Registered Office:

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

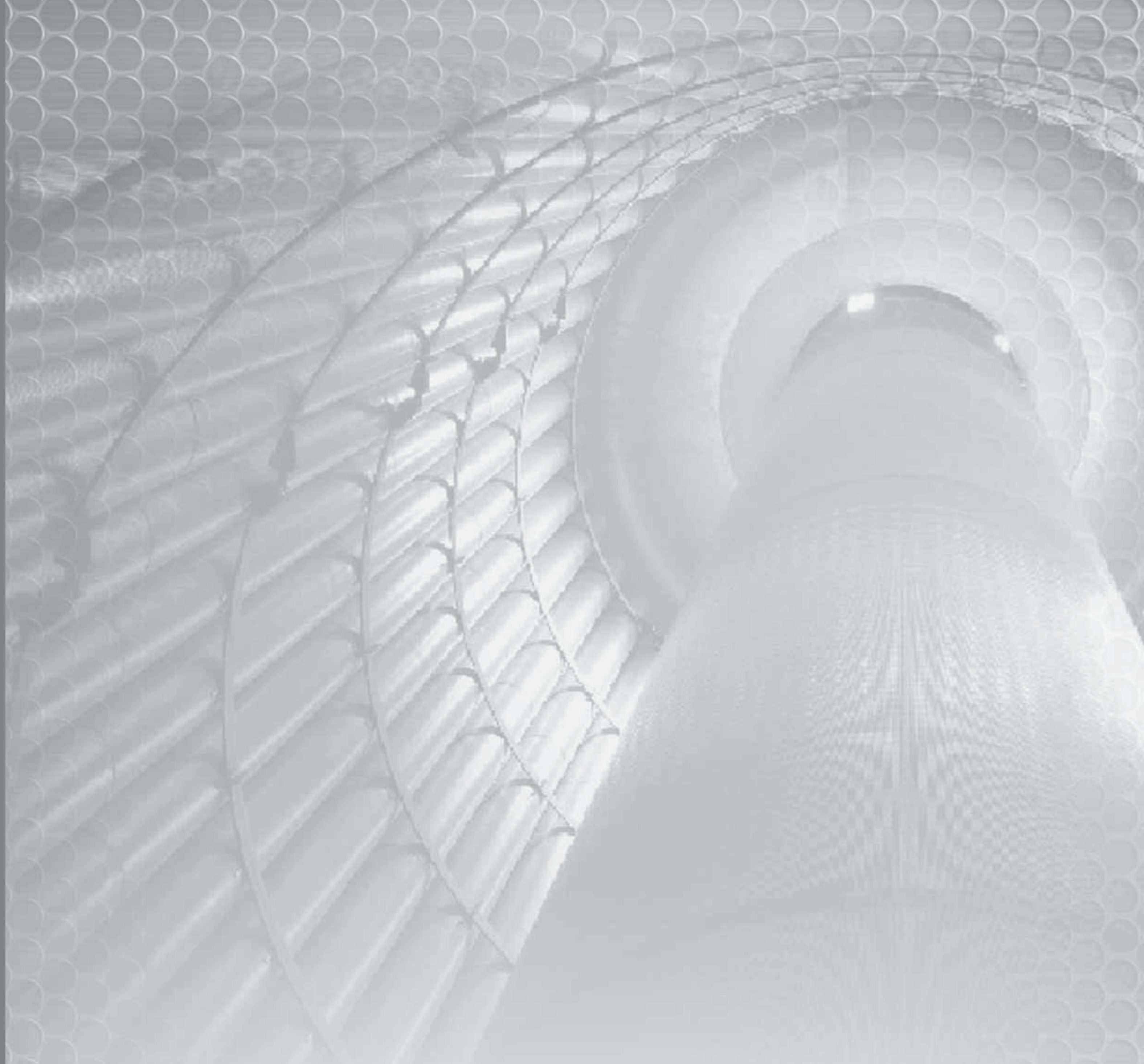
Corporate Office:

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

Designed and Printed by
CFM Printing & Stationery Sdn. Bhd. (7533-H)
Tel : 603-4023 1066

APB RESOURCES BERHAD (564838-V)

2011 ANNUAL REPORT



ANNUAL REPORT 2011

APB RESOURCES

APB RESOURCES BERHAD
(Company No. 564838-V)

CONTENTS

- Corporate Information.. 2
- Corporate Structure.. 3
- Directors' Profile... 4
- Chairman's Statement.. 8
- Statement on Corporate Governance............. 10
- Audit Committee Report 16
- Statement on Internal Control 20
- Disclosure Requirements Pursuant to The Listing Requirements of Bursa Malaysia 21
- Statement of Directors' Responsibility for Preparing the Financial Statements 22
- Financial Statements 23
- List of Properties 72
- Analysis of Shareholdings 73
- Notice of Tenth Annual General Meeting.... 76
- Statement Accompanying Notice of Tenth Annual General Meeting.................. 80
- Corporate Directory..................................... 81
- Proxy Form

Corporate Information

BOARD OF DIRECTORS

Yap Kow @ Yap Kim Fah	Chairman / Managing Director
Tan Teng Khuan	Chief Operating Officer / Executive Director
Lim Hong Liang	Non-Independent Non-Executive Director
Yap Kau @ Yap Yeow Ho	Non-Independent Non-Executive Director
Chua Eng Seng	Independent Non-Executive Director
Mak Fong Ching (Ms.)	Independent Non-Executive Director
Yap Swee Sang	Alternate Director to Yap Kow @ Yap Kim Fah
Yap Puhui Lin (Ms.)	Alternate Director to Yap Kau @ Yap Yeow Ho

AUDIT COMMITTEE
Mak Fong Ching (Ms.) - *Chairperson*
Chua Eng Seng
Yap Kau @ Yap Yeow Ho

NOMINATION COMMITTEE
Chua Eng Seng - *Chairman*
Mak Fong Ching (Ms.)
Lim Hong Liang

REMUNERATION COMMITTEE
Chua Eng Seng - *Chairman*
Mak Fong Ching (Ms.)
Yap Kow @ Yap Kim Fah

COMPANY SECRETARIES
Cheok Kim Chee (MACS 00139)

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

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Stock Code – 5568

SHARE REGISTRAR
Symphony Share Registrars Sdn. Bhd.
(Company No. 378993-D)
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No.: 03 – 7841 8000
Fax No.: 03 – 7841 8008

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

PRINCIPAL BANKERS
AmBank (M) Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

Corporate Structure

APB RESOURCES

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

Directors' Profile

Yap Kow @ Yap Kim Fah

Aged 66, 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

Aged 55, Malaysian • Chief Operating Officer / Executive Director

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 until 2001. Mr. Tan is also a Director of several other private companies.

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

Directors' Profile (cont'd)

Lim Hong Liang

Aged 52, Malaysian • Non-Independent Non-Executive Director • Member of Nomination Committee

Mr. Lim was appointed to the Board on 26 November 2008. He received a 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

Aged 68, Malaysian • Non-Independent Non-Executive Director • Member of Audit Committee

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.

Chua Eng Seng

Aged 66, Malaysian • Independent Non-Executive Director
• Chairman of Nomination and Remuneration Committees • Member of Audit 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 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 is a director of several other private companies.

Directors' Profile (cont'd)

Mak Fong Ching (Ms.)

Aged 55, Malaysian • Independent Non-Executive Director • Chairperson of Audit Committee • Member of Nomination and Remuneration Committees

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.

Yap Swee Sang

Aged 35, 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.)

Aged 43, Malaysian • Alternate Director to Yap Kau @ 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.

Directors' Profile (cont'd)

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 shareholder 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 27 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

Despite earlier optimisms of a global economic recovery, 2011 turned out to be very volatile with a very difficult operating environment. The volatile currency situation exaggerated by the Euro crisis in the second half, presented an extremely trying situation for operational planning. The process equipment fabrication sector continued to be highly competitive as a result of weak demand and excess capacity. Capital expenditure in the oil and gas and petrochemical sectors had not reversed its downward slide.

Traditionally, these sectors had been major users of process equipment. Geographically, demand from the middle-eastern market has virtually disappeared in the past two years, on political upheavals, budget constraints and excess capacity. This regional market was the major demand driver until the economic crisis struck a few years ago. Demand from the relatively stable energy sector had also been below expectations as global 'environmental consciousness' are slowing and consequently, delaying investment in energy on fossil fuel.

The oleo-chemical sector provided the only bright spot of the process equipment industry. The sector demand continued to be held up by buoyant crude palm oil prices and expansion of cultivated acreage. These were driven by fast expanding consumption in the emerging markets such as Indonesia.

Notwithstanding the difficult operating environment, the Group performed credibly. For the financial year ended 30 September 2011, revenue rose by 31.2% to RM168.9 million from RM128.7 million in the previous year. This was largely due to its successful marketing effort and strong customer goodwill built over the past years. More commendable was that the higher revenue was achieved without sacrificing its margin in a highly competitive business environment. The Group also managed to hold its overall cost level through various control measures and an efficiency drive. Revenue growth drove the profit before taxation to RM11.3 million, an increase of 79.4% from RM6.3 million in the preceding year. Consequently, profit after taxation rose by 83.7% to RM9.0 million.

The fabrication division continued to be the Group's principal revenue contributor, accounting for 98.0% of total revenue for the financial year ended 30 September 2011 while exports made up 82%.

The non-destructive Testing division performed above expectation with a profit after taxation of RM0.9 million.

The Group continues to maintain a healthy financial position with a net cash position of RM53.4 million or net cash per share of 48.2 sen as at 30 September 2011.

Chairman's Statement (cont'd)

PROSPECT

The still unresolved Eurozone crisis and the rapidly slowing demand in the major emerging countries will depress outlook further. Capital expenditure is expected to slow across most industries given the uncertain euro crisis and weakening demand. The Group's revenue and earnings are dependent on capital expenditure for the oil and gas, petrochemical, energy and oleo-chemical sectors. The global fabrication industry is driven largely by capital expenditure which is determined by demand for capacity expansion. However, huge capacity expansion in the middle-east during the pre-sub-prime crisis (United States of America) particularly in the oil and gas and petrochemical sectors had created massive overcapacity and this together with the current political turmoil would require a few more years for demand recovery to absorb the excesses.

Demand in the major developed countries will remain depressed while growth momentum is waning in the principal emerging economies. Notwithstanding the rather uncertain outlook, the positive areas are in alternatives to renewable energy as rising costs and environmental factors are encouraging investment in these fields and to replace old inefficient plants.

The most encouraging development in recent years is that the Group has built a very strong track record and reputation as a process equipment fabricator for the oleo-chemical industry. In fact this sector has cushioned the Group's earnings for the past two years. Going forward, the rapid expansion of palm oil acreage in Malaysia and Indonesia coupled with rising demand for oleo-chemical end-products in Asian and other developing countries should augur well for the Group.

The Group continues to be 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 years the Group has built a good reputation and established strong goodwill with its clients. This will provide a stable earnings base. Moreover, the strong cash position will enable the Group to seize potential opportunities but rest assured, the Group will always maintain a cautious and prudent strategy in all investments going forwards.

DIVIDEND

The board has recommended a final single-tier exempt dividend of 3.0% per ordinary share for the year ended 30 September 2011. This, upon approval by shareholders at the forthcoming tenth (10th) Annual General Meeting, will represent the total dividend for the year ended 30 September 2011.

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 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 2011.

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, on strategic, corporate and operational issues, and on 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.

For the financial year ended 30 September 2011, 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
Lim Hong Liang	Non- Independent Non-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 *(resigned on 24 May 2011)*	Independent Non-Executive Director	3 / 3
Muhayuddin bin Musa *(resigned on 24 May 2011)*	Independent Non-Executive Director	3 / 3
Gan Chin Boon *(resigned on 9 August 2011)*	Executive Director	3 / 4

1. THE BOARD OF DIRECTORS (continued)

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 six (6) members comprising of two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) 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.

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 four (4) 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.

Statement on Corporate Governance (cont'd)

1. THE BOARD OF DIRECTORS (continued)

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 2011, the Directors have attended seminars on "Where to Invest During Market Uncertainties", "Hedge Fund – Strategies, Risks, Benefits and New Regulations", "Company Valuation, Restructuring and Funding – What You Should Know (New Techniques and Application to PLCs in Malaysia)" and "Nurturing Engagement for Board Effectiveness".

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 two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Audit Committee members are as follows:

(i) Mak Fong Ching (Ms.) – Chairperson;
(ii) Chua Eng Seng; and
(iii) Yap Kau @ Yap Yeow Ho.

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 2011 is presented on pages 16 to 19 of this Annual Report.

(b) Nomination Committee

The Nomination Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Nomination Committee members are as follows:

(i) Chua Eng Seng – Chairman;
(ii) Mak Fong Ching (Ms.); and
(iii) Lim Hong Liang.

The Nomination Committee has held one (1) meeting for the financial year ended 30 September 2011 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.

1. THE BOARD OF DIRECTORS (continued)

1.6 Sub-Committees (continued)

(c) Remuneration Committee

The Remuneration Committee comprises two (2) Independent Non-Executive Directors and one (1) Executive Director. The Remuneration Committee members are as follows:

(i) Chua Eng Seng – Chairman;
(ii) Mak Fong Ching (Ms.); and
(iii) Yap Kow @ Yap Kim Fah.

The Remuneration Committee has held one (1) meeting for the financial year ended 30 September 2011 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 2011 is as follow:

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Remuneration	550	-
Fees	10	145
Total	560	145

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

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

Statement on Corporate Governance (cont'd)

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.

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 at the Company's website at www.apb-resources.com, 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 Tenth (10th) AGM on 22 March 2012 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 the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities as issued by the Malaysian Accounting Standards Board ("MASB") so as to give a true and fair view of the state of affairs of the Group at 30 September 2011. 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 (cont'd)

4. ACCOUNTABILITY AND AUDIT (continued)

4.2 Internal Control

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 system of internal control 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 control 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 page 20 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 16 to 19 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 18 January 2012.

Audit Committee Report

1. MEMBERSHIP AND MEETINGS

The Audit Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Audit Committee members are as follows:

(i) Mak Fong Ching (Ms.) - Chairperson;
(ii) Chua Eng Seng; and
(iii) Yap Kau @ Yap Yeow Ho.

During the financial year ended 30 September 2011, the Audit Committee has held five (5) 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	5 / 5
Chua Eng Seng	5 / 5
Yap Kau @ Yap Yeow Ho	1 / 1
Johari Low bin Abdullah @ Low Han Hing *(resigned on 24 May 2011)*	3 / 3
Muhayuddin bin Musa *(resigned on 24 May 2011)*	3 / 3

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 2011:

(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.

3. INTERNAL AUDIT FUNCTIONS

For the financial year ended 30 September 2011, 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 and operational 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, the majority 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 (cont'd)

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;

4. TERMS OF REFERENCE (continued)

4.7 Duties and Responsibilities (continued)

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

(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 Board.

Statement on 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 the listed companies' assets. Bursa Malaysia Securities Berhad's Main Market Listing Requirements under Paragraph 15.26(b) requires directors of listed companies to include in the 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 recognises that reviewing the adequacy and integrity of APB Resources Berhad ("the Company") and its subsidiary companies' ("the Group") system of internal control is a concerted and continuous process. It should be noted that system of internal control is designed to manage rather than to eliminate risks of failure to achieve the Group's business objectives. This is due to the limitations that are inherent in any system of internal control. Therefore, the Group's system 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 2011 to assist the Board to review and evaluate the adequacy and effectiveness of the Group's systems of internal control and, risk management processes. 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 system of internal control and, risk management processes.

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, organisation structure and authorisation 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, remuneration 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;

(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 system of internal control.

The Board recognises 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. The Board is committed to maintain a sound system of internal control and will strive for continuous improvement where necessary, to further enhance the Group's system of internal control.

This statement is made in accordance with a resolution of the Board dated 18 January 2012.

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 2011.

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 2010.

SHARE BUY-BACK

The Company has not undertaken any share buy-back exercise for the financial year ended 30 September 2011.

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 2011.

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 2011.

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 2011.

NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors for the financial year ended 30 September 2011 was RM5,000.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection pertaining to the financial year ended 30 September 2011. There were no variances of 10% or more between the audited results for the financial year ended 30 September 2011 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 2011.

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 2011 are stated on page 13 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 22 March 2012 and are attached to this Annual Report.

The details of recurrent related party transactions entered into for the financial year ended 30 September 2011 are as disclosed in note 27 of the accompanying financial statements.

DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The details of the disclosure of realized and unrealized profits or losses for the year ended 30 September 2011 are as disclosed in note 30 of the accompanying financial statements.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

For the financial year ended 30 September 2011, a subsidiary of the Company has continued the employment of a handicapped employee. The Company and/or its subsidiary companies are committed to employ and train local Malaysians for their fabrication and non-destructive testing activities.

Statement of Directors' responsibility
for preparing the financial statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year. These financial statements are to be drawn up in accordance with applicable approved accounting standards for entities other than private entities as issued by Malaysian Accounting Standards Board 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 69 of the accompanying financial statements.

FINANCIAL STATEMENTS

- Directors' Report 24
- Statements of Financial Position 27
- Statements of Comprehensive Income 28
- Statement of Changes in Equity 29
- Statements of Cash Flow 30
- Notes to the Financial Statements 32
- Statement by Directors 69
- Statutory Declaration 69
- Independent Auditors' Report 70

Directors' Report
for the year ended 30 September 2011

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 2011.

Principal activities

The Company is principally engaged in investment holding, whilst the principal activities of its subsidiaries are stated in Note 4 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 attributable to Owners of the Company	8,988,680	2,647,755

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

Since the end of the previous financial year, the Company declared and paid a final single-tier exempt dividend of 3.0 sen per ordinary share totalling RM3,325,344 in respect of the year ended 30 September 2010 on 18 April 2011.

The final single-tier exempt ordinary dividend recommended by the Directors in respect of the year ended 30 September 2011 is 3.0 sen per ordinary share totalling RM3,325,344 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
Tan Teng Khuan	
Lim Hong Liang	
Yap Kau @ Yap Yeow Ho	Yap Puhui Lin
Chua Eng Seng	
Mak Fong Ching	
Johari Low Bin Abdullah @ Low Han Hing *(resigned on 24 May 2011)*	
Muhayuddin Bin Musa *(resigned on 24 May 2011)*	
Gan Chin Boon *(resigned on 9 August 2011)*	

Directors' interests in shares

The interests and deemed interests in the ordinary 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 (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.10.2010	Bought	Sold	At 30.9.2011
Direct interests in the Company				
Yap Kow @ Yap Kim Fah	12,939,404	-	-	12,939,404
Tan Teng Khuan	244,095	-	-	244,095
Lim Hong Liang	9,659,345	-	-	9,659,345
Yap Kau @ Yap Yeow Ho	33,000	-	-	33,000
Deemed interests in the Company				
Yap Kow @ Yap Kim Fah	35,993,215	-	-	35,993,215
Lim Hong Liang	31,492,569	-	(30,876,000)	616,569
Yap Kau @ Yap Yeow Ho				
-own	5,117,215	-	-	5,117,215
-child	163,200	-	-	163,200

By virtue of their interests in the ordinary shares of the Company, Yap Kow @ Yap Kim Fah and Lim Hong Liang are also deemed interested in the shares of the 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 2011 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

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 corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who may be deemed to derive a benefit by virtue of trading transactions in the ordinary course of business between the Company or its related corporations in which the Directors have significant financial interests as disclosed in Note 27 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.

Directors' Report
for the year ended 30 September 2011 (cont'd)

Other statutory information

Before the statements of financial position and statements of comprehensive income 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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors of the Company 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 financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or in the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 September 2011 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: 18 January 2012

Statements of Financial Position
as at 30 September 2011

	Note	Group			Company	
		30.9.2011 RM	30.9.2010 RM restated	1.10.2009 RM restated	30.9.2011 RM	30.9.2010 RM
Assets						
Property, plant and equipment	3	74,787,228	74,185,062	76,770,706	-	-
Investments in subsidiaries	4	-	-	-	76,837,002	76,837,002
Other investment	5	35,000	35,000	35,000	-	-
Intangible asset	6	13,458,008	13,458,008	13,458,008	-	-
Deferred tax assets	7	44,000	-	-	-	-
Total non-current assets		88,324,236	87,678,070	90,263,714	76,837,002	76,837,002
Trade and other receivables	8	50,742,743	43,105,593	43,617,895	39,040,750	43,535,915
Deposits and prepayments	9	375,987	754,708	489,347	-	-
Inventories	10	1,421,990	1,497,116	5,225,899	-	-
Current tax assets		2,579,371	3,108,845	3,423,623	180,724	180,725
Cash and cash equivalents	11	53,410,537	43,255,837	58,535,904	4,486,781	605,255
Total current assets		108,530,628	91,722,099	111,292,668	43,708,255	44,321,895
Total assets		196,854,864	179,400,169	201,556,382	120,545,257	121,158,897
Equity						
Share capital	12	112,875,002	112,875,002	112,875,002	112,875,002	112,875,002
Reserves	12	49,096,172	43,432,836	45,755,775	989,557	1,667,146
Total equity attributable to owners of the Company		161,971,174	156,307,838	158,630,777	113,864,559	114,542,148
Liabilities						
Deferred tax liabilities	7	2,223,682	1,857,767	849,419	-	-
Total non-current liabilities		2,223,682	1,857,767	849,419	-	-
Trade and other payables, including derivatives	13	25,346,382	13,809,627	30,318,426	6,680,698	6,616,749
Provision for liquidated and ascertained damages	14	7,231,353	7,334,451	11,347,117	-	-
Current tax liabilities		82,273	90,486	410,643	-	-
Total current liabilities		32,660,008	21,234,564	42,076,186	6,680,698	6,616,749
Total liabilities		34,883,690	23,092,331	42,925,605	6,680,698	6,616,749
Total equity and liabilities		196,854,864	179,400,169	201,556,382	120,545,257	121,158,897

The notes on pages 32 to 68 are an integral part of these financial statements.

Statements of Comprehensive Income
for the year ended 30 September 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Revenue	15	168,883,896	128,698,928	3,422,856	10,496,760
Cost of goods sold	15	(142,841,925)	(108,335,859)	-	-
Gross profit	15	26,041,971	20,363,069	3,422,856	10,496,760
Other income		1,433,153	2,073,597	-	-
Administrative expenses		(12,889,149)	(12,065,597)	(815,018)	(798,951)
Other expenses		(3,960,992)	(4,729,680)	-	-
Results from operating activities	16	10,624,983	5,641,389	2,607,838	9,697,809
Finance income	17	998,637	876,200	39,917	14,547
Finance costs	18	(331,193)	(208,253)	-	-
Net finance income		667,444	667,947	39,917	14,547
Profit before tax		11,292,427	6,309,336	2,647,755	9,712,356
Tax expense	20	(2,303,747)	(1,427,354)	-	-
Profit and total comprehensive income for the year		8,988,680	4,881,982	2,647,755	9,712,356
Attributable to:					
Owners of the Company		8,988,680	4,881,982	2,647,755	9,712,356

	Note	Group 2011 sen	Group 2010 sen
Basic earnings per ordinary share:	21	8.11	4.40

The notes on pages 32 to 68 are an integral part of these financial statements.

Statements of Changes in Equity
for the year ended 30 September 2011

Group	Note	Share capital RM	Treasury shares RM	Revaluation reserve RM	Retained earnings RM	Total RM
		Attributable to shareholders of the Company				
		Non-distributable			Distributable	
At 1 October 2009		112,875,002	(3,322,462)	46,879	49,031,358	158,630,777
Total comprehensive income for the year		-	-	-	4,881,982	4,881,982
Dividends to owners of the Company	22	-	-	-	(7,204,921)	(7,204,921)
At 30 September 2010/ 1 October 2010		112,875,002	(3,322,462)	46,879	46,708,419	156,307,838
Total comprehensive income for the year		-	-	-	8,988,680	8,988,680
Dividends to owners of the Company	22	-	-	-	(3,325,344)	(3,325,344)
At 30 September 2011		112,875,002	(3,322,462)	46,879	52,371,755	161,971,174
		Note 12	Note 12.1	Note 12.2	Note 12.3	
Company						
At 1 October 2009		112,875,002	(3,322,462)		2,482,173	112,034,713
Total comprehensive income for the year		-	-		9,712,356	9,712,356
Dividends to owners of the Company	22	-	-		(7,204,921)	(7,204,921)
At 30 September 2010/ 1 October 2010		112,875,002	(3,322,462)		4,989,608	114,542,148
Total comprehensive income for the year		-	-		2,647,755	2,647,755
Dividends to owners of the Company	22	-	-		(3,325,344)	(3,325,344)
At 30 September 2011		112,875,002	(3,322,462)		4,312,019	113,864,559
		Note 12	Note 12.1		Note 12.3	

The notes on pages 32 to 68 are an integral part of these financial statements.

Statements of Cash Flow
for the year ended 30 September 2011

	Group 2011 RM	Group 2010 RM restated	Company 2011 RM	Company 2010 RM
Cash flows from operating activities				
Profit before tax	11,292,427	6,309,336	2,647,755	9,712,356
Adjustments for:				
Depreciation of property, plant and equipment	4,906,951	5,300,674	-	-
Dividend income	-	-	(3,422,856)	(10,496,760)
Interest income	(998,637)	(876,200)	(39,917)	(14,547)
Net gain on disposal of property, plant and equipment	(2,000)	(65,329)	-	-
Net unrealised gain on foreign exchange	(569,819)	(118,190)	-	-
Net reversal of provision for liquidated and ascertained damages	(103,098)	(3,629,339)	-	-
Property, plant and equipment written off	-	1	-	-
Operating profit/(loss) before changes in working capital	14,525,824	6,920,953	(815,018)	(798,951)
Changes in working capital:				
Deposits and prepayments	378,721	(265,361)	-	-
Inventories	75,126	3,728,783	-	-
Provision for liquidated and ascertained damages	-	(383,327)	-	-
Trade and other receivables	(7,059,151)	585,410	4,495,166	(2,702,212)
Trade and other payables, including derivatives	11,531,754	(16,463,717)	63,949	342,801
Cash generated from/(used in) operations	19,452,274	(5,877,259)	3,744,097	(3,158,362)
Interest received	998,637	876,200	39,917	14,547
Income tax paid	(2,469,721)	(2,775,957)	-	-
Tax refunded	1,005,971	2,351,572	-	-
Net cash from/(used in) operating activities	18,987,161	(5,425,444)	3,784,014	(3,143,815)

Statements of Cash Flow
for the year ended 30 September 2011 (cont'd)

		Group 2011 RM	Group 2010 RM restated	Company 2011 RM	Company 2010 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(5,509,117)	(2,791,502)	-	-
Dividend received from a subsidiary		-	-	3,422,856	10,496,760
Pledged deposits withdrawn from licensed banks		-	143,262	-	-
Proceeds from disposal of property, plant and equipment		2,000	141,800	-	-
Net cash (used in)/from investing activities		(5,507,117)	(2,506,440)	3,422,856	10,496,760
Cash flows from financing activity					
Dividend paid		(3,325,344)	(7,204,921)	(3,325,344)	(7,204,921)
Net cash used in financing activity		(3,325,344)	(7,204,921)	(3,325,344)	(7,204,921)
Net increase/(decrease) in cash and cash equivalents		10,154,700	(15,136,805)	3,881,526	148,024
Cash and cash equivalents at beginning of year	(i)	43,255,837	58,392,642	605,255	457,231
Cash and cash equivalents at end of year	(i)	53,410,537	43,255,837	4,486,781	605,255

(i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following financial position amounts:

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Cash and bank balances	15,898,954	7,980,973	203,788	208,185
Short term fund	4,282,993	397,070	4,282,993	397,070
Deposits placed with licensed banks	33,228,590	34,877,794	-	-
	53,410,537	43,255,837	4,486,781	605,255

The notes on pages 32 to 68 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 Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business of the Company 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 of the Company as at and for the year ended 30 September 2011 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 2011 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of its subsidiaries are stated in Note 4 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 18 January 2012.

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), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
  - *Additional Exemption for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfer of Assets from Customers*
- Improvements to FRSs (2010)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 October 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 January 2011 and 1 July 2011, expect for Amendments to FRS 2, IC Interpretation 4, IC Interpretation 18, Amendments to IC 14 and IC Interpretation 19 which are not applicable to the Group and the Company; and

- from the annual period beginning 1 October 2012 for those standards and interpretations that will be effective for annual periods beginning on or after 1 January 2012 and 1 July 2012; and

- from the annual period beginning 1 October 2013 for those standards and interpretations that will be effective for annual periods beginning on or after 1 January 2013, except for FRS 11, FRS 128 and IC Interpretation 20 which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, or which requires extended disclosures, is not expected to have any financial impacts to the current and prior period's financial statements upon their first adoption.

Following the announcement made by the Malaysian Accounting Standards Board on 19 November 2011, the Company's financial statements from the annual period beginning 1 October 2012 will be prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") framework. The management has yet to assess the impact of the adoption of MFRS framework on the financial position and performance of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the Note 2 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

Notes to the Financial Statements (cont'd)

1. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 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.

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 6 - measurement of the recoverable amounts of cash-generating units
- Note 14 - provision for liquidated and ascertained damages

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group's entities, other than those disclosed in the following notes:

- Note 2(c) - Financial instruments
- Note 2(e) - Leased assets

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its 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. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, 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.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale.

(ii) Transactions eliminated on consolidation

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

(b) Foreign currency

Transactions in foreign currencies are translated to the respective functional currency of the Group's entities at exchange rates at the date of the transactions. 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 are not retranslated at the end of the reporting date except for those 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 profit or loss.

2. Significant accounting policies (continued)

(c) Financial instruments

Arising from the adoption of FRS 139, *Financial Instruments: Recognition and Measurement*, with effect from 1 October 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 October 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in Note 28.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or designated as effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(k)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or designated as an effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Notes to the Financial Statements (cont'd)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

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

Property, plant and equipment under the revaluation model

The Group revalues its building 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 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 profit or loss.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Property, plant and equipment under the revaluation model (continued)

Cost includes expenditures 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 also includes the cost of materials and direct labour. 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 expenses" respectively in the profit or loss. 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 carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the profit or loss 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.

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

Leasehold land	50 - 56 years
Buildings	50 - 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 end of the reporting period.

Notes to the Financial Statements (cont'd)

2. Significant accounting policies (continued)

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position of the Group or the Company. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments.

The Group has adopted the amendment made to FRS 117, Leases in 2011 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Intangible asset

Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 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.

For business acquisitions beginning from 1 January 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.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the acquisition is recognised immediately in profit or loss.

2. Significant accounting policies (continued)

(f) Intangible asset (continued)

Amortisation

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

(g) Receivables

Prior to 1 October 2010, receivables were initially recognised at their costs and subsequently measured at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorised and measured as loans and receivables in accordance with Note 2(c)(ii)(b).

(h) 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 payables and accruals as amount due to contract customers.

(i) 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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Cash and cash equivalents

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

Cash and cash equivalents (other than bank overdrafts) are categorized and measured as loans and receivables in accordance with policy Note 2(c)(ii)(b).

(k) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

Notes to the Financial Statements (cont'd)

2. Significant accounting policies (continued)

(k) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, amount due from contract customers and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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 group of assets (the "cash-generating units"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

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.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period 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 since the last impairment loss was recognised. 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 profit or loss in the financial year in which the reversals are recognised.

2. Significant accounting policies (continued)

(l) Equity instruments

Instruments classified as equity are stated at cost on initial recognition and are not re-measured subsequently.

Issue expenses

Costs directly attributable to issue of equity instruments are recognised as deduction from equity.

Repurchase 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. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

(m) 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 liability 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 Employees' Provident Funds are charged to the profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(n) 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.

(i) Provision for liquidated and ascertained damages

Provision for liquidated and ascertained damages is recognised immediately in the profit or loss when there is a potential delay or failure to complete and handover the equipment or projects at stipulated completion and handover date.

(ii) 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.

(o) Revenue and other income

(i) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract.

Notes to the Financial Statements (cont'd)

2. Significant accounting policies (continued)

(o) Revenue and other income (continued)

(i) Construction contracts (continued)

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the profit or loss.

(ii) Goods sold and services rendered

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

(iii) Dividend income

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

(p) Interest income

Interest income is recognised in the profit or loss as it accrues, using the effective interest method.

(q) Tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

2. Significant accounting policies (continued)

(r) Earnings per share

The Group presents basic 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 ordinary shares outstanding during the period.

(s) Operating segments

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

Following the adoption of FRS 8, *Operating Segments*, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. Performance of the operating segments are reviewed regularly by the Chief Operating Decision Makers ("CODM"), which in this case is the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements (cont'd)

3. Property, plant and equipment

Group	Leasehold land RM	Freehold building RM	Leasehold buildings RM	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Plant and machineries and testing equipment RM	Total RM
Cost/Valuation							
At 1 October 2009, restated	17,114,831	320,000	38,984,807	4,383,303	3,134,018	52,208,230	116,145,189
Additions	2,608	-	414,698	149,131	647,691	1,577,374	2,791,502
Disposals	-	-	-	(9,834)	(176,587)	(20,000)	(206,421)
Written-off	-	-	-	-	(21,608)	-	(21,608)
At 30 September 2010/ 1 October 2010, restated	17,117,439	320,000	39,399,505	4,522,600	3,583,514	53,765,604	118,708,662
Additions	-	-	3,234,001	481,479	235,650	1,557,987	5,509,117
Disposals	-	-	-	-	(38,000)	-	(38,000)
At 30 September 2011	17,117,439	320,000	42,633,506	5,004,079	3,781,164	55,323,591	124,179,779
Representing items at:							
Cost	17,117,439	-	22,093,506	5,004,079	3,781,164	55,323,591	103,319,779
Valuation - 2007	-	320,000	20,540,000	-	-	-	20,860,000
At 30 September 2011	17,117,439	320,000	42,633,506	5,004,079	3,781,164	55,323,591	124,179,779
Depreciation							
At 1 October 2009, restated	1,234,087	12,800	830,108	2,952,155	2,738,848	31,606,485	39,374,483
Charge for the year	278,644	6,400	708,180	275,173	187,474	3,844,803	5,300,674
Disposals	-	-	-	(3,548)	(106,402)	(20,000)	(129,950)
Written-off	-	-	-	-	(21,607)	-	(21,607)
At 30 September 2010/1 October 2010, restated	1,512,731	19,200	1,538,288	3,223,780	2,798,313	35,431,288	44,523,600
Charge for the year	294,396	6,400	717,494	313,026	253,472	3,322,163	4,906,951
Disposals	-	-	-	-	(38,000)	-	(38,000)
At 30 September 2011	1,807,127	25,600	2,255,782	3,536,806	3,013,785	38,753,451	49,392,551
Carrying amounts							
At 1 October 2009, restated	15,880,744	307,200	38,154,699	1,431,148	395,170	20,601,745	76,770,706
At 30 September 2010/1 October 2010, restated	15,604,708	300,800	37,861,217	1,298,820	785,201	18,334,316	74,185,062
At 30 September 2011	15,310,312	294,400	40,377,724	1,467,273	767,379	16,570,140	74,787,228

3. Property, plant and equipment (continued)

The carrying amount of long term leasehold land at 1 October 2009 and 30 September 2010 have been restated following the adoption of the amendments to FRS 117, *Leases*, where long term leasehold land, in substance is a finance lease, has been reclassified from prepaid lease payments to property, plant and equipment.

3.1 Properties under the revaluation model

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

Had the freehold building been carried under the cost model, its carrying amount would have been RM209,281 (2010: RM214,660).

b) Leasehold buildings were revalued by the Directors in 2007 based on valuations carried out on 30 September 2007 by independent registered professional valuers using the open market valuation method as follows:

(i) Valuation made by Mr. Kow Lay Seng, a registered valuer with Henry Butcher Malaysia (Kuantan) 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 leasehold buildings been carried under the cost model, their carrying amounts would have been RM17,961,975 (2010: RM18,307,713).

4. Investments in subsidiaries

	Company 2011 RM	Company 2010 RM
Unquoted shares, at cost	76,837,002	76,837,002

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of subsidiary	Principal activity	Effective ownership interest 2011 %	Effective ownership interest 2010 %
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.:			
Prescan Sdn. Bhd.	Provision of non-destructive testing services and other related services	100	100
Amalgamated Metal Corporation (M) Sdn. Bhd.	Fabrication of specialised design and manufacturing of engineering equipment	100	100

Notes to the Financial Statements (cont'd)

4. Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Effective ownership interest 2011 %	2010 %
Subsidiaries of Amalgamated Metal Corporation (M) Sdn. Bhd.:			
Finned Tubes Malaysia Sdn. Bhd.	Fabrication of finned tubes	100	100

* This subsidiary is audited by another firm of Chartered Accountants.

5. Other investment

	Group 2011 RM	2010 RM
Golf club membership, at cost	75,000	75,000
Less: Allowance for diminution in value	(40,000)	(40,000)
	35,000	35,000

6. Intangible asset

Goodwill	Group 2011 RM	2010 RM
Cost		
At 1 October 2009 / 30 September 2010 / 1 October 2010 / 30 September 2011	13,458,008	13,458,008

Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's fabrication and non-destructive testing divisions which represent 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 based on the following key assumptions:

(i) Cash flows were projected based on actual operating results and three (3) years projection was used for determining the value in use.

(ii) Revenue was projected at RM172 million for the first year and an anticipated growth by 5.00% (2010: 5.00%) per annum thereon.

(iii) Effective tax rates were projected to be 25.00% for the next three (3) years.

(iv) A pre-tax discount rate of 7.60% (2010: 7.30%) was applied in determining the recoverable amount of those units. The discount rate was estimated based on the Group's estimated rate of borrowings, which was based on a possible range of debt leveraging at 1.00% above the market interest rate of 6.60%.

6. Intangible asset (continued)

Impairment testing for cash-generating unit containing goodwill (continued)

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data).

The Group will not suffer any impairment loss even if the above estimates experienced the following changes:

- An increase in 1.00% in the pre-tax discount rate
- A 10.00% decrease in the future planned revenue

7. Deferred tax (assets) and liabilities

Recognised deferred tax (assets) and liabilities

Deferred tax (assets) and liabilities are attributable to the followings:

Group	Assets 2011 RM	Assets 2010 RM	Liabilities 2011 RM	Liabilities 2010 RM	Net 2011 RM	Net 2010 RM
Property, plant and equipment	-	-	4,897,730	4,564,812	4,897,730	4,564,812
Provisions	(3,033,010)	(2,924,367)	-	-	(3,033,010)	(2,924,367)
Other temporary differences	-	-	314,962	217,322	314,962	217,322
Tax (assets)/ liabilities	(3,033,010)	(2,924,367)	5,212,692	4,782,134	2,179,682	1,857,767
Set off of tax	2,989,010	2,924,367	(2,989,010)	(2,924,367)	-	-
Net tax (assets)/ liabilities	(44,000)	-	2,223,682	1,857,767	2,179,682	1,857,767

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group 2011 RM	Group 2010 RM
Tax loss carry-forward	635,525	581,247

The deductible temporary difference does not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

Notes to the Financial Statements (cont'd)

8. Trade and other receivables

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Trade					
Trade receivables	8.1	34,238,057	26,096,933	-	-
Amount due from contract customers	8.2	15,119,625	16,151,908	-	-
		49,357,682	42,248,841	-	-
Non-trade					
Other receivables	8.3	1,385,061	856,752	10,022	6,665
Amount due from subsidiaries	8.4	-	-	39,030,728	43,529,250
		1,385,061	856,752	39,040,750	43,535,915
		50,742,743	43,105,593	39,040,750	43,535,915

8.1 Retention sums

	Group 2011 RM	Group 2010 RM
Retention sums included in trade receivables	4,759,227	4,527,582

Retention sums are unsecured, interest-free and are expected to be collected at the following periods:

	2011 RM	2010 RM
Within 1 year	4,111,862	4,527,582
1 – 2 years	647,365	-
	4,759,227	4,527,582

8.2 Amount due from / to contract customers

	Group 2011 RM	Group 2010 RM
Aggregate costs incurred to date	63,149,125	55,672,747
Add: Attributable profits (net of foreseeable losses)	6,929,666	5,842,997
	70,078,791	61,515,744
Less: Progress billings	(62,934,540)	(47,078,607)
	7,144,251	14,437,137
Amount due to contract customers (Note 13)	7,975,374	1,714,771
Amount due from contract customers	15,119,625	16,151,908

8. Trade and other receivables (continued)

8.3 Other receivables

Included in the other receivables of the Group is advance payments made to suppliers for purchases amounting to RM1,179,126 (2010: RM809,741).

8.4 Amount due from subsidiaries

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

9. Deposits and prepayments

	Group	
	2011 RM	2010 RM
Deposits	111,092	529,287
Prepayments	264,895	225,421
	375,987	754,708

10. Inventories

	Group	
	2011 RM	2010 RM
Raw materials and consumables	1,421,990	1,497,116

11. Cash and cash equivalents

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
Cash and bank balances		15,898,954	7,980,973	203,788	208,185
Short term fund	11.1	4,282,993	397,070	4,282,993	397,070
Deposits placed with licensed banks		33,228,590	34,877,794	-	-
		53,410,537	43,255,837	4,486,781	605,255

11.1 Short term fund

Short term fund of the Group and of the Company represents a placement with fixed income trusts which is redeemable upon seven (7) days notice.

Notes to the Financial Statements (cont'd)

12. Capital and reserves

Share capital

	Group and Company			
	Amount 2011 RM	Number of shares 2011	Amount 2010 RM	Number of shares 2010
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) 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	112,875,002	112,875,002	112,875,002	112,875,002

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

12.1 Treasury shares

The shareholders of the Company by a special resolution passed in the Annual General Meeting on 23 March 2011, 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 repurchase 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 (2010: 2,030,200) units.

12.2 Revaluation reserve (Non-distributable)

The revaluation reserve relates to the revaluation of the Group's freehold and leasehold buildings in 2007.

12.3 Retained earnings (Distributable)

The Finance Act, 2007 introduced a single tier income tax system with effect from year of assessment 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.

On 26 January 2010, the Company has elected for the single tier tax system and therefore, dividends distributed to shareholders will be exempted from tax.

13. Trade and other payables, including derivatives

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Trade					
Trade payables	13.1	11,953,917	7,820,227	-	-
Amount due to contract customers	8.2	7,975,374	1,714,771	-	-
Amount due to related companies	13.2	277,254	177,044	-	-
		20,206,545	9,712,042	-	-
Non-trade					
Amount due to a subsidiary	13.3	-	-	6,435,389	6,371,814
Other payables	13.4	207,561	118,996	-	-
Accrued expenses		4,648,529	3,978,589	245,309	244,935
Financial liabilities at fair value through profit or loss		283,747	-	-	-
		5,139,837	4,097,585	6,680,698	6,616,749
		25,346,382	13,809,627	6,680,698	6,616,749

13.1 Trade payables

Included in trade payables of the Group is an amount of RM228,897 (2010: RM148,149) due to companies in which certain Directors of the Company have interests.

13.2 Amount due to related companies

The amount due to related companies is unsecured, interest-free and payable on demand.

13.3 Amount due to a subsidiary

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

13.4 Other payables

Included in the other payables of the Group is an amount of RM48,357 (2010: RM28,895) due to companies in which certain Directors of the Company have financial interests.

14. Provision for liquidated and ascertained damages

	Group RM
At 1 October 2010	7,334,451
Provision made during the year	5,365,792
Provision used during the year	-
Provision reversed during the year	(5,468,890)
At 30 September 2011	7,231,353

Notes to the Financial Statements (cont'd)

14. Provision for liquidated and ascertained damages (continued)

As at 30 September 2011, a provision of RM7,231,353 was provided for the Group's potential obligations arising from the delay in completion and delivery of projects. The amount provided was determined based on the contracted terms as set out in the letters of award, contracts or purchase orders. The final settlement sum together with the timing of settlement may vary depending on the outcome of negotiations between the Group and its customers.

15. Revenue

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Revenue				
- contract revenue	165,452,937	125,755,730	-	-
- services	3,430,959	2,943,198	-	-
- dividend income	-	-	3,422,856	10,496,760
	168,883,896	128,698,928	3,422,856	10,496,760
Cost of goods sold				
- contract cost	(140,387,784)	(106,369,954)	-	-
- cost of services	(2,454,141)	(1,965,905)	-	-
Gross profit	26,041,971	20,363,069	3,422,856	10,496,760

16. Operating profit

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Operating profit is arrived at after crediting:				
Dividend income from subsidiaries (unquoted)	-	-	3,422,856	10,496,760
Net foreign exchange gain:				
- unrealised	569,819	118,190	-	-
Net gain on disposal of property, plant and equipment	2,000	65,329	-	-
Rental income	13,350	-	-	-
Reversal of allowance for impairment losses	333,854	46,328	-	-
Reversal of provision for liquidated and ascertained damages	5,468,890	5,064,845	-	-
and after charging:				
Allowance for impairment losses	295,302	495,588	-	-
Auditors' remuneration				
- Statutory audit				
- KPMG	110,000	81,000	25,000	20,000
- Other auditor	700	1,000	-	-
- Other services				
- KPMG	10,000	5,000	10,000	5,000
Depreciation of property, plant and equipment	4,906,951	5,300,674	-	-
Hire of machineries	17,660	126,194	-	-
Net foreign exchange loss:				
- realised	3,524,853	3,191,771	-	-

16. Operating profit (continued)

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
and after charging (continued):				
Personnel expenses (excluding key management personnel):				
- contributions to Employees' Provident Fund	916,962	974,594	28,692	35,796
- wages, salaries and others	9,471,616	8,635,429	108,000	148,250
Property, plant and equipment written off	-	1	-	-
Provision for liquidated and ascertained damages	5,365,792	1,435,506	-	-
Rental of factory	708,000	613,000	-	-
Rental of hostel	105,118	103,668	-	-
Rental of motor vehicles	45,967	50,182	-	-
Rental of premises	24,970	20,960	-	-

17. Finance income

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Interest income from deposits placed with licensed banks	998,637	876,200	39,917	14,547

18. Finance costs

	Group 2011 RM	Group 2010 RM
Other bank charges	331,193	208,253

19. Key management personnel compensation

The key management personnel compensations are as follows:

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Directors				
- Fees	104,000	154,000	100,000	150,000
- Remuneration	1,251,991	1,174,425	310,000	231,250
	1,355,991	1,328,425	410,000	381,250

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

Notes to the Financial Statements (cont'd)

20. Tax expense

Recognised in the profit or loss

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Current tax expense				
Current year	2,068,970	534,221	-	-
Over-provision in prior years	(87,137)	(115,215)	-	-
	1,981,833	419,006	-	-
Deferred tax expense				
Origination of temporary differences	440,054	1,413,870	-	-
Over-provision in prior years	(118,140)	(405,522)	-	-
	321,914	1,008,348	-	-
Tax expense	2,303,747	1,427,354	-	-
Reconciliation of tax expense				
Profit for the year	8,988,680	4,881,982	2,647,755	9,712,356
Total tax expense	2,303,747	1,427,354	-	-
Profit excluding tax	11,292,427	6,309,336	2,647,755	9,712,356
Income tax using Malaysian tax rate at 25% (2010 : 25%)	2,823,107	1,577,334	661,939	2,428,089
Non-deductible expenses	599,545	510,491	203,755	199,738
Non-taxable income	-	-	(865,694)	(2,627,827)
Tax incentives	(927,197)	(215,029)	-	-
Effect of unrecognised deferred tax assets	13,569	75,295	-	-
	2,509,024	1,948,091	-	-
Over-provision in prior years	(205,277)	(520,737)	-	-
Tax expense	2,303,747	1,427,354	-	-

21. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 September 2011 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	Group 2011 RM	Group 2010 RM
Profit for the year attributable to ordinary shareholders	8,988,680	4,881,982

21. Earnings per ordinary share (continued)

Basic earnings per ordinary share (continued)

Weighted average number of ordinary shares:

	Group 2011 RM	Group 2010 RM
Issued ordinary shares at 1 October	112,875,002	112,875,002
Less: Effect of treasury shares held	(2,030,200)	(2,030,200)
Weighted average number of ordinary shares at 30 September	110,844,802	110,844,802

	Group 2011 Sen	Group 2010 Sen
Basic earnings per ordinary share	8.11	4.40

There were no diluted earnings per ordinary share for the Group as at 30 September 2011.

22. Dividends

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
2011			
Final single-tier 2010 ordinary	3.0	3,325,344	18 April 2011
2010			
Interim single-tier 2010 ordinary	3.5	3,879,577	22 June 2010
Final single-tier 2009 ordinary	3.0	3,325,344	10 March 2010
Total amount		7,204,921	

The final single-tier exempt 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 2011 is 3.0 sen per ordinary share totalling RM3,325,344.

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.

23. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the Group's Executive Directors (the chief operating decision maker) review internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Fabrication — Fabrication of specially designed and manufacturing of engineering equipment.

Non-destructive testing — Provision of non-destructive testing services and other related services.

23. Operating segments (continued)

Performance is measured based on segment profit before tax and depreciation, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Unallocated items comprise mainly interest-earning assets, corporate assets, expenses and tax assets and liabilities.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and intangible assets other than goodwill.

Business Segments	Fabrication	Non-destructive testing	Elimination	Consolidated
2011	**RM**	**RM**	**RM**	**RM**
Total external revenue	165,452,937	3,430,959	-	168,883,896
Inter-segment revenue	4,397,107	2,498,692	(6,895,799)	-
Total segment revenue	169,850,044	5,929,651	(6,895,799)	168,883,896
Segment result	10,470,914	976,818	-	11,447,732
Operating profit				11,447,732
Unallocated expenses				(822,749)
Interest income				998,637
Finance costs				(331,193)
Profit before tax				11,292,427
Tax expense				(2,303,747)
Profit for the year				8,988,680
2010				
Total external revenue	125,755,730	2,943,198	-	128,698,928
Inter-segment revenue	3,395,743	2,448,731	(5,844,474)	-
Total segment revenue	129,151,473	5,391,929	(5,844,474)	128,698,928
Segment result	5,706,543	977,293	-	6,683,836

Notes to the Financial Statements (cont'd)

23. Operating segments (continued)

Business Segments (continued) **2010 (continued)**	**Fabrication** **RM**	**Non-destructive testing** **RM**	**Elimination** **RM**	**Consolidated** **RM**
Operating profit				6,683,836
Unallocated expenses				(1,042,447)
Interest income				876,200
Finance costs				(208,253)
Profit before tax				6,309,336
Tax expense				(1,427,354)
Profit for the year				4,881,982
2011				
Segment assets	170,667,330	6,678,438	(1,135,710)	176,210,058
Unallocated assets				20,644,806
Total assets				196,854,864
Segment liabilities	31,454,187	872,729	(300,000)	32,026,916
Unallocated liabilities				2,856,774
Total liabilities				34,883,690
Capital expenditure	5,421,030	88,087	-	5,509,117
Depreciation of property, plant and equipment	4,667,551	239,400	-	4,906,951
2010				
Segment assets	156,796,036	6,112,642	(781,969)	162,126,709
Unallocated assets				17,273,460
Total assets				179,400,169
Segment liabilities	21,052,300	1,421,169	(1,581,969)	20,891,500
Unallocated liabilities				2,200,831
Total liabilities				23,092,331
Capital expenditure	2,394,389	397,113	-	2,791,502
Depreciation of property, plant and equipment	5,039,625	261,049	-	5,300,674

Geographical segments

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

Notes to the Financial Statements (cont'd)

24. Financial instruments

Certain comparative figures have not been presented for 30 September 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R) ;
(b) Fair value through profit or loss (FVTPL); and
(c) Other liabilities (OL).

2011	Carrying amount RM	L&R RM
Financial assets		
Group		
Trade and other receivables	50,742,743	50,742,743
Deposits	111,092	111,092
Cash and cash equivalents	53,410,537	53,410,537
Other investment	35,000	35,000
	104,299,372	104,299,372
Company		
Trade and other receivables	39,040,750	39,040,750
Cash and cash equivalents	4,486,781	4,486,781
	43,527,531	43,527,531

2011	Carrying amount RM	OL RM	FVTPL RM
Financial liabilities			
Group			
Trade and other payables, including derivatives	25,346,382	25,062,635	283,747
Company			
Trade and other payables, including derivatives	6,680,698	6,680,698	-

24.2 Net gains and losses arising from financial instruments

	Group 2011 RM	Company 2011 RM
Net (losses)/gains arising on:		
Fair value through profit or loss	(283,747)	-
Loans and receivables	(2,249,038)	39,917
	(2,532,785)	39,917

24.3 Financial risk management

The Group and the Company have exposure to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24. Financial instruments (continued)

24.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from their receivables from customers. The Company also provides loans and advances to subsidiaries and financial guarantees are given to banks for credit facilities granted to a subsidiary.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally, financial guarantees of banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 30 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group 2011 RM
Domestic	17,526,048
Overseas:-	
Asia	2,525,285
Europe	3,606,616
America	3,999,970
Oceania	6,580,138
	34,238,057

Impairment losses

The ageing of trade receivables (excluding inter company balances) as at the end of the reporting period was:

Group	**Gross RM**	**Individual impairment RM**	**Net RM**
2011			
Not past due	21,150,109	-	21,150,109
Past due 1 - 90 days	10,854,514	(11,192)	10,843,322
Past due more than 90 days	5,789,595	(3,544,969)	2,244,626
	37,794,218	(3,556,161)	34,238,057

Notes to the Financial Statements (cont'd)

24. Financial instruments (continued)

24.4 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

The movements in the allowance for impairment losses of trade receivables during the year were:

	Group and Company 2011 RM
At 1 October 2010	3,608,636
Impairment loss recognised	295,302
Impairment loss reversed	(333,854)
Impairment loss written off	(13,923)
At 30 September 2011	3,556,161

The allowance account in respect of receivables is used to record impairment losses. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary.

The results of the subsidiary are monitored on an ongoing basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, there were no outstanding banking facilities recorded by the subsidiaries. Accordingly, the exposure to credit risk in relation to financial guarantee issued is not significant and there were no impairment losses required.

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitor the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the intercompany balances are not recoverable.

24. Financial instruments (continued)

24.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2011 Group	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM
Non-derivative financial liabilities				
Trade and other payables, excluding derivative	25,062,635	-	25,062,635	25,062,635
Derivative financial liabilities				
Forward exchange contracts (gross settled): - Outflow	4,790,747	-	4,790,747	4,790,747
- Inflow	(4,507,000)	-	(4,507,000)	(4,507,000)
	283,747	-	283,747	283,747
Company				
Non-derivative financial liabilities				
Trade and other payables, excluding derivative	6,680,698	-	6,680,698	6,680,698

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's and the Company's financial position or cash flows. The Group and the Company are not exposed to other price risk.

24.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities and the functional currency of the Company. The currency giving rise to this risk is primarily U.S. Dollar (USD), Euro Dollar (EURO) and Singapore Dollar (SGD).

Risk management objectives, policies and processes for managing the risk

In the management of foreign currency risk, the Group entered into foreign currency forward contracts in the normal course of business, where appropriate, to manage their exposure against foreign currency fluctuations on sales and purchases transactions denominated in foreign currencies.

Notes to the Financial Statements (cont'd)

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency risk (a currency which is other than the currency of the Group entities), based on carrying amounts as at the end of the reporting period was:

Group RM	USD	2011 Denominated in SGD	EURO
Trade receivables	14,624,929	358,069	1,332,348
Trade payables	(878,705)	(220,795)	-
Forward exchange contract	(283,747)	-	-
Exposure in the statements of financial position	13,462,477	137,274	1,332,348

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency.

A 10 percent strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	2011 RM'000
USD	1,010
SGD	10
EURO	100

A 10 percent weakening of RM against the above currency during the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

24.6.2 Interest rate risk

The Group's and the Company's primary interest rate risk relates to fixed deposits placed with licensed bank. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company place cash balances with reputable banks to generate interest income for the Group and the Company. The Group and the Company manage their interest rate risk by placing such balances on varying maturities and interest rate terms.

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	2011 RM
Fixed rate instruments	
Financial assets	
Deposits placed with licensed banks	33,228,590

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group does not hold any variable rate instruments, accordingly, the effect of changes in interest rate will not significantly affect the cash flows.

24.7 Fair value of financial instruments

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

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2011		2010	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Forward exchange contracts:				
Liability	(283,747)	(283,747)	-	-
Other investment	35,000	60,000	35,000	60,000

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Derivatives

The fair value of forward exchange contract is determined based on bank quotation. If the quotation is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Other investment

Fair value, which is determined for disclosure purposes, is based on the current price of the golf club membership.

Notes to the Financial Statements (cont'd)

24. Financial instruments (continued)

24.8 Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine the level of capital appropriate for its business circumstances.

There were no changes in the Group's approach to capital management during the financial year.

25. Capital commitments

	Group	
	2011 RM	2010 RM
Plant and equipment		
Contracted but not provided for	423,500	-

26. Contingent liabilities (unsecured)

	Company	
	2011 RM	2010 RM
Corporate guarantees granted to suppliers of its subsidiaries	8,100,000	8,100,000
Corporate guarantees granted to financial institutions for bank facilities granted to its subsidiaries	98,700,000	90,700,000

27. 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. Key management personnel compensation is disclosed in Note 19.

27. Related parties (continued)

The significant related party transactions of the Group and the Company, other than key management personnel compensation, are as follows:

Group	Transaction	Transactions amount for the year ended 30 September 2011 RM	2010 RM	Balances at 30 September 2011 RM	2010 RM
Companies where certain Directors of the Company have financial interests:					
Peng Fah Engineering Sdn. Bhd.	Rental expenses	408,000	408,000	-	-
TTS Insu-Write Service Sdn. Bhd.	General and marine cargo insurance	260,626	194,621	48,357	28,895
TTS Transport Sdn. Bhd.	Transportation services	899,127	535,237	204,376	122,370
TTS Engineering Sdn. Bhd.	Minor fabrication works and rental expenses	319,522	227,434	17,366	18,588
TTS Enterprise Sdn. Bhd.	Maintenance of lorries and machines	31,817	24,339	7,155	7,191

Balances with related parties are disclosed in Note 13. All transactions have been entered in the ordinary course of business and have been established based on negotiated terms.

28. Significant changes in accounting policies

28.1 FRS 139, *Financial Instruments: Recognition and Measurement*

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance to the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted.

There were no adjustments made to the opening balance of retained earnings or another appropriate reserve of the Group and the Company and there were no other impacts arising from the adoption of FRS 139 which are material to be adjusted.

Significant changes in accounting policies are as follows:

Derivatives

Prior to the adoption of FRS 139, the Group and the Company adopted a policy to account for the derivatives 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. With the adoption of FRS 139, derivative is now classified as fair value with the gain or loss recognised in profit or loss accordingly. As the Group does not hold any derivative instrument as at 1 October 2010, the adoption of FRS 139 has therefore had no impact on the opening retained earnings of the Group and the Company.

Notes to the Financial Statements (cont'd)

28. Significant changes in accounting policies (continued)

28.1 FRS 139, *Financial Instruments: Recognition and Measurement (continued)*

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

The adoption of FRS 139 does not affect the basic earnings per ordinary share for prior periods and has no impact to the current year's basic earnings per ordinary share.

28.2 FRS 8, *Operating Segments*

As of 1 October 2010, the Group determines and presents operating segments based on the information that internally is provided to the Executive Directors, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114_{2004}, Segment Reporting.

28.3 FRS 101, *Presentation of Financial Statements (revised)*

The Group applies FRS 101 (revised) which became effective as of 1 October 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

28.4 FRS 117, *Leases*

The Group have adopted the amendment to FRS 117. The Group and the Company has reassessed and determined that all leasehold land of the Group and the Company are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

29. Comparative figures

29.1 FRS 101 (revised), *Presentation of Financial Statements*

Arising from the adoption of FRS 101 (revised), income statements for the year ended 30 September 2010 have been re-presented as statements of comprehensive income. All non-owner changes in equity that were presented in the statements of changes in equity are now included in the statements of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statements of changes in equity.

Balance sheets as at 30 September 2010 have been re-presented as statements of financial position.

29. Comparative figures (continued)

29.2 FRS 117, *Leases*

Following the adoption of the amendment to FRS 117, certain comparatives have been re-presented as follows:

	30.9.2010		1.10.2009	
	As restated RM	As previously stated RM	As restated RM	As previously stated RM
Group				
Statements of financial position				
Property, plant and equipment	74,185,062	58,580,354	76,770,706	60,889,962
Prepaid lease payments	-	15,604,708	-	15,880,744
Statements of cash flow				
Amortisation of prepaid lease payments	-	278,644	-	-
Depreciation of property, plant and equipment	5,300,674	5,022,030	-	-

30. Supplementary information on the breakdown of realised and unrealised profits or losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Malaysian Institute of Accountants issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 30 September 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

	2011	
	Group RM	**Company RM**
Total retained earnings of the Company and its subsidiaries:		
- realised profits	98,768,110	4,312,019
- unrealised losses	(3,377,448)	-
	95,390,662	4,312,019
Less: consolidation adjustments	(43,018,907)	-
Total retained earnings (distributable)	52,371,755	4,312,019

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

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 27 to 67 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 financial position of the Group and of the Company at 30 September 2011 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 30 on page 68 has been properly compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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: 18 January 2012

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 27 to 68 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 above named in Kuala Lumpur on 18 January 2012.

…………………………
Cheong Wai Pong

Before me:

Independent Auditors' Report

to the members of APB Resources Berhad (Company No. 564838-V) (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of APB Resources Berhad, which comprise the statements of financial position as at 30 September 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 27 to 67.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgement, 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 entity's preparation of financial statements that give a true and fair view 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 entity'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 2011 and of their financial performance and cash flows for the financial 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' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 4 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.

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.

Independent Auditors' Report

to the members of APB Resources Berhad (Company No. 564838-V) (Incorporated in Malaysia) (cont'd)

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 30 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Chong Dee Shiang
Approval Number: 2782/09/12(J)
Chartered Accountant

Petaling Jaya,

Date: 18 January 2012

List of Properties
as at 30 September 2011

Property	Tenure	Description (Approximate Age of Building) / Existing Use	Land Area / Built-Up Area (Date for Certificate of Fitness /*Certificate of Completion and Compliance)	Carrying Amounts As At 30 Sept 2011 (RM)	Open Market Value (RM)	Date of Valuation
Amalgamated Metal Corporation (M) Sdn. Bhd.						
1. 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 (10 years) / For Office and Factory Operations	39,250 / 15,750 square metres (12 June 1995)	12,386,742 (Within Property, Plant and Equipment)	14,200,000	30 September 2007
2. 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 (7 years) / For Factory Operations	26,110 / 9,000 square metres (8 June 2003)	8,548,797 (Within Property, Plant and Equipment)	9,800,000	30 September 2007
3. 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 (6 1/2 years) / For Office and Factory Operations	8,094 / 4,597 square metres (29 March 2004)	6,058,518 (Within Property, Plant and Equipment)	7,050,000	30 September 2007
4. Lot No. 24, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang (PN No. 7105, Lot No. 8922 (formerly known as HSD No. 17910, PT No. 7529), Mukim Sungai Karang, Daerah Kuantan, Pahang)	Leasehold 66 years expiring on 26 May 2064	Five (5) Contiguous Open Sided Single-Storey Detached Factory/Workshop cum Storage Area (3 years) / For Factory Operations	71,050 / 16,750 square metres (*29 February 2009)	28,693,979 (Within Property, Plant and Equipment)	23,000,000	8 January 2009
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 Sub-Lot No. B-19, Mukim Klang, Daerah Klang, Selangor)	Freehold	Intermediate Unit 1 1/2 Storey Terraced Factory (7 years) / For Office and Factory Operations	2,000 / 3,000 square feet 11 August 2000	294,399 (Within Property, Plant and Equipment)	320,000	30 September 2007

Analysis of Shareholdings
as at 30 January 2012

Authorized Share Capital	200,000,000 ordinary shares
Issued and Paid-up Share Capital	110,844,802 ordinary shares (excluding 2,030,200 shares bought-back)
Class of Sahres	Ordinary Shares of RM1.00 each
Voting Rights	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2,029	46.78	76,774	0.07
100 -1,000	1,186	27.35	503,089	0.45
1,001 - 10,000	746	17.20	3,352,642	3.02
10,001 - 100,000	303	6.99	10,396,320	9.38
100,001 - 5,542,239 (less than 5% of the issued shares)	69	1.59	36,814,773	33.22
5,542,240 and above (5% of the issued shares and above)	4	0.09	59,701,204	53.86
Total	4,337	100.00	110,844,802	100.00

Note:
Excluding a total of 2,030,200 ordinary shares bought-back by APB and retained as treasury shares as at 30.1.2012

THIRTY LARGEST SHAREHOLDERS

No	Name	No of Shares	%
1	Ikram Pintas Sdn.Bhd	30,876,000	27.86
2	Yap Kow @ Yap Kim Fah	12,216,404	11.02
3	Lembaga Tabung Haji	8,850,300	7.98
4	Lim Hong Liang	7,758,500	7.00
5	Aspirasi Jitu Sdn.Bhd.	5,415,007	4.89
6	TTS Resources Sdn.Bhd.	5,117,215	4.62
7	Lim Hong Liang	2,161,500	1.95
8	Tan Ming Chieh	1,813,400	1.64
9	Teh Teck Tee	1,744,400	1.57
10	Lee Boon Imm	1,138,000	1.03
11	Goh Siang Kuan	1,023,896	0.92
12	Yeo Seo Hwa	1,000,500	0.90

Analysis of Shareholdings
as at 30 January 2012 (cont'd)

THIRTY LARGEST SHAREHOLDERS (CONTINUED)

No	Name	No of Shares	%
13	RHB Capital Nominees (Tempatan) Sdn.Bhd. Pledged Securities Account for Lee Teck Yuen	1,000,000	0.90
14	Cheong Boon Yu	856,157	0.77
15	Gan Chin Boon	725,157	0.65
16	Yap Kow @ Yap Kim Fah	723,000	0.65
17	Chi Hoo @ Chu Chi Hoo	658,190	0.59
18	Rare Prestige Sdn.Bhd.	616,569	0.56
19	Fong Pick Kim	599,800	0.54
20	Wong Than Loy	522,400	0.47
21	Lim Pin Kong	500,000	0.45
22	Tan Huey Szu	487,400	0.44
23	Tan Ming Sheng	408,300	0.37
24	Tan Ming Sheng	403,900	0.36
25	Chwa Eng Wan	402,700	0.36
26	EB Nominees (Tempatan) Sdn.Bhd. Pledged Securities Account for On Boon Kai	363,500	0.33
27	Puah Siew Mooi	349,700	0.32
28	Public Nominees (Tempatan) Sdn.Bhd. Pledged Securities Account for Ng Faai @ Ng Yoke Pei	338,000	0.30
29	Lee Kwai	324,600	0.30
30	Public Invest Nominees (Asing) Sdn.Bhd. Exempt an for Philip Securities PTE LTD	324,100	0.29

Analysis of Shareholdings
as at 30 January 2012 (cont'd)

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

Directors	No. of Ordinary Shares Held					
Name	Direct	%	Indirect	%	Total	%
Yap Kow @ Yap Kim Fah	12,939,404	11.67	35,993,215	32.47	48,932,619	44.15
Tan Teng Khuan	244,095	0.22	0	0.00	244,095	0.22
Lim Hong Liang	9,920,000	8.95	616,569	0.56	10,536,569	9.51
Yap Kau @ Yap Yeow Ho	33,000	0.03	5,117,215	4.62	5,150,215	4.65
Mak Fong Ching	0	0.00	0	0.00	0	0.00
Chua Eng Seng	0	0.00	0	0.00	0	0.00
Alternate Directors						
Yap Swee Sang	0	0.00	0	0	0	0
Yap Puhui Lin	163,200	0.15	0	0	163,200	0.15

Note:
Excluding a total of 2,030,200 ordinary shares bought-back by APB and retained as treasury shares as at 30.1.2012

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		No. of Ordinary Shares Held					
Name	Note	Direct	%	Indiret	%	Total	%
Yap Kow @ Yap Kim Fah	1	12,939,404	11.67	35,993,215	32.47	48,932,619	44.15
Lim Hong Liang	2	9,920,000	8.95	616,569	0.56	10,536,569	9.51
Ikram Pintas Sdn. Bhd.		30,876,000	27.86	0	0.00	30,876,000	27.86
Lembaga Tabung Haji		8,850,300	7.98	0	0.00	8,850,300	7.98

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 Rare Prestige Sdn. Bhd.

(3) Excluding a total of 2,030,200 ordinary shares bought-back by APB and retained as treasury shares as at 30.1.2012

Notice of 10th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Tenth 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, 22 March 2012 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 2011 and the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To declare a final single tier dividend of 3% in respect of the financial year ended 30 September 2011 as recommended by the Directors. **Resolution 2**

3. To approve payment of Directors' fees for the financial year ended 30 September 2011. **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. Tan Teng Khuan **Resolution 4**

   Mr. Lim Hong Liang **Resolution 5**

   Ms. Mak Fong Ching **Resolution 6**

5. To appoint auditors and to authorize the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

Resolution 8

6. Authority to Directors to Issue Shares

   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."

7. 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 9**

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

   "THAT the Mandate granted by the Shareholders of APB Resources Berhad on 23 March 2011 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 27 February 2012 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 arm's length basis and are not to the detrimental of the minority shareholders;

Notice of 10th Annual General Meeting (cont'd)

(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 2.4 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 2.5 of the Circular."

8. Proposed Renewal of Share Buy-Back **Resolution 10**

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;

Notice of 10th Annual General Meeting (cont'd)

(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."

9. To transact any other business of which due notice shall have been given. **Resolution 11**

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that, subject to the approval of Members at the Tenth Annual General Meeting to be held on 22 March 2012, a final single tier dividend of 3% in respect of the financial year ended 30 September 2011, will be paid on 18 April 2012 to Depositors whose names appear in the record of Depositors on 9 April 2012.

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

(a) Shares transferred into the Depositor's securities account before 5.00 p.m. on 9 April 2012 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 (MACS00139)
Company Secretary
Kuala Lumpur
27 February 2012

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.

Notice of 10th Annual General Meeting (cont'd)

Explanatory notes on Special Business:

5 Authority to Directors to Issue Shares

The proposed Ordinary Resolution 8, if passed, is to give the Directors of the Company flexibility to issue and allot shares from unissued capital of the Company up to an amount not exceeding ten per centum (10%) of the Company's total issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority will expire at the next Annual General Meeting of the Company or at the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

The proposed Resolution is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Section 132D of the Companies Act, 1965 which was approved by the shareholders at the Ninth Annual General Meeting.

At the date of this notice, no new shares in the Company were issued pursuant to the general Authority to Directors to Issue Shares pursuant to Section 132D of the Companies Act, 1965 at the Ninth Annual General Meeting held on 23 March 2011 and which will lapse at the conclusion of the Tenth Annual General Meeting. In case of any strategic opportunities involving equity deals, which may require the Company to allot and issue new shares speedily, the Company may capitalize on its advantageous position if the Board considers it to be in the best interest of the Company. Any delay arising from and the cost involved in convening a general meeting to approve such issuance of shares would be eliminated.

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 9, if passed, will allow the APB Group to enter into recurrent 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 27 February 2012 which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2011.

7 Proposed Renewal of Share Buy-Back

The proposed Ordinary Resolution 10, 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 purpose of and to purchase such amount of ordinary shares 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 General 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; or
(ii) the expiration of the period within which the next 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 27 February 2012 which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2011.

Statement Accompanying
notice of tenth (10th) 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. Tan Teng Khuan;
   (b) Mr. Lim Hong Liang; and
   (c) Ms. Mak Fong Ching.

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

2. Details of Attendances of Directors at Board Meetings

   A total of five (5) Board of Directors' Meetings were held during the financial year ended 30 September 2011 at the Board Room, No. 47 (Lot 540), Jalan TUDM, Kampung Baru Subang, Seksyen U6, 40150 Shah Alam, Selangor Darul Ehsan. Details of attendances of Directors at the Board Meetings are set out in the Statement on Corporate Governance on pages 10 to 15 of the Annual Report.

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

   Date and time of the Board Meetings

   Thursday, 25 November 2010, at 12.45 p.m.
   Thursday, 27 January 2011 at 11.30 a.m.
   Thursday, 24 February 2011 at 11.30 a.m.
   Thursday, 26 May 2011 at 11.00 a.m.
   Thursday, 18 August 2011 at 4.55 p.m.

Corporate Directory

CORPORATE OFFICE

APB RESOURCES BERHAD
47 (Lot 540), Jalan TUDM, Kampung Baru Subang, Seksyen U6, Shah Alam, 40150 Selangor Darul Ehsan.
Tel : 603-78461389
Fax : 603-78463795
Website : www.apb-resources.com

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
Email : amcsubg@amcsb.com.my
Website : www.amcsb.com.my

Branch - Kuantan
Lot 109B, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang Darul Makmur.
Tel : 609-5858888
Fax : 609-5858892
Email : ammetal@amcsb.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
Email : prescan@pd.jaring.my

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

This page has been intentionally left blank

Proxy Form

APB RESOURCES

CDS Account No.	

*I/We .... NRIC/Company No. ....
(FULL NAME IN BLOCK LETTER)

of ....
(FULL ADDRESS)

being a member/members of **APB RESOURCES BERHAD**, hereby appoint ....
(FULL NAME IN BLOCK LETTER)

.... NRIC/Passport No. ....

or failing him/her.. NRIC/Passport No. ....
(FULL NAME IN BLOCK LETTER)

of ....
(FULL ADDRESS)

or failing him/her the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Tenth (10th) Annual General Meeting of the Company, to be held on Thursday, 22 March 2012 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):
(Please indicate with an "X" in either box if you wish to direct your proxy how to vote.)

1	To table and receive the Audited Financial Statements of the Company for the financial year ended 30 September 2011 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**		
2	To declare a final single tier dividend of 3% in respect of the financial year ended 30 September 2011. **(Resolution 2)**		
3	To approve payment of Directors' fees for the financial year ended 30 September 2011. **(Resolution 3)**		
4	To re-elect Mr. Tan Teng Khuan as Director **(Resolution 4)**		
5	To re-elect Mr. Lim Hong Liang as Director **(Resolution 5)**		
6	To re-elect Ms. Mak Fong Ching as Director **(Resolution 6)**		
7	To appoint auditors and to authorize the Directors to fix their remuneration. **(Resolution 7)**		
8	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965. **(Resolution 8)**		
9	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature. **(Resolution 9)**		
10	Proposed Renewal of Share Buyback **(Resolution 10)**		

Signed this__________day of ______________________2012.

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.

FOLD HERE

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

FOLD HERE