,044
Total current assets		126,507,416	112,616,966	43,406,193	43,905,774
Total assets		189,082,182	178,896,537	120,243,195	120,742,776
Equity					
Share capital	13	112,217,964	111,501,947	112,217,964	111,501,947
Reserves	14	27,749,116	16,135,508	(86,372)	2,068,056
Total equity attributable to shareholders		139,967,080	127,637,455	112,131,592	113,570,003
Liabilities					
Deferred tax liabilities	16	163,703	480,214	-	-
Irredeemable convertible preference shares	13	657,038	1,373,055	657,038	1,373,055
Total non-current liabilities		820,741	1,853,269	657,038	1,373,055
Payables and accruals	17	48,000,595	42,695,928	7,454,565	5,799,718
Borrowings (secured)	15	-	5,390,369	-	-
Current tax liabilities		293,766	1,319,516	-	-
Total current liabilities		48,294,361	49,405,813	7,454,565	5,799,718
Total liabilities		49,115,102	51,259,082	8,111,603	7,172,773
Total equity and liabilities		189,082,182	178,896,537	120,243,195	120,742,776

The notes on pages 41 to 84 are an integral part of these financial statements.

INCOME STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	Group 2008 RM	Group 2007 RM Restated	Company 2008 RM	Company 2007 RM
Continuing operations					
Revenue	18	198,972,805	168,662,715	5,932,951	13,463,235
Cost of goods sold	18	(157,273,396)	(120,812,515)	-	-
Gross profit	18	41,699,409	47,850,200	5,932,951	13,463,235
Other income		2,952,722	964,519	20,920	29,936
Administrative expenses		(14,276,961)	(14,860,677)	(899,212)	(822,364)
Other expenses		(2,684,621)	(4,429,036)	-	-
Operating profit	19	27,690,549	29,525,006	5,054,659	12,670,807
Finance costs	20	(483,836)	(862,513)	(96,113)	(154,780)
Profit before tax		27,206,713	28,662,493	4,958,546	12,516,027
Tax expense	22	(7,048,015)	(6,927,145)	(1,339,615)	(3,317,610)
Profit after tax from continuing operations		20,158,698	21,735,348	3,618,931	9,198,417
Discontinued operation					
Loss from discontinued operation and loss on sale of discontinued operation, net of tax	23	(2,771,731)	(87,766)	-	-
Profit for the year		17,386,967	21,647,582	3,618,931	9,198,417
Attributable to:					
Shareholders of the Company		17,386,967	21,647,582	3,618,931	9,198,417
Profit for the year		17,386,967	21,647,582	3,618,931	9,198,417

	Note	Group 2008	Group 2007 Restated
Basic earnings per ordinary share (sen):	24		
from continuing operations		21.51	23.96
from discontinued operation		(3.22)	(0.10)
		18.29	23.86
Diluted earnings per ordinary share (sen):	24		
from continuing operations		18.27	19.55
from discontinued operation		(2.50)	(0.08)
		15.77	19.47

The notes on pages 41 to 84 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2008

		← Non-distributable			→	Distributable	
Group	**Note**	**Ordinary share capital RM**	**Irredeemable convertible preference shares ("ICPS") - equity component RM**	**Treasury shares RM**	**Revaluation reserve RM**	**Retained earnings RM**	**Total RM**
At 1 October 2006							
- as previously reported		88,072,209	22,591,669	-	-	100,157	110,764,035
- effect of reinvestment allowances under claimed	32	-	-	-	-	2,301,830	2,301,830
At 1 October 2006, restated		88,072,209	22,591,669	-	-	2,401,987	113,065,865
ICPS - capitalisation of liability component on dividend	25	-	838,069	-	-	-	838,069
Treasury shares acquired		-	-	(3,322,462)	-	-	(3,322,462)
Conversion of ICPS into ordinary shares		74,298	(74,298)	-	-	-	-
Profit for the year							
- as previously reported		-	-	-	-	20,964,478	20,964,478
- effect of reinvestment allowances under claimed	32	-	-	-	-	683,104	683,104
		-	-	-	-	21,647,582	21,647,582
Dividend on ICPS - equity component	25	-	-	-	-	(838,069)	(838,069)
Dividends to shareholders	25	-	-	-	-	(3,800,409)	(3,800,409)
Revaluation of property, plant and equipment, net of tax		-	-	-	46,879	-	46,879
At 30 September 2007		88,146,507	23,355,440	(3,322,462)	46,879	19,411,091	127,637,455

consolidated statement of changes in equity

for the year ended 30 september 2008 (continued)

Group	Note	Ordinary share capital RM	Irredeemable convertible preference shares ("ICPS") - equity component RM	Treasury shares RM	Revaluation reserve RM	Retained earnings RM	Total RM
		← *Non-distributable*			→	*Distributable*	
At 1 October 2007		88,146,507	23,355,440	(3,322,462)	46,879	19,411,091	127,637,455
ICPS							
- capitalisation of liability component on dividend	25	-	1,263,954	-	-	-	1,263,954
- reclassification between equity and liability portion of ICPS		-	(547,937)	-	-	-	(547,937)
Profit for the year		-	-	-	-	17,386,967	17,386,967
Dividend on ICPS							
- equity component	25	-	-	-	-	(1,631,171)	(1,631,171)
Dividends to shareholders	25	-	-	-	-	(4,142,188)	(4,142,188)
At 30 September 2008		88,146,507	24,071,457	(3,322,462)	46,879	31,024,699	139,967,080
		Note 13	Note 13	Note 14.1	Note 14.2		

The notes on pages 41 to 84 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2008

Company	Note	← Non-distributable Ordinary share capital RM	Irredeemable convertible preference shares ("ICPS") - equity component RM	→ Treasury shares RM	Distributable Retained earnings RM	Total RM
At 1 October 2006		88,072,209	22,591,669	-	830,579	111,494,457
ICPS						
- capitalisation of liability component on dividend	25	-	838,069	-	-	838,069
Treasury shares acquired		-	-	(3,322,462)	-	(3,322,462)
Conversion of ICPS into ordinary shares		74,298	(74,298)	-	-	-
Profit for the year		-	-	-	9,198,417	9,198,417
Dividend on ICPS						
- equity component	25	-	-	-	(838,069)	(838,069)
Dividends to shareholders	25	-	-	-	(3,800,409)	(3,800,409)
At 30 September 2007		88,146,507	23,355,440	(3,322,462)	5,390,518	113,570,003
At 1 October 2007		88,146,507	23,355,440	(3,322,462)	5,390,518	113,570,003
ICPS						
- capitalisation of liability component on dividend	25	-	1,263,954	-	-	1,263,954
- reclassification between equity and liability portions of ICPS		-	(547,937)	-	-	(547,937)
Profit for the year		-	-	-	3,618,931	3,618,931
Dividend on ICPS						
- equity component	25	-	-	-	(1,631,171)	(1,631,171)
Dividends to shareholders	25	-	-	-	(4,142,188)	(4,142,188)
At 30 September 2008		88,146,507	24,071,457	(3,322,462)	3,236,090	112,131,592
		Note 13	Note 13	Note 14.1	Note 14.3	

The notes on pages 41 to 84 are an integral part of these financial statements.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Group		Company	
	2008 RM	2007 RM Restated	2008 RM	2007 RM
Cash flows from operating activities				
Profit / (Loss) before tax from:				
- continuing operations	27,206,713	28,662,493	4,958,546	12,516,027
- discontinued operation	(135,444)	(77,091)	-	-
Adjustments for:				
Amortisation of prepaid lease payments	169,336	153,587	-	-
Change in fair value of investment properties	45,000	(48,900)	-	-
Depreciation of property, plant and equipment	4,253,463	4,194,525	-	-
Dividend income	-	-	(5,932,951)	(13,463,235)
Dividend on ICPS	96,113	154,780	96,113	154,780
Revaluation deficit of properties	-	772,010	-	-
Interest expenses	42,118	284,411	-	-
Interest income	(1,721,377)	(868,625)	(20,920)	(29,936)
Net gain on disposal of plant and equipment	(211,534)	(5,413)	-	-
Unrealised (gain)/loss on foreign exchange	(237,181)	588,568	-	-
Operating profit / (loss) before changes in working capital	29,507,207	33,810,345	(899,212)	(822,364)
Changes in working capital:				
Inventories	158,707	2,986,077	-	-
Payables and accruals	8,331,196	437,846	1,654,847	42,504
Receivables, deposits and prepayments	14,766,458	21,804,570	2,438,650	(16,295,957)
Cash generated from / (used in) operations	52,763,568	59,038,838	3,194,285	(17,075,817)
Tax paid	(8,840,419)	(8,384,562)	-	-
Tax refund	473,647	312	193,575	-
Interest paid	(125)	(1,829)	-	-
Interest received	1,721,377	868,625	20,920	29,936
Net cash generated from / (used in) operating activities	46,118,048	51,521,384	3,408,780	(17,045,881)

cash flow statements

for the year ended 30 september 2008 (continued)

		Group		Company	
		2008	2007	2008	2007
	Notes	RM	RM	RM	RM
			Restated		
Cash flows from investing activities					
Acquisition of property, plant and equipment		(4,133,584)	(4,910,697)	-	-
Deposits pledged withdrawn from licensed banks		735,736	875,596	-	-
Dividend received from a subsidiary		-	-	4,390,384	23,924,854
Proceed from disposal of discontinued operation		411,658	-	-	-
Proceeds from disposal of plant and equipment		235,100	19,500	-	-
Net cash (used in) / generated from investing activities		(2,751,090)	(4,015,601)	4,390,384	23,924,854
Cash flows from financing activities					
Dividend paid		(5,869,472)	(4,793,258)	(5,869,472)	(4,793,258)
Interest paid		(41,993)	(282,582)	-	-
Repayment of hire purchase		(80,454)	(161,721)	-	-
Repayment of trade financing facilities		(4,938,116)	(15,773,700)	-	-
Repurchase of treasury shares		-	(3,322,462)	-	(3,322,462)
Net cash used in financing activities		(10,930,035)	(24,333,723)	(5,869,472)	(8,115,720)
Net increase / (decrease) in cash and cash equivalents		32,436,923	23,172,060	1,929,692	(1,236,747)
Cash and cash equivalents at 1 October		39,018,155	15,846,095	262,044	1,498,791
Cash and cash equivalents at 30 September	(i)	71,455,078	39,018,155	2,191,736	262,044

cash flow statements

for the year ended 30 september 2008 (continued)

NOTES TO THE CASH FLOW STATEMENTS

(i) Cash and cash equivalents

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances	1,825,433	5,192,552	80,750	228,061
Deposits placed with licensed banks (net of pledged deposits)	67,518,659	33,922,535	-	-
Short term funds	2,110,986	33,983	2,110,986	33,983
Bank overdraft (secured)	-	(130,915)	-	-
	71,455,078	39,018,155	2,191,736	262,044

The notes on pages 41 to 84 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

APB Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

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

Principal place of business
No. 47 (Lot 540), Jalan Batu Tiga TUDM
Kampung Baru Subang
Seksyen U6, 40150 Shah Alam
Selangor Darul Ehsan

The consolidated financial statements as at and for the year ended 30 September 2008 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements of the Company as at and for the year ended 30 September 2008 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of its subsidiaries are stated in Note 6 to the financial statements.

The financial statements were approved by the Board of Directors on 19 January 2009.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB"), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965.

The MASB announced that FRS 139, Financial Instruments: Recognition and Measurement will be effective for annual periods beginning on or after 1 January 2010 hence the Group and the Company plan to adopt FRS 139 for the financial year ending 30 September 2011. The impact of applying FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in FRS 139.103AB.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in the notes to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group and the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

notes to the financial statements
(continued)

1. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- *Note 8 - measurement of the recoverable amounts of cash-generating units*
- *Note 9 - allowance for doubtful debts*

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

Certain comparative amounts have been reclassified to conform to the current year's presentation. The comparative consolidated income statement has been re-presented as if an operation discontinued during the current period had been discontinued from the start of the comparative period (see note 33).

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that the control commences until the date that control ceases.

Investment in subsidiaries is stated in the Company's balance sheet at cost less impairment losses.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with subsidiaries are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of Group entities at exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses.

Property, plant and equipment under the revaluation model

The Group revalues its properties 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.

Cost includes expenditure that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

Freehold buildings	50 years
Leasehold buildings	51 - 57 years
Furniture, fittings, office equipment and renovation	5 - 10 years
Motor vehicles	5 years
Plant and machineries and testing equipment	5 - 10 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(d) Prepaid lease payments

(i) Accounting policy note on leasehold land

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided except for leasehold land classified as investment property.

(ii) Revalued leasehold land

The Group had previously revalued its leasehold land and has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provisions in FRS 117.67A. Such prepaid lease payments is amortised over the lease term.

(e) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. All investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in the income statement.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the income statement.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, will be used whenever there is indication of significant change in fair values of the investments properties. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investment properties (continued)

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

(f) Intangible asset

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries.

For acquisitions prior to 1 October 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 October 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost and is no longer amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment.

Goodwill is allocated to cash-generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

(g) Investment

Long term investment other than investment in subsidiaries is 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.

(h) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(i) Amount due from/(to) contract customers

Amount due from/(to) contract customers on fixed price contracts is stated at cost plus attributable profits less foreseeable losses and 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 payables as amount due to contract customers.

notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(k) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statements. Gains are not recognised in excess of any cumulative impairment loss.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits placed with licensed banks, and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of pledged deposits and bank overdrafts.

(m) Impairment of assets

The carrying amounts of the Group's assets except for inventories, deferred tax assets and financial assets (other than investment in subsidiaries), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Share capital

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity and is not re-valued for subsequent changes in the fair value or market price of shares. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(o) Employee benefits

Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(q) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Forward foreign exchange contracts are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

(s) Irredeemable Convertible Preference Shares

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

The liability component is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component is measured at amortised cost using effective interest rate. At each reporting date, the equity component will be recapitalised with reference to the dividend paid.

(t) Revenue

(i) Fixed price contracts

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 the 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 received and 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.

(iii) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

(v) Tax expense

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised.

(w) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statements is restated as if the operation had been discontinued from the start of the comparative period.

(x) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential shares, which comprise Irredeemable Convertible Preference Shares ("ICPS").

notes to the financial statements
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. PROPERTY, PLANT AND EQUIPMENT

Group *Cost/Valuation*	**Freehold buildings RM**	**Leasehold buildings RM**	**Furniture, fittings, office equipment and renovation RM**	**Motor vehicles RM**	**Plant and machineries and testing equipment RM**	**Total RM**
At 1 October 2006	1,770,000	21,784,841	4,128,003	4,153,955	39,291,326	71,128,125
Effect of adopting FRS 140						
- Offset of accumulated depreciation on property transferred to investment property	(117,400)	(11,500)	-	-	-	(128,900)
Transfer to investment property (Note 5)	(922,600)	(88,500)	-	-	-	(1,011,100)
Adjustment on revaluation	(86,150)	(1,589,187)	-	-	-	(1,675,337)
Revaluation deficit	(7,200)	(764,810)	-	-	-	(772,010)
Revaluation surplus	63,350	-	-	-	-	63,350
Additions	-	1,209,156	291,338	164,171	3,246,032	4,910,697
Disposals	-	-	(4,288)	(99,797)	-	(104,085)
At 30 September 2007 / 1 October 2007	700,000	20,540,000	4,415,053	4,218,329	42,537,358	72,410,740
Additions	-	46,040	232,235	307,796	3,547,513	4,133,584
Disposals	-	-	(57,999)	(867,802)	-	(925,801)
Disposals of subsidiary	(380,000)	-	(330,380)	(524,305)	-	(1,234,685)
At 30 September 2008	320,000	20,586,040	4,258,909	3,134,018	46,084,871	74,383,838
Representing items at:						
Cost	-	46,040	4,258,909	3,134,018	46,084,871	53,523,838
Directors' valuation - 2007	320,000	20,540,000	-	-	-	20,860,000
At 30 September 2008	320,000	20,586,040	4,258,909	3,134,018	46,084,871	74,383,838

notes to the financial statements
(continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group Cost/Valuation	Freehold buildings RM	Leasehold buildings RM	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Plant and machineries and testing equipment RM	Total RM
Depreciation						
At 1 October 2006	168,150	1,218,638	2,478,584	3,443,727	21,421,025	28,730,124
Effect of adopting FRS 140						
- Offset of accumulated depreciation on property transferred to investment property	(117,400)	(11,500)	-	-	-	(128,900)
Adjustment on revaluation	(86,150)	(1,589,187)	-	-	-	(1,675,337)
Charge for the year	35,400	382,049	268,380	294,682	3,214,014	4,194,525
Disposals	-	-	(1,551)	(88,447)	-	(89,998)
At 30 September 2007 / 1 October 2007	-	-	2,745,413	3,649,962	24,635,039	31,030,414
Charge for the year	6,400	370,117	269,914	224,560	3,382,472	4,253,463
Disposals	-	-	(34,433)	(867,802)	-	(902,235)
Disposals of subsidiary	-	-	(305,432)	(440,011)	-	(745,443)
At 30 September 2008	6,400	370,117	2,675,462	2,566,709	28,017,511	33,636,199
Carrying amounts						
At 30 September 2006	1,601,850	20,566,203	1,649,419	710,228	17,870,301	42,398,001
At 30 September 2007 / 1 October 2007	700,000	20,540,000	1,669,640	568,367	17,902,319	41,380,326
At 30 September 2008	313,600	20,215,923	1,583,447	567,309	18,067,360	40,747,639

3.1 Revaluation

a) Freehold buildings were revalued by the Directors in 2007 based on valuations carried out on 30 September 2007 by Mr. Long Tian Chek, an independent registered professional valuer with Henry Butcher Malaysia Sdn. Bhd., on the open market valuation basis.

Had the building been carried at historical cost less accumulated depreciation, the carrying amount of the revalued building that would have been included in the financial statements at the end of the year would be as follow:

	Group 2008 RM	Group 2007 RM
Freehold buildings	225,418	538,496

notes to the financial statements
(continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.1 Revaluation (continued)

b) Leasehold buildings were revalued by the Directors in 2007 based on valuations carried out by independent registered professional valuers using the open market valuation basis as follows:

(i) Valuations made by Mr. Kow Lay Seng, a registered valuer with Henry Butcher Malaysia Sdn. Bhd. on 30 September 2007 in respect of leasehold buildings stated at RM16,100,000.

(ii) Valuation made by Mr. Long Tian Chek, a registered valuer with Henry Butcher Malaysia Sdn. Bhd. on 30 September 2007 in respect of a leasehold building stated at RM4,440,000.

Had the buildings been carried at historical cost less accumulated depreciation, the carrying amount of the revalued buildings that would have been included in the financial statements at the end of the year would be as follow:

	Group	
	2008 RM	2007 RM
Leasehold buildings	19,372,452	19,726,913

3.2 Security

Buildings at cost/valuation were charged to licensed banks as securities for borrowings (see Note 15) are as follows:

	Group	
	2008 RM	2007 RM
Buildings	20,215,923	20,540,000

At 30 September 2008, the banks have agreed and are in the midst of discharging these securities pledged by the Group (see Note 15).

3.3 Assets under hire purchase

The carrying amount of plant and equipment acquired under hire purchase arrangements included in the above is as follow:

	Group	
	2008 RM	2007 RM
Motor vehicles	-	101,600

3.4 Titles

In 2007, included in freehold buildings were properties at valuations of RM380,000 of which the strata titles for the buildings have yet to be issued to a subsidiary. On 30 May 2008, the properties together with the subsidiary were disposed (see note 31).

notes to the financial statements
(continued)

4. PREPAID LEASE PAYMENTS

Long term leasehold land	Group Unexpired lease period of more than 50 years RM
Cost	
At 1 October 2006 / 30 September 2007 / 1 October 2007 / 30 September 2008	9,373,000
Amortisation	
At 1 October 2006	715,958
Amortisation for the year	153,587
At 30 September 2007 / 1 October 2007	869,545
Amortisation for the year	169,336
At 30 September 2008	1,038,881
Carrying amounts	
At 1 October 2006	8,657,042
At 30 September 2007 / 1 October 2007	8,503,455
At 30 September 2008	8,334,119

The Group's long term leasehold land is stated at Directors' valuations based on professional valuations on the open market value basis conducted in 2002.

Long term leasehold land at cost of RM9,373,000 (2007 - RM9,373,000) was charged to licensed banks as securities for borrowings (see Note 15). At 30 September 2008, the banks have agreed and are in the midst of discharging these securities pledged by the Group (see Note 15).

5. INVESTMENT PROPERTIES

		Group	
	Note	2008 RM	2007 RM
At 1 October		1,060,000	-
Transfer from property, plant and equipment	3	-	1,011,100
Change in fair value		(45,000)	48,900
Disposal of subsidiary	23	(600,000)	-
Transfer to assets held for sale	11	(415,000)	-
At 30 September		-	1,060,000

notes to the financial statements
(continued)

5. INVESTMENT PROPERTIES (continued)

	Group 2008 RM	Group 2007 RM
Included in the above are:		
Freehold buildings	-	940,000
Leasehold buildings with unexpired lease period of more than 50 years	-	120,000
	-	1,060,000

5.1 Revaluation

Buildings were revalued by the Directors in 2007 based on valuations carried out by independent professional valuers using the open market valuation basis as follows:

(i) Valuation made by Dr. Teoh Poh Huat, a registered valuer with Henry Butcher Malaysia Sdn. Bhd. on 30 September 2007 in respect of a building stated at RM260,000.

(ii) Valuation made by Mr. Fook Tone Huat, a registered valuer with Henry Butcher Malaysia Sdn. Bhd. on 30 September 2007 in respect of a building stated at RM200,000.

(iii) Valuation made by Mr. Long Tian Chek, a registered valuer with Henry Butcher Malaysia Sdn. Bhd. on 30 September 2007 in respect of buildings stated at RM600,000.

5.2 Security

In 2007, included in investment properties was a property at valuation of RM200,000 charged to a licensed bank as security for borrowings.

5.3 Titles

In 2007, included in investment properties were properties at valuations of RM540,000 of which the titles for the building had not been issued to the subsidiaries.

On 30 May 2008, one of the properties with valuation of RM280,000 was disposed of alongside the disposal of subsidiary (see note 31). The other property with valuation of RM260,000 was reclassified to assets held for sale whereby the negotiation for its sales consideration was completed on 25 November 2008.

6. INVESTMENT IN SUBSIDIARIES

	Company 2008 RM	Company 2007 RM
Unquoted shares, at cost	76,837,002	76,837,002

notes to the financial statements
(continued)

6. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name	Principal activities	Effective ownership interest 2008 %	2007 %
Subsidiaries of APB Resources Berhad			
Era Julung Sdn. Bhd.	Investment holding	100	100
Landas Fikir Sdn. Bhd. *	Dormant	100	100
Subsidiaries of Era Julung Sdn. Bhd.			
Amalgamated Metal Corporation (M) Sdn. Bhd.	Fabrication of specialised design and manufacturing of engineering equipment	100	100
and its subsidiary:			
Finned Tubes Malaysia Sdn. Bhd.	Fabrication of finned tubes	100	100
Benmarl Sdn. Bhd. **	Provision of mechanical and electrical services and a contractor for industrial air-conditioning	-	100
Prescan Sdn. Bhd.	Provision of non-destructive testing services and other related services	100	100

All the subsidiaries are incorporated in Malaysia.

* This subsidiary is audited by another firm of Chartered Accountants.
** This subsidiary was disposed of on 30 May 2008 (see note 31).

7. OTHER INVESTMENT

	Group 2008 RM	Group 2007 RM
Other investment, at cost	75,000	210,000
Less: Allowance for diminution in value	(40,000)	(84,115)
	35,000	125,885

notes to the financial statements
(continued)

8. INTANGIBLE ASSET

	Group 2008 RM	Group 2007 RM
Goodwill		
At 1 October	15,209,905	15,209,905
Disposal of discontinued operation	(1,751,897)	-
At 30 September	13,458,008	15,209,905

Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's fabrication division which represents the highest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows generated from the continuing use of those units and was based on the following key assumptions:

(i) Cash flows were based on 10 years projection.

(ii) Revenue projection for the next 10 years was based on anticipated decline of 30% per annum from 2008 for the first year and 5% growth per annum thereon in the following years.

(iii) Effective tax rates were projected to be 25% for the next 10 years.

(iv) A discount rate of 7.50% was applied in determining the recoverable amount of those units. The discount rate was estimated based on the Group's existing rate of borrowings.

The values assigned to the key assumptions represent management's assessment of future trends in the industry.

The above estimates are particularly sensitive to the following areas:-

- An increase in 1% in the discount rate used would not result in impairment losses.

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Trade					
Trade receivables	9.1, 9.2	22,207,697	45,938,821	-	-
Less: Allowance for doubtful debts	9.3	(1,703,002)	(2,257,621)	-	-
		20,504,695	43,681,200	-	-
Amount due from contract customers	9.4	23,221,275	12,744,623	-	-
		43,725,970	56,425,823	-	-

notes to the financial statements
(continued)

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Non-trade					
Other receivables, deposits and prepayments	9.5	2,537,489	7,803,783	32,188	32,188
Less: Allowance for doubtful debts	9.3	-	(584,209)	-	-
		2,537,489	7,219,574	32,188	32,188
Amount due from subsidiaries	9.6	-	-	40,823,668	43,262,318
		2,537,489	7,219,574	40,855,856	43,294,506
		46,263,459	63,645,397	40,855,856	43,294,506

9.1 *Analysis of foreign currency exposure for significant trade receivables*

Significant trade receivables outstanding at year end that are not in the functional currency of the Group entities are as follows:

Functional currency	Foreign currency	2008 RM	2007 RM
RM	USD	9,453,750	27,736,100
RM	Euro	623,916	-
RM	SGD	1,683,920	1,028,051

9.2 *Trade receivables*

	Group 2008 RM	Group 2007 RM
Retention sum - Included in trade receivables	7,129,018	6,442,856

notes to the financial statements
(continued)

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

9.3 Allowance for doubtful debts

The Group makes allowance for doubtful debts based on assessment of recoverability. Whilst management's judgment is guided by past experience, judgment is required about future recovery of debts.

9.4 Amount due from / to contract customers

		Group	
	Note	2008 RM	2007 RM
Aggregate costs incurred to date		53,826,246	77,133,185
Add: Attributable profits (net of foreseeable losses)		9,951,507	11,404,489
		63,777,753	88,537,674
Less: Progress billings		(45,166,734)	(88,311,896)
		18,611,019	225,778
Amount due to contract customers	17	4,610,256	12,518,845
Amount due from contract customers		23,221,275	12,744,623

9.5 Other receivables, deposits and prepayments

(i) In 2007, included in other receivables, deposits and prepayments of the Group were advances to Renewable Hydro Resources Sdn. Bhd. ("RHRSB") amounting to RM584,209 for working capital purposes to carry out preliminary works at the hydro power project site. Allowance for doubtful debts was provided in full.

On 30 May 2008, the advances and the associated allowance for doubtful debts were disposed of alongside the disposal of a subsidiary.

(ii) Included in other receivables of the Group are advance payments for invoices to suppliers amounting to RM1,764,881 (2007 - RM6,554,661).

9.6 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

10. INVENTORIES

	Group	
	2008 RM	2007 RM
At cost		
Raw materials and consumables	7,640,515	7,797,489
At net realisable value		
Merchandised inventories	-	565,320
	7,640,515	8,362,809

notes to the financial statements

(continued)

11. ASSETS CLASSIFIED AS HELD FOR SALE

The freehold buildings previously classified as investment properties are presented as assets classified as held for sale as the potential buyers had been identified. The negotiation for the sales considerations have been completed on 17 October 2008 and 25 November 2008.

At 30 September 2008, the fair value of the investments properties, with reference to the sales considerations are, is as follows:

	Group	
	2008	2007
	RM	RM
Freehold buildings held for sale	415,000	-

The properties are charged to the bank as security for borrowings. At 30 September 2008, the bank is in the midst of discharging this security pledged by the Group.

12. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2008	2007	2008	2007
		RM	RM	RM	RM
Cash and bank balances		1,825,433	5,192,552	80,750	228,061
Short term funds	12.1	2,110,986	33,983	2,110,986	33,983
Deposits placed with licensed banks	12.2	67,893,389	35,033,001	-	-
		71,829,808	40,259,536	2,191,736	262,044

12.1 Short term funds

Included in short term funds of the Group and Company is a placement of fixed income trusts of which is redeemable upon 7 days notice.

12.2 Deposits placed with licensed banks

Deposits of the Group amounting to RM374,730 (2007 - RM1,110,466) are pledged to licensed banks as securities for borrowings granted to the subsidiaries (see Note 15).

notes to the financial statements
(continued)

13. SHARE CAPITAL

	Group and Company			
	Amount 2008 RM	Number of shares 2008	Amount 2007 RM	Number of shares 2007
Authorised				
Ordinary shares of RM1.00 each	175,000,000	175,000,000	175,000,000	175,000,000
5.5% Irredeemable Convertible Preference Shares ("ICPS") 2004 / 2009 of RM1.00 each	25,000,000	25,000,000	25,000,000	25,000,000
Total	200,000,000	200,000,000	200,000,000	200,000,000
Issued and paid up				
Ordinary shares of RM1.00 each	88,146,507	88,146,507	88,072,209	88,072,209
Conversion of ICPS to ordinary shares	-	-	74,298	74,298
Total ordinary shares	88,146,507	88,146,507	88,146,507	88,146,507
5.5% Irredeemable Convertible Preference Shares ("ICPS") 2004 / 2009 of RM1.00 each:				
Gross balance	24,728,495	24,728,495	24,802,793	24,802,793
Conversion of ICPS to ordinary shares	-	-	(74,298)	(74,298)
	24,728,495	24,728,495	24,728,495	24,728,495
Classified as liability component	(657,038)	-	(1,373,055)	-
Net equity component	24,071,457	24,728,495	23,355,440	24,728,495
Total	112,217,964	112,875,002	111,501,947	112,875,002

notes to the financial statements
(continued)

13. SHARE CAPITAL (continued)

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

(i) The ICPS was 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) The ICPS will be convertible into new ordinary shares of RM1.00 each in the Company at any time throughout the remaining tenure during which the ICPS are outstanding at the rate of one (1) ICPS for one (1) Company ordinary share;

(iii) All unconverted ICPS will be mandatorily converted into new ordinary shares of RM1.00 each of the Company at the maturity date and at the stated conversion rate;

(iv) The ICPS holders are entitled to receive a fixed cumulative dividend of 5.5% per annum which is payable annually in arrears on 31 December each year during the five (5) years period the ICPS remains outstanding;

(v) The ICPS holders are entitled to a return of capital in preference to holders of ordinary shares of the Company should the Company be wound up but shall not be entitled to any further participation in profit or assets;

(vi) The new ordinary shares of RM1.00 each of the Company to be issued upon any conversion of ICPS shall rank pari passu in all respects with the existing ordinary shares of RM1.00 each of the Company, including voting rights and the right to all dividends and other distributions that may be declared by the Company;

(vii) The ICPS holders shall have the same rights as existing ordinary shareholders of the Company as regards to receiving notices, reports, audited financial statements and attending general meetings of the Company; and

(viii) 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 of the ICPS holders such as when the dividend or part of the dividend on the ICPS is in arrears for more than six (6) months, on a proposal to reduce the Company's share capital, on a proposal for the disposal of the whole of the Company's property, business and undertaking, on a proposal that affects the rights and privileges to the ICPS, on a proposal to wind-up the Company and during the winding-up of the Company.

14. RESERVES

14.1 Treasury shares

The shareholders of the Company by a special resolution passed in the Annual General Meeting on 25 March 2008, approved the Company's plan to purchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interests of the Company and its shareholders.

There were no treasury shares purchased nor sold during the financial year. The number of treasury shares held at year end was 2,030,200 units.

14.2 Revaluation reserve (Non-distributable)

The revaluation reserve arose from the valuation of the Group's landed properties in 2007.

notes to the financial statements
(continued)

14. RESERVES (continued)

14.3 Retained earnings (Distributable)

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained earnings at 30 September 2008 if paid out as dividends.

The Malaysian Budget 2008 introduced single tier income tax system which is effective from 1 January 2008. Under this system, tax on a company's profit is a final tax, and dividends distributed to shareholders will be exempted from tax. Companies with credit balance in Section 108 account will be given an irrevocable option to elect for the single tier tax system.

The Company does not elect for the single tier system. The Company is therefore allowed to use the credit balance for the purpose of dividend distribution during the transitional period of 6 years until 31 December 2013.

15. BORROWINGS (SECURED)

	Group	
	2008	**2007**
	RM	**RM**
Current		
Bankers' acceptances	-	5,179,000
Bank overdraft	-	130,915
Hire purchase liabilities	-	80,454
	-	5,390,369

15.1 Terms and debt repayment schedules

In 2007, the bankers' acceptances were subjected to fixed interest rates of up to 3.00% above money market discount rate. The hire purchase liabilities were subjected to interest rates fixed between 3.45% to 4.10%.

In 2007, the bank overdraft was subjected to interest rate at 1.50% per annum above the lenders' base lending rate.

The borrowings are secured by:

i) fixed charges over certain land and buildings of a subsidiary (see Notes 3, 4 and 5);
ii) pledged over certain fixed deposits of the subsidiaries (see Note 12);
iii) joint and several guarantees by certain Directors of the Company; and
iv) corporate guarantees by the Company.

At 30 September 2008, the banks have agreed and are in the process of discharging the fixed charges over land and buildings of a subsidiary and joint and several guarantees by certain Directors of the Company.

notes to the financial statements
(continued)

15. BORROWINGS (SECURED) (continued)

15.2 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	2008			2007		
Group	Payments RM	Interest RM	Principal RM	Payments RM	Interest RM	Principal RM
Less than one year	-	-	-	82,426	(1,972)	80,454

16. DEFERRED TAX LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the followings:

Group	Assets		Liabilities		Net	
	2008 RM	2007 RM	2008 RM	2007 RM	2008 RM	2007 RM
Property, plant and equipment	-	-	3,345,382	3,017,743	3,345,382	3,017,743
Revaluation	-	-	-	16,471	-	16,471
Provisions	(3,231,601)	(2,401,000)	-	-	(3,231,601)	(2,401,000)
Other temporary differences	-	(153,000)	49,922	-	49,922	(153,000)
	(3,231,601)	(2,554,000)	3,395,304	3,034,214	163,703	480,214

Movement in taxable/(deductible) temporary differences during the year is as follow:

	Property, plant and equipment RM	Revaluation RM	Provisions RM	Other temporary differences RM	Total RM
At 1 October 2006	3,569,643	-	(544,285)	(51,000)	2,974,358
Recognised in income statement	(551,900)	-	(1,856,715)	(102,000)	(2,510,615)
Recognised directly in equity	-	16,471	-	-	16,471

notes to the financial statements
(continued)

16. DEFERRED TAX LIABILITIES (continued)

Recognised deferred tax assets and liabilities (continued)

Movement in taxable/(deductible) temporary differences during the year is as follow:

	Property, plant and equipment RM	Revaluation RM	Provisions RM	Other temporary differences RM	Total RM
At 30 September 2007/ 1 October 2007	3,017,743	16,471	(2,401,000)	(153,000)	480,214
Recognised in income statement	327,639	(16,471)	(830,601)	202,922	(316,511)
At 30 September 2008	3,345,382	-	(3,231,601)	49,922	163,703

Unrecognised deferred tax assets

No deferred tax has been recognised for the following items:

	Group 2008 RM	Group 2007 RM
Deductible temporary differences	-	(578,000)
Unutilised tax losses	-	(281,000)
	-	(859,000)

The unrecognised deferred tax assets was related to a subsidiary which was disposed of during the year.

17. PAYABLES AND ACCRUALS

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Trade					
Trade payables	17.1,17.2	18,734,676	15,794,414	-	-
Amount due to contract customers	9.4	4,610,256	12,518,845	-	-
		23,344,932	28,313,259	-	-

notes to the financial statements
(continued)

17. PAYABLES AND ACCRUALS (continued)

		Group		Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
Non-trade					
Amount due to a subsidiary	17.3	-	-	6,101,814	4,811,621
Other payables and accruals	17.4	23,547,897	13,642,121	244,985	247,549
Dividend payable		1,107,766	740,548	1,107,766	740,548
		24,655,663	14,382,669	7,454,565	5,799,718
		48,000,595	42,695,928	7,454,565	5,799,718

17.1 Analysis of foreign currency exposure for significant trade payables

Significant trade payables outstanding at year end that are not in the functional currency of the Group entities are as follows:

		2008 RM	2007 RM
Functional currency	**Foreign currency**		
RM	USD	309,100	2,083,541
RM	Yen	-	317,791
RM	Euro	28,542	-
RM	SGD	971,951	333,733
RM	GBP	9,184	-

17.2 Trade payables

Included in trade payables of the Group is an amount of RM1,004,289 (2007 - RM989,048) due to companies in which certain Directors of the Company have financial interests.

The amount is unsecured, interest free and repayable on demand.

17.3 Amount due to a subsidiary

The amount due to a subsidiary is unsecured, interest free and repayable on demand.

17.4 Other payables and accruals

Included in other payables and accruals of the Group is an amount of RM33,122 (2007 - RM47,490) due to companies in which certain Directors of the Company have financial interests.

notes to the financial statements
(continued)

18. REVENUE

	Group 2008 RM	Group 2007 RM Restated	Company 2008 RM	Company 2007 RM
Revenue - contract revenue	198,972,805	168,662,715	-	-
- dividend income	-	-	5,932,951	13,463,235
	198,972,805	168,662,715	5,932,951	13,463,235
Contract costs recognised as expenses	(157,273,396)	(120,812,515)	-	-
Gross profit	41,699,409	47,850,200	5,932,951	13,463,235

19. OPERATING PROFIT

	Group 2008 RM	Group 2007 RM Restated	Company 2008 RM	Company 2007 RM
Operating profit is arrived at after crediting:				
Allowance for doubtful debts written back	276,375	4,033	-	-
Change in fair value of investment properties	-	44,050	-	-
Dividend income	-	-	5,932,951	13,463,235
Gain on foreign exchange				
- realised	434,989	26,270	-	-
- unrealised	237,181	-	-	-
Interest income	1,721,377	846,499	20,920	29,936
Net gain on disposal of plant and equipment	211,534	5,413	-	-
Rental income	17,400	17,400	-	-
and after charging:				
Allowance for doubtful debts	183,642	145,090	-	-
Amortisation of prepaid lease payments	169,336	153,587	-	-
Auditors' remuneration	75,000	69,000	18,000	17,000
Change in fair value of investment properties	45,000	-	-	-
Depreciation of property, plant and equipment	4,253,463	4,118,749	-	-
Hire of machineries	43,486	172,922	-	-

notes to the financial statements
(continued)

19. OPERATING PROFIT (continued)

	Group		Company	
	2008 RM	2007 RM Restated	2008 RM	2007 RM
and after charging:				
Revaluation deficit of properties	-	772,010	-	-
Loss on foreign exchange				
- realised	2,533,637	3,676,659	-	-
- unrealised	-	588,568	-	-
Provision for rectification works	5,600,000	-	-	-
Personnel expenses				
- contribution to Employees Provident Fund	1,124,921	939,005	33,984	30,695
- wages, salaries and others	9,911,522	9,608,707	135,250	141,457
Rental of equipment	127,950	76,707	-	-
Rental of factory	908,451	965,400	-	-
Rental of hostel	107,668	81,140	-	-
Rental of motor vehicles	50,768	38,700	-	-

20. FINANCE COSTS

	Note	Group		Company	
		2008 RM	2007 RM Restated	2008 RM	2007 RM
Interest payable on:					
Bank overdrafts		125	1,829	-	-
Bankers' acceptances		40,504	271,995	-	-
Hire purchase		1,489	8,170	-	-
		42,118	281,994	-	-
Dividend on ICPS	25	96,113	154,780	96,113	154,780
Other bank charges		345,605	425,739	-	-
		483,836	862,513	96,113	154,780

notes to the financial statements
(continued)

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors				
- Fees	108,000	103,000	105,000	100,000
- Remuneration	1,059,879	1,042,023	159,650	66,000
	1,167,879	1,145,023	264,650	166,000

Apart from Directors, there are no other key management personnel having authority and responsibility for planning, directing, and controlling the activities of the Group entities directly or indirectly.

22. TAX EXPENSE

		Group		Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
Income tax expense:					
Current year / as previously reported		7,700,569	9,489,476	1,349,585	3,479,424
- effect of reinvestment allowances over claimed	32	-	(683,104)	-	-
As restated		7,700,569	8,806,372	1,349,585	3,479,424
- (over) / under provision in prior years		(336,043)	631,388	(9,970)	(161,814)
		7,364,526	9,437,760	1,339,615	3,317,610
Deferred tax (benefit) / expense:					
- origination and reversal of temporary differences		(953,700)	(1,282,370)	-	-
- under / (over) provision in prior years		653,660	(1,228,245)	-	-
- crystallisation of deferred tax liability on revaluation surplus of properties		(16,471)	-	-	-
		(316,511)	(2,510,615)	-	-
Tax expense		7,048,015	6,927,145	1,339,615	3,317,610

notes to the financial statements
(continued)

22. TAX EXPENSE (continued)

	Note	Group 2008 RM	Group 2007 RM Restated	Company 2008 RM	Company 2007 RM
Reconciliation of effective tax expense					
Profit for the year		20,158,698	21,735,348	3,618,931	9,198,417
Total tax expense		7,048,015	6,927,145	1,339,615	3,317,610
Profit excluding tax		27,206,713	28,662,493	4,958,546	12,516,027
Income tax using Malaysian tax rate at 26% (2007 - 27%)		7,073,745	7,738,873	1,289,222	3,379,327
Effect of changes in tax rates*		(41,822)	(74,833)	-	-
Effect of lower tax rate for subsidiaries **		(30,000)	(35,000)	-	-
Non-deductible expenses		282,899	590,224	65,802	108,180
Non-taxable income		(5,439)	(8,083)	(5,439)	(8,083)
Tax incentives		(532,514)	(683,104)	-	-
		6,746,869	7,528,077	1,349,585	3,479,424
Under/(over) provision in prior years		317,617	(600,932)	(9,970)	(161,814)
Crystallisation of deferred tax liability on revaluation surplus of properties		(16,471)	-	-	-
Tax expense		7,048,015	6,927,145	1,339,615	3,317,610

* The corporate tax rates are 27% for year of assessment 2007, 26% for year of assessment 2008 and 25% for year of assessment 2009. Consequently deferred tax assets and liabilities are measured using these tax rates.

** With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax rate at 20% on chargeable income up to RM500,000.

notes to the financial statements
(continued)

23. DISCONTINUED OPERATION

In May 2008, the Group sold the entire mechanical and electrical services and contractor for industrial air-conditioning business segment. The segment was not a discontinued operation or classified as held for sale as at 30 September 2007 and the comparative consolidated income statement in prior year has been re-presented to show the discontinued operation separately from continuing operations. Management committed to a plan to sell this business segment early in financial year 2008 as this business segment had been incurring losses since 2004 whilst the business environment of this segment will remain challenging in the near to medium term.

Loss attributable to the discontinued operation was as follows:

Results of discontinued operation	Group	
	2008 RM	2007 RM
Revenue	4,325,936	6,953,980
Expenses	(4,452,575)	(7,028,654)
Loss from operating activities	(126,639)	(74,674)
Finance cost	(8,805)	(2,417)
Tax expense	-	(10,675)
Loss from operating activities, net of tax	(135,444)	(87,766)
Loss on disposal of discontinued operation	(2,636,287)	-
Loss for the year	(2,771,731)	(87,766)
Included in results from operating activities are:		
Allowance for doubtful debts (net of recovery)	-	112,144
Change in fair value of investment property	-	(4,850)
Depreciation of property, plant and equipment	39,884	75,776
Inventories written down	-	137,474
Cash flows from discontinued operation:		
Net cash generated from operating activities	196,932	517,871
Net cash (used in)/generated from investing activities	(51,479)	20,737
Net cash used in financing activities	(14,627)	(1,830,232)
Net cash from/(used in) discontinued operation	130,826	(1,291,624)

notes to the financial statements
(continued)

23. DISCONTINUED OPERATION (continued)

Effect of disposal on the financial position of the Group:

	Note	2008 RM
Property, plant and equipment	3	(489,242)
Investment properties	5	(600,000)
Other investment		(90,885)
Inventories		(563,587)
Trade receivables	23.1	(2,829,306)
Other receivables	23.1	(23,355)
Cash and cash equivalents		(588,342)
Deferred tax liabilities		31,557
Tax payable		1,047
Trade payables		1,620,669
Other payables		1,270,726
Borrowings		240,884
Net identifiable assets		(2,019,834)
Consideration received, satisfied in cash		1,000,000
Cash disposed of		(588,342)
Net cash inflow		411,658

23.1 Included in trade receivables and other receivables are allowance of doubtful debts of RM461,886 (2007 : RM461,886) and RM584,209 (2007 : RM584,209) respectively.

24. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 September 2008 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

Group 2008	Discontinued operation RM	Continuing operations RM	Total RM
Profit for the year attributable to ordinary shareholders	(2,771,731)	20,158,698	17,386,967
Less: dividend on ICPS - equity component	-	(1,631,171)	(1,631,171)
Profit attributable to ordinary shareholders	(2,771,731)	18,527,527	15,755,796

notes to the financial statements
(continued)

24. EARNINGS PER ORDINARY SHARE (continued)

Group 2007 Restated	Discontinued operation RM	Continuing operations RM	Total RM
Profit for the year attributable to ordinary shareholders	(87,766)	21,735,348	21,647,582
Less: dividend on ICPS-equity component	-	(838,069)	(838,069)
Profit attributable to ordinary shareholders	(87,766)	20,897,279	20,809,513

Weighted average number of ordinary shares:

	Group 2008	Group 2007
Issued ordinary shares at 1 October	88,146,507	88,072,209
Less: effect of treasury shares held	(2,030,200)	(909,899)
Less: effect of conversion of ICPS into ordinary shares	-	63,917
Weighted average number of ordinary shares at 30 September	86,116,307	87,226,227

Basic earnings per ordinary share:

	Group 2008 SEN	Group 2007 SEN Restated
From continuing operations	21.51	23.96
From discontinued operation	(3.22)	(0.10)
	18.29	23.86

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 30 September 2008 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

notes to the financial statements
(continued)

24. EARNINGS PER ORDINARY SHARE (continued)

Diluted earnings per ordinary share (continued)

Group 2008	Discontinued operation RM	Continuing operations RM	Total RM
Profit for the year attributable to ordinary shareholders	(2,771,731)	20,158,698	17,386,967
Add: dividend on ICPS – liability component	-	96,113	96,113
Profit attributable to ordinary shareholders (diluted)	(2,771,731)	20,254,811	17,483,080
2007			
Restated			
Profit for the year attributable to ordinary shareholders	(87,766)	21,735,348	21,647,582
Add: dividend on ICPS – liability component	-	154,780	154,780
Profit attributable to ordinary shareholders (diluted)	(87,766)	21,890,128	21,802,362

Weighted average number of ordinary shares diluted

	Group 2008	 2007
Weighted average number of ordinary shares at 30 September	86,116,307	87,226,227
Add: effect of full conversion of ICPS	24,728,495	24,728,495
Weighted average number of ordinary shares (diluted) at 30 September	110,844,802	111,954,722

Diluted earnings per ordinary share:

	Group 2008 SEN	 2007 SEN Restated
From continuing operations	18.27	19.55
From discontinued operation	(2.50)	(0.08)
	15.77	19.47

notes to the financial statements
(continued)

25. DIVIDENDS

	Note	Group and Company 2008 RM	2007 RM
Preference dividend:			
Current year		1,360,067	992,849
Less: Amount relating to liability component	24	(96,113)	(154,780)
Amount relating to equity component		1,263,954	838,069
Prior year		367,217	-
		1,631,171	838,069
Ordinary dividend:			
Final dividend paid:			
3.0% (2007 – 2.5%) per ordinary share less tax		1,911,774	1,600,135
Interim dividend paid:			
3.5% (2007 - 3.5%) per ordinary share less tax in respect of the year ended 30 September		2,230,414	2,200,274
		4,142,188	3,800,409

The net dividend per ordinary share as disclosed in the Income Statements takes into account the total final dividend paid in respect of the year ended 30 September 2007 and interim dividend paid for the year.

The final ordinary dividend recommended by the Directors to be approved by the shareholders at the forthcoming Annual General Meeting in respect of the year ended 30 September 2008 is 3.0% per ordinary share less tax totalling RM1,911,782.

The proposed final dividend for this financial year will be accounted for as an appropriation of retained earnings upon shareholders' approval at the forthcoming Annual General Meeting.

26. SEGMENTAL REPORTING

Segmental 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, 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.

notes to the financial statements

(continued)

26. SEGMENTAL REPORTING (continued)

Business segments

The Group comprises the following main business segments:

Fabrication	Fabrication of specially designed engineering equipment.
Mechanical and electrical services and industrial air-conditioning	Provision of mechanical and electrical services and a contractor for industrial air-conditioning. This segment was sold at 30 May 2008 (see note 31).
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, segmental information based on geographical segments is not presented.

Business Segments

2008	Fabrication RM	Mechanical and Electrical services and industrial air-conditioning (Discontinued) RM	Non-destructive testing RM	Elimination RM	Consolidated RM	Less: Mechanical and Electrical services and industrial air-conditioning (Discontinued) RM	Continuing Operations RM
Total external revenue	195,453,492	4,325,936	3,519,313	-	203,298,741	(4,325,936)	198,972,805
Inter segment revenue	-	-	2,995,899	(2,995,899)	-	-	-
Total segmet revenue	195,453,492	4,325,936	6,515,212	(2,995,899)	203,298,741	(4,325,936)	198,972,805
Segment result	25,932,496	(126,639)	1,051,011	-	26,856,868	126,639	26,983,507
Unallocated expenses					(1,014,335)	-	(1,014,335)
Interest income					1,721,377	-	1,721,377

notes to the financial statements
(continued)

26. SEGMENTAL REPORTING (continued)

Business Segments 2008	Fabrication RM	Mechanical and Electrical services and industrial air-conditioning (Discontinued) RM	Non-destructive testing RM	Elimination RM	Consolidated RM	Less: Mechanical and Electrical services and industrial air-conditioning (Discontinued) RM	Continuing Operations RM
Operating profit					27,563,910	126,639	27,690,549
Finance costs					(492,641)	8,805	(483,836)
Profit before tax					27,071,269	135,444	27,206,713
Tax expense					(7,048,015)	-	(7,048,015)
Loss on disposal of discontinued operations					(2,636,287)	2,636,287	-
Profit for the year					17,386,967	2,771,731	20,158,698

Business Segments 2008	Fabrication RM	Mechanical and electrical services and industrial air-conditioning RM (Discontinued)	Non-destructive testing RM	Elimination RM	Consolidation RM
Segment assets	165,316,356	-	8,086,020	(810,216)	172,592,160
Unallocated assets					16,490,022
Total assets					189,082,182
Segment liabilities	46,728,628	-	721,498	(810,216)	46,639,910
Unallocated liabilities					2,475,192
Total liabilities					49,115,102
Amortisation of prepaid lease payments	169,336	-	-	-	169,336
Capital expenditure	3,961,069	-	172,515	-	4,133,584
Provision for rectification works	5,600,000	-	-	-	5,600,000
Depreciation of property, plant and equipment	3,884,407	-	369,056	-	4,253,463
Non-cash expenses other than depreciation, amortisation and impairment loss	45,000	-	183,642	-	228,642

notes to the financial statements
(continued)

26. SEGMENTAL REPORTING (continued)

Business Segments 2007 Restated	Fabrication RM	Mechanical and Electrical services and industrial air-conditioning (Discontinued) RM	Non-destructive testing RM	Elimination RM	Consolidated RM	Less: Mechanical and Electrical services and industrial air-conditioning (Discontinued) RM	Continuing Operations RM
Total external revenue	165,303,113	6,953,980	3,359,602	-	175,616,695	(6,953,980)	168,662,715
Inter segmen revenue	-	1,500	3,042,221	(3,043,721)	-	-	-
Total segmen revenue	165,303,113	6,955,480	6,401,823	(3,043,721)	175,616,695	(6,953,980)	168,662,715
Segment result	28,880,646	(74,674)	1,199,060	-	30,005,032	74,674	30,079,706
Unallocated expenses					(1,423,325)	-	(1,423,325)
Interest income					868,625	-	868,625
Operating profit					29,450,332	74,674	29,525,006
Finance costs					(864,930)	2,417	(862,513)
Profit before tax					28,585,402	77,091	28,662,493
Tax expense					(6,937,820)	10,675	(6,927,145)
Profit for the year					21,647,582	87,766	21,735,348

notes to the financial statements
(continued)

26. SEGMENTAL REPORTING (continued)

Business Segments 2007 Restated	Fabrication RM	Mechanical and electrical services and industrial air-conditioning RM (Discontinued)	Non-destructive testing RM	Elimination RM	Consolidation RM
Segment assets	151,879,284	4,906,580	6,216,089	-	163,001,953
Unallocated assets					15,894,584
Total assets					178,896,537
Segment liabilities	43,984,040	2,805,719	1,897,901	-	48,687,660
Unallocated liabilities					2,571,422
Total liabilities					51,259,082
Amortisation of prepaid lease payments	153,587	-	-	-	153,587
Capital expenditure	4,656,433	1,389	252,875	-	4,910,697
Depreciation of property, plant and equipment	3,717,499	75,776	401,250	-	4,194,525
Revaluation deficit of properties	772,010	-	-	-	772,010
Non-cash expenses other than depreciation, amortisation and impairment loss	632,618	132,836	245,091	-	1,010,545

27. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's activities are exposed to various types of financial risks, including credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's overall financial risk management objective is to attain the optimum returns for its shareholders. The management monitors these risks by reviewing all significant transactions.

Credit risk

Management carries out a continuous review over the Group's exposure to credit risk, and deposits are placed only with licensed banks.

At balance sheet date, there was no significant concentration of credit risk arose from the Group's trade receivables (2007 - RM23,883,844). The maximum exposure to credit risk for the Group is represented by the carrying amount of the financial assets.

Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment 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.

27. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk

Foreign currency risk arises from sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are US Dollar, Singapore Dollar, Euro Dollar, Japanese Yen and Pound Sterling. The Group mitigates its foreign currency risk through utilisation of trade facilities such as bankers' acceptances, trust receipts and letters of credit, thereby limiting the foreign currency exposure during the tenure of the credit period given.

During the year under review, certain US Dollar denominated projects have been fully hedged using forward exchange contracts which mirror the estimated cash flow of the projects. Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies are not recognised in the income statement.

The Directors monitor the Group's exposure to foreign currency risk on a continuous basis.

Interest rate risk

The Group's primary interest rate risk arises from interest bearing borrowings.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

	Effective interest rates per annum %	Total RM	Within 1 year RM
Group			
2008			
Financial assets			
Deposits placed with licensed banks	3.42	67,893,389	67,893,389
Short term funds	3.18	2,110,986	2,110,986
2007			
Financial assets			
Deposits placed with licensed banks	3.28	35,033,001	35,033,001
Short term funds	2.96	33,983	33,983
Financial liabilities			
Secured bankers' acceptances	5.20	5,179,000	5,179,000
Secured bank overdraft	8.25	130,915	130,915
Hire purchase liabilities	6.90 – 8.00	80,454	80,454

notes to the financial statements

(continued)

27. FINANCIAL INSTRUMENTS (continued)

	Effective interest rates per annum %	Total RM	Within 1 year RM
Company			
2008			
Financial assets			
Short term funds	3.18	2,110,986	2,110,986
2007			
Financial assets			
Short term funds	2.96	33,983	33,983

Fair values

Recognised financial instruments

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

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial instruments, together with their carrying amounts shown in the balance sheet, are as follows:

		2008		2007	
Group	**Note**	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Other investment	27.1	35,000	35,000	125,885	125,885
Forward exchange contracts:					
Liabilities		-	757,066	-	-

notes to the financial statements
(continued)

27. FINANCIAL INSTRUMENTS (continued)

The nominal value of derivatives are as follows:

	2008 RM	2007 RM
Forward exchange contracts		
Liability - in USD	30,489,000	-
- in Euro	2,453,000	-

27.1 The basis used in determining the fair value of other investment which represent golf club memberships were determined based on the current price of the membership.

Estimatation of fair value

Forward exchange contracts are marked to market using listed market prices.

28. CAPITAL COMMITMENTS

	2008 RM	2007 RM
Plant and equipment		
Contracted but not provided for	5,404,000	-

29. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2008 RM	2007 RM
Corporate guarantees granted to licensed banks in respect of credit facilities granted to its subsidiaries	128,700,000	143,203,000

30. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group.

notes to the financial statements
(continued)

30. RELATED PARTIES (continued)

The significant related party transactions of the Group and the Company are as follows:

		Transaction value year ended 30 September		Balances at 30 September	
		2008	2007	2008	2007
Group	**Transaction**	**RM**	**RM**	**RM**	**RM**
Companies where certain Directors of the Company have financial interests:					
Peng Fah Engineering Sdn. Bhd.	Rental expenses	408,000	408,000	-	-
Technical Resources Sdn. Bhd.	Purchases of welding consumables and maintenance of equipment	2,371,064	1,479,947	595,654	657,114
TTS Insu-Write Services Sdn. Bhd.	General and marine cargo insurance	222,950	268,936	33,122	47,490
TTS Transport Sdn. Bhd.	Transportation services	1,684,281	1,199,772	398,528	308,771
TTS Engineering Sdn. Bhd.	Minor fabrication works and rental expenses	631,536	566,234	6,235	18,500
TTS Enterprise Sdn. Bhd.	Maintenance of lorries and machineries	36,596	42,795	3,872	4,663
TTS Teknik Sdn. Bhd.	Machining and processing works	20,924	9,525	-	-
Company					
With a subsidiary, Era Julung Sdn. Bhd.	Dividend receivable	5,932,951	13,463,235	-	-

The terms and conditions for the above transactions are based on normal trade terms. All the amounts outstanding are unsecured and expected to be settled with cash.

31. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Era Julung Sdn. Bhd., a wholly owned subsidiary, had on 28 March 2008 entered into a share purchase agreement with Mr. Lim Lye Hock, a Director of the Company, to dispose of the entire equity interest in Benmarl Sdn. Bhd., a wholly owned subsidiary, of 500,000 ordinary shares of RM1.00 each for a total cash consideration of RM1,000,000. The disposal was completed on 30 May 2008. This disposal has resulted in a loss of RM2,771,731 to the Group which includes written off of goodwill amounting to RM1,751,897.

notes to the financial statements
(continued)

32. PRIOR YEAR ADJUSTMENTS

The prior year adjustments relate to a correction of prior years' errors for the financial years 2005, 2006 and 2007. In 2007, in the absence of confirmation from Inland Revenue Board, retrospective adjustments had been made in relation to reinvestment allowances as the reinvestment allowance period is deemed to have lapsed in year 2004. These errors resulted in understatement of income tax and hence, overstatement of profit for prior years.

On 27 May 2008, the Company received a letter from Inland Revenue Board confirming its eligibility for reinvestment allowances and reinvestment allowance period. Accordingly, adjustments were made in current year to reflect the change of circumstances.

These prior year adjustments had the following impact on the financial statements:

Group	**2007** **RM**
Income statements for the year ended 30 September	
Increase in profit for the year	683,104
Balance sheets for the year ended 30 September	
Increase in retained earnings	2,984,934

	Group	
	As restated **RM**	**As previously stated** **RM**
Income statements for the year ended 30 September 2007		
Profit for the year	21,647,582	20,964,478
Balance sheets as at 30 September 2007		
Retained earnings	19,411,091	16,426,157

notes to the financial statements
(continued)

33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified as a result of the prior year adjustments as stated in Note 32 and to conform to the presentation requirement of FRS 101. In addition, the comparative income statement has been re-presented as if an operation discontinued during the current period had been discontinued from the start of the comparative period (see note 23).

	Group	
	As restated RM	**As previously stated RM**
Balance sheet		
Current tax liabilities	(1,319,516)	(4,304,450)
Income statement		
Revenue	(168,662,715)	(175,616,695)
Cost of goods sold	120,812,515	127,019,820
Administrative expenses	14,860,677	15,743,419
Other income	(964,519)	(1,035,636)
Operating profit	(29,525,006)	(29,460,056)
Finance costs	862,513	874,654
Profit before tax	(28,662,493)	(28,585,402)
Tax expense	6,927,145	7,620,924
Profit for the year	(21,647,582)	(20,964,478)
Basic earnings per ordinary share (sen)	23.86	23.07
Diluted earnings per ordinary share (sen)	19.47	18.86
Statement of changes in equity		
Retained earnings	19,411,091	16,426,157

LIST OF PROPERTIES
AS AT 30 SEPTEMBER 2008

	Property (Individual / Master / Strata Title No.)	Tenure	Description (Approximate Age of Building) / Existing Use	Land Area / Built-Up Area (Date for Certificate of Fitness)	Carrying Amounts As At 30 Sept 2008 (RM)	Open Market Value (RM)	Date of Valuation
	Amalgamated Metal Corporation (M) Sdn. Bhd.						
1.	No. 69, Jalan Kapal, Off Jalan Chain Ferry, 12100 Butterworth, Penang (HS(D) No. 7241, PT No. 290, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Penang)	Freehold	Intermediate Unit Double-Storey Shophouse [(A)] (24 years) / Tenanted	1,400 / 2,500 square feet Not Available	170,000 (As Investment Property)	200,000	30 September 2007
2.	No. 167-04-03 Gurney Park, Persiaran Gurney, 10250 Penang (Geran No. 60550, Lot No. 2641, Seksyen 1, Bandar Georgetown, Daerah Timor Laut, Penang)	Freehold	A 3-Bedrooms Apartment [(B)] (7 years) / For Staff Amenities	- / 856 square feet Not Available	245,000 (As Investment Property)	260,000	30 September 2007
3.	Lot No. 23-C, Jalan Gebeng 1/1, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang (HS(D) No. 18127, PT No. 7533, Mukim Sungai Karang, Daerah Kuantan, Pahang)	Leasehold 66 years expiring on 23 August 2064	Four (4) Single-Storey Detached Factory/ Workshop Cum Storage Area (4 years) / For Factory Operations	26,110 / 37,747 square metres 8 June 2003	6,529,649 (Within Property Plant and Equipment) 2,498,604 (Within Prepaid Lease Payments) 9,028,253 (Total)	6,600,000 (For Buildings) 3,200,000 (For Land) 9,800,000 (Total)	30 September 2007
4.	Lot No. 109-B, Jalan Gebeng 1/1, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang (HS(D) No. 17909, PT No. 7494, Mukim Sungai Karang, Daerah Kuantan, Pahang)	Leasehold 66 years expiring on 26 May 2064	Three (3) Storey Office Building, Five (5) Single-Storey Detached Factory/ Workshop Cum Storage Area (7 years) / For Office and Factory Operations	39,250 / 179,541.2 square metres 12 June 1995	9,333,333 (Within Property, Plant and Equipment) 3,747,907 (Within Prepaid Lease Payments) 13,081,240 (Total)	9,500,000 (For Buildings) 4,700,000 (For Land) 14,200,000 (Total)	30 September 2007

list of properties

as at 30 september 2008 (continued)

	Property (Individual / Master / Strata Title No.)	Tenure	Description (Approximate Age of Building) / Existing Use	Land Area / Built-Up Area (Date for Certificate of Fitness)	Carrying Amounts As At 30 Sept 2008 (RM)	Open Market Value (RM)	Date of Valuation
	Amalgamated Metal Corporation (M) Sdn. Bhd.						
5.	Lot No. 540, Jalan TUDM, Kampung Baru Subang, 40150 Shah Alam, Selangor (HS(D) No. 116988, PT No. 540, Mukim Pekan Subang, Daerah Petaling, Selangor)	Leasehold 60 years expiring on 13 January 2058	Three (3) Storey Office Building, Two (2) Single-Storey Detached Factory/ Workshop Cum Storage Area (3 1/2 years) / For Office and Factory Operations	8,094 / 4,597 square metres 29 March 2004	4,352,941 (Within Property, Plant and Equipment) 2,087,607 (Within Prepaid Lease Payments) 6,440,548 (Total)	4,440,000 (For Buildings) 2,610,000 (For Land) 7,050,000 (Total)	30 September 2007
	Prescan Sdn. Bhd.						
1.	No. 24, Jalan Tabla 33/21, Shah Alam Technology Park, Seksyen 33, 40400 Shah Alam, Selangor (Geran No. 28189 and Lot No. 22200 and Geran No. 28185 and Lot No. 22196, Mukim Klang, Daerah Klang, Selangor)	Freehold	Intermediate Unit 1 1/2 Storey Terraced Factory (4 years) / For Office and Factory Operations	2,000 / 3,000 square feet 11 August 2000	313,600 (Within Property, Plant and Equipment)	320,000	30 September 2007

Note:

(A) Amalgamated Metal Corporation (M) Sdn Bhd has entered into a Sale and Purchase Agreement dated 17 October 2008 to dispose this Intermediate Unit Double-Storey Shophouse for a consideration of RM170,000.

(B) Amalgamated Metal Corporation (M) Sdn Bhd has entered into a Sale and Purchase Agreement dated 25 November 2008 to dispose this 3-Bedrooms Apartment for a consideration of RM245,000.

ANALYSIS OF SHAREHOLDINGS

AS AT 5 JANUARY 2009

Authorized Share Capital	175,000,000 ordinary shares
	25,000,000 Cumulative Irredeemable Convertible Preference shares
Issued and Paid-up Share Capital	86,116,307 ordinary shares (excluding 2,030,200 shares bought-back)
	24,728,495 Cumulative Irredeemable Convertible Preference Shares
Class of Sahres	Ordinary Shares of RM1.00 each
	Cumulative Irredeemable Convertible Preference Shares of RM1.00 each
Voting Rights	One vote per ordinary share on poll

DISTRIBUTION OF SHAREHOLDINGS

Ordinary Shares

	Shareholders				No. of Shares Held			
	Malaysian		Foreigner		Malaysian		Foreigner	
Size of Shareholdings	No.	%	No.	%	No.	%	No.	%
Less than 100	2,016	42.21	31	0.65	76,927	0.09	1,275	0.00
100 -1,000	1,342	28.10	33	0.69	595,701	0.68	11,775	0.01
1,001 - 10,000	963	20.17	11	0.23	4,269,193	4.84	59,000	0.07
10,001 - 100,000	301	6.30	12	0.25	9,619,741	10.91	430,450	0.49
100,001 - 4,305,814 (less than 5% of the issued shares)	63	1.32	1	0.02	35,047,471	39.76	537,093	0.61
4305815 and above (5% of the issued shares and above)	3	0.06	0		35,467,681	40.24	0	0.00
Total	4,688	98.16	88	1.84	85,076,714	96.52	1,039,593	1.18

Note:
Excluding a total of 2,030,200 ordinary shares bought-back by APB and retained as treasury shares as at 5 January 2009.

Cumulative Irredeemable Convertible Preference Shares

	Shareholders				No. of Shares Held			
	Malaysian		Foreigner		Malaysian		Foreigner	
Size of Shareholdings	No.	%	No.	%	No.	%	No.	%
Less than 100	0	0.00	0	0.00	0	0.00	0	0.00
100 -1,000	1	8.33	0	0.00	181	0.00	0	0.00
1,001 - 10,000	0	0.00	0	0.00	0	0.00	0	0.00
10,001 - 100,000	0	0.00	0	0.00	0	0.00	0	0.00
100,001 - 1,236,424 (less than 5% of the issued shares)	6	50.00	0	0.00	1,536,714	6.22	0	0.00
1,236,424 and above (5% of the issued shares and above)	5	41.67	0	0.00	23,191,600	93.78	0	0.00
Total	12	100.00	0	0.00	24,728,495	100.00	0	0.00

analysis of shareholdings

as at 5 january 2009 (continued)

TOP THIRTY SECURITIES ACCOUNT HOLDERS - ORDINARY SHARES

Shares held in APB

No	Name	No. of Shares	%
1	Ikram Pintas Sdn. Bhd	18,376,000	21.34
2	Lembaga Tabung Haji	8,850,300	10.28
3	Yap Kow @ Yap Kim Fah	8,241,381	9.57
4	Lim Hong Liang	4,132,445	4.80
5	Aspirasi Jitu Sdn. Bhd	3,775,788	4.38
6	TTS Resources Sdn. Bhd	3,452,257	4.01
7	Amanah Raya Nominees (Tempatan) Sdn. Bhd *Sekim Amanah Saham Nasional*	2,790,300	3.24
8	Lim Hong Liang	2,161,500	2.51
9	Goh Siang Kuan	1,762,322	2.05
10	RHB Capital Nominees (Tempatan) Sdn. Bhd *Pledged Securities Account For Lee Teck Yuen (MLK)*	1,000,000	1.16
11	Chong Weng Choy	1,000,000	1.16
12	Cheong Boon Yu	654,144	0.76
13	Amanah Raya Nominees (Tempatan) Sdn. Bhd *Amanah Saham Nasional 2*	645,300	0.75
14	BHLB Trustee Berhad *Pacific Recovery Fund*	634,400	0.74
15	CITIGROUP Nominees (Tempatan) Sdn.Bhd *UNI. ASIA LIFE Assurance Berhad (Life Fund)*	625,800	0.73
16	Gan Chin Boon	624,144	0.72
17	Tan Lee Hwa	570,000	0.66
18	Chi Hoo @ Chu Chi Hoo	537,093	0.62
19	Peringkat Tegas Sdn. Bhd	500,000	0.58
20	Lim Pin Kong	500,000	0.58
21	Wong Than Loy	490,800	0.57
22	Rare Prestige Sdn. Bhd	415,959	0.48
23	MAYBAN Securities Nominees (Tempatan) Sdn. Bhd *Pledges Securities Account For Ahmad Zahdi Bin Jamil*	400,000	0.46
24	Muhammad Marzuki Bin A Samad	399,000	0.46
25	RHB Capital Nominees (Tempatan) Sdn. Bhd *Pledged Securities Account For Choong Foong Ming (CEB)*	385,600	0.45
26	Ng Faai @ Ng Yoke Pei	378,000	0.44
27	Fong Pick Kim	358,000	0.42
28	Phang Joo See	349,700	0.41
29	Cartaban Nominees (Tempatan) Sdn. Bhd *Exempt an for MIDF Amanah Asset Nominees (Tempatan) Sdn. Bhd*	312,500	0.36
30	Ong Beng Khoon	308,100	0.36

analysis of shareholdings

as at 5 january 2009 (continued)

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN SHARES OF APB

(The Directors' direct and indirect interests in shares of APB based on the Register of Directors' Shareholdings)

Ordinary Shares

	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Yap Kow @ Yap Kim Fah	8,241,381	9.57	(2) 21,828,257	25.35	30,069,638	34.92
Tan Teng Khuan	1,993	0	0	0	1,993	0
Gan Chin Boon	624,144	0.72	0	0	624,144	0.72
Lim Hong Liang	6,293,945	7.31	(3) 18,791,959	21.82	25,085,904	29.13
Yap Kau @ Yap Yeow Ho	33,000	0.04	(4) 3,452,257	4.01	3,485,257	4.05
Mak Fong Ching	0	0	0	0	0	0
Johari Low Bin Abdullah	0	0	0	0	0	0
Chua Eng Seng	0	0	0	0	0	0
Muhayuddin Bin Musa	1	0	0	0	1	0

Notes:

(1) Excluding a total of 2,030,200 ordinary shares bought back by APB Resources Berhad and retained as treasury shares at 5 January 2009

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

(3) Deemed interested by virtue of his shareholdings in Ikram Pintas Sdn. Bhd. and Rare Prestige Sdn. Bhd.

(4) Deemed interested by virtue of his shareholdings in TTS Resources Sdn. Bhd.

Cumulative Irredeemable Convertible Preference Shares

	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Yap Kow @ Yap Kim Fah	3,975,023	16.07	(1) 14,164,958	57.28	18,139,981	73.36
Tan Teng Khuan	242,102	0.98	0	0	242,102	0.98
Gan Chin Boon	301,013	1.22	0	0	301,013	1.22
Lim Hong Liang	3,182,400	12.87	(2) 12,700,610	51.36	15,883,010	64.23
Yap Kau @ Yap Yeow Ho	0	0	(3) 1,664,958	6.73	1,664,958	6.73
Mak Fong Ching						
Johari Low Bin Abdullah						
Chua Eng Seng						
Muhayuddin Bin Musa						

Notes:

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

(2) Deemed interested by virtue of his shareholdings in Ikram Pintas Sdn. Bhd. and Rare Prestige Sdn. Bhd.

(3) Deemed interested by virtue of his shareholdings in TTS Resources Sdn. Bhd.

analysis of shareholdings
as at 5 january 2009 (continued)

TOP TEN SECURITIES ACCOUNT HOLDERS - CUMULATIVE IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES

Shares held in APB

No	Name	No. of Shares	%
1	Ikram Pintas Sdn. Bhd	12,500,000	50.55
2	Yap Kow @ Yap Kim Fah	3,975,023	16.07
3	Lim Hong Liang	3,182,400	12.87
4	Aspirasi Jitu Sdn. Bhd	1,869,219	7.56
5	TTS Resources Sdn. Bhd	1,664,958	6.73
6	Lim Lye Hock	370,879	1.50
7	Cheong Boon Yu	301,013	1.22
8	Gan Chin Boon	301,013	1.22
9	Tan Teng Khuan	242,102	0.98
10	Rare Prestige Sdn. Bhd	200,610	0.81
11	Chi Hoo @ Chu Chi Hoo	121,097	0.49
12	Danau Restu Sdn. Bhd	181	0.00

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest No. of Shares	Direct Interest %	Indirect Interest No. of Shares	Indirect Interest %	Total Interest No. of Shares	Total Interest %
Yap Kow @ Yap Kim Fah	8,241,381	9.57	(1) 21,828,257	25.35	30,069,638	34.92
Lim Hong Liang	6,293,945	7.31	(2) 18,791,959	21.82	25,085,904	29.13
Rosley Bin Abdul Rahman			(3) 18,376,448	21.34	18,376,448	21.34
Rosnah Binti Abdul Rahman			(3) 18,376,448	21.34	18,376,448	21.34
Ikram Pintas Sdn. Bhd	18,376,000	21.34			18,376,000	21.34
Danau Restu Sdn. Bhd	448	0	(4) 18,376,000	21.34	18,376,448	21.34
Lembaga Tabung Haji	8,850,300	10.28			8,850,300	10.28

Notes:

(1) Deemed interested by virtue of his shareholdings in Ikram Pintas Sdn. Bhd. and TTS Resources Sdn. Bhd.
(2) Deemed interested by virtue of his shareholdings in Ikram Pintas Sdn. Bhd. and Rare Prestige Sdn. Bhd.
(3) Deemed interested by virtue of his shareholdings in Ikram Pintas Sdn. Bhd. and Danau Restu Sdn. Bhd.
(4) Deemed interested by virtue of his shareholdings in Ikram Pintas Sdn. Bhd.
(5) Excluding a total of 2,030,200 ordinary shares bought back by APB Resources Berhad and retained as treasury shares at 5 January 2009

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh 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 Thursday, 26 February 2009 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1 To table and receive the Audited Financial Statements of the Company for the financial year ended 30 September 2008 and the Reports of the Directors and Auditors thereon. Resolution 1

2 To declare a final dividend of 3% less 25% income tax in respect of the financial year ended 30 September 2008 as recommended by the Directors. Resolution 2

3 To approve payment of Directors' fees for the financial year ended 30 September 2008. 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:

Mr. Yap Kow @ Yap Yeow Kim Fah Resolution 4

Mr. Tan Teng Khuan Resolution 5

Ms. Mak Fong Ching Resolution 6

5 To re-elect the following Director who retires in accordance with Article 91 of the Company's Articles of Association:

Mr. Lim Hong Liang Resolution 7

6 To appoint auditors and to authorize the Directors to fix their remuneration. Resolution 8

AS SPECIAL BUSINESS

7 Authority to Directors to Issue Shares Resolution 9

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 per centum (10%) 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."

notice of seventh annual general meeting
(continued)

8 Proposed Renewal of Shareholders' Mandate for APB Resources Berhad and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature with related party — **Resolution 10**

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

"**THAT** the Mandate granted by the Shareholders of APB Resources Berhad on 25 March 2008 pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, authorizing APB Resources Berhad and its subsidiary companies ("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 3 February 2009 with the related parties mentioned therein, be and is hereby renewed subject to the following:

(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 arms-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 of the Company at which the Proposed Shareholders' Mandate will lapse, unless by resolution passed at the Annual General Meeting the authority is renewed; or

(b) The expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 143(l) of the Companies Act, 1965 but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; 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 subsidiary companies 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.

AND THAT, the estimates given of the Related Party Transactions specified in Section 2.1.4 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 2.1.6 of the Circular."

notice of seventh annual general meeting

(continued)

9 Proposed Renewal of Share Buy-Back Resolution 11

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

"THAT subject to the Companies Act, 1965, the Company's Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Company be and is hereby authorized to allocate an amount not exceeding the unappropriated profits and/or share premium accounts of the Company for the purpose of and to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time on the market of Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company AND THAT at the discretion of the Board, the shares of the Company to be purchased might be cancelled and/or retained as treasury shares and distributed as dividends or resold on the Bursa Malaysia Securities Berhad AND THAT the Board be and are hereby authorised and empowered to do all acts and things to give full effect to the Proposed Share Buy-Back AND FURTHER THAT such authority shall commence immediately upon passing of this resolution until:

(i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or

(iii) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting

whichever occurs first."

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

Resolution 12

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that, subject to the approval of Members at the Seventh Annual General Meeting to be held on 26 February 2009, a dividend of 3% less 25% income tax in respect of the financial year ended 30 September 2008, will be paid on 11 March 2009 to Depositors whose names appear in the record of Depositors on 3 March 2009.

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 3 March 2009 in respect of transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Exchange.

BY ORDER OF THE BOARD

CHEOK KIM CHEE (LS 0000012)
Company Secretary
Kuala Lumpur
3 February 2009

notice of seventh annual general meeting

(continued)

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.

Explanatory notes on Special Business:

5 Authority to Directors to Issue Shares

The proposed Ordinary Resolution 9, 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 abosolute 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.

6 Proposed Renewal of Shareholders' Mandate for APB Resources Berhad and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature with related party.

The proposed Ordinary Resolution 10, 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 detriment of the minority shareholders.

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 Shareholdes' Mandate is set out in the Circular to Shareholders dated 3 February 2009 which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2008.

notice of seventh annual general meeting

(continued)

7 Proposed Renewal of Share Buy-Back

The proposed Ordinary Resolution 11, if passed, will empower the Directors of the Company to allocate an amount not exceeding the unappropriated profits and/or share premium accounts of the Company for the purposed of and to purchase such amount of ordinary shres of RM1.00 each in the Company from time to time on the market of the Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10%) of the total issued and paid up share capital of the Company.

This authority shall commence immediately upon passing of this resolution until:

(i) the conclusion of the next Annual Genaral Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at general meeting the authority is renewed either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or

(iii) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting

whichever occurs first.

Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 3 February 2009 which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2008.

STATEMENT ACCOMPANYING NOTICE OF SEVENTH (7TH) 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) Mr. Yap Kow @ Yap Kim Fah;

(b) Mr. Tan Teng Khuan; and

(c) Ms. Mak Fong Ching

Pursuant to Article 91 of the Company's Articles of Association:

(a) Mr. Lim Hong Liang

Details of the above Directors are set out in the Directors' Profiles appearing on pages 4 to 7of the Annual Report.

2 Details of Attendances of Directors at Board Meetings

A total of five (5) Board of Directors' Meetings were held at the Board Room, No. 47 (Lot 540), Jalan TUDM, Kampung Baru Subang, Seksyen U6, 40150 Shah Alam, Selangor Darul Ehsan during the financial year. Details of attendances of Directors at the Board Meetings are set out in the Statement on Corporate Governance on pages 11 to 16 of the Annual Report.

3 Details of date and time of the Board of Directors' Meetings

Date and time of the Board Meetings

Tuesday, 27 November 2007, at 12.30 p.m.

Tuesday, 29 January 2008 at 11.30 a.m.

Tuesday, 26 February 2008 at 11.30 a.m.

Tuesday, 27 May 2008 at 11.30 a.m.

Tuesday, 26 August 2008 at 11.40 a.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 : 603-78461389
Fax : 603-78463795

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 : 603-78461389
Fax : 603-78463795
E-mail : amcsubg@amcssb.com.my

Branch – Kuantan

Lot 109B, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang Darul Makmur.
Tel : 609- 5858888
Fax : 609- 5858892
E-mail : ammetal@amcssb.com.my

NON-DESTRUCTIVE TESTING DIVISION

PRESCAN SDN. BHD.

Head Office – Shah Alam

No.24, Jalan Tabla 33/21, Shah Alam Technology Park, 40640 Shah Alam, Selangor Darul Ehsan.
Tel : 603-51215951
Fax : 603-51212906
E-mail : prescan@pd.jaring.my

Branch – Kuantan

A31, Tingkat 1, Jalan Gebeng 2/6, 26080 Kuantan, Pahang Darul Makmur.
Tel/Fax : 609-5834457

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AP3 RESOURCES

PROXY FORM

*I/We ______________________________ NRIC No. ______________________

of ____

____

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

______________________________ NRIC No. ______________________

or failing him ______________________________ NRIC No. ______________________

of ____

as *my/our proxy to vote for *me/us and on *my/our behalf at the Seventh (7th) Annual General Meeting of the Company, to be held on Thursday, 26 February 2009 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.		**For**	**Against**
1	To table and receive the Audited Financial Statements of the Company for the financial year ended 30 September 2008 and the Reports of the Directors and Auditors thereon. (Resolution 1)		
2	To declare a final dividend of 3% less 25% income tax in respect of the financial year ended 30 September 2008. (Resolution 2)		
3	To approve payment of Directors' fees for the financial year ended 30 September 2008. (Resolution 3)		
4	To re-elect Mr. Yap Kow @ Yap Kim Fah as Director (Resolution 4)		
5	To re-elect Mr. Tan Teng Khuan as Director (Resolution 5)		
6	To re-elect Ms. Mak Fong Ching as Director (Resolution 6)		
7	To re-elect Mr. Lim Hong Liang as Director (Resolution 7)		
8	To appoint auditors and to authorize the Directors to fix their remuneration. (Resolution 8)		
9	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965. (Resolution 9)		
10	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature. (Resolution 10)		
11	Proposed Renewal of Share Buyback (Resolution 11)		

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

Signed this__________day of____________________2009.

No. of Shares Held

____

Signature of Member

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.*

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

APB RESOURCES BERHAD
(Company No. 564838-V)

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

Corporate Office:
No 47 (Lot 540), Jalan TUDM, Kampung Baru Subang
Seksyen U6, 40150 Shah Alam, Selangor Darul Ehsan.
Tel : 03-7846 1389 Fax : 03-7846 3795