APB RESOURCES

APB RESOURCES BERHAD
(Company No. 564838-V)

2014 ANNUAL REPORT

APB RESOURCES BERHAD (564838-V)

2014 ANNUAL REPORT

Registered Office:

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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
Datuk 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 Datuk Yap Kau @ Yap Yeow Ho

AUDIT COMMITTEE
Mak Fong Ching (Ms.) - *Chairperson*
Chua Eng Seng
Datuk 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
Baker Tilly Monteiro Heng
Chartered Accountants (AF 0117)
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel No.: 03 - 2297 1000
Fax No.: 03 - 2282 9980

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
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47301 Petaling Jaya
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D12, Tingkat 1, Plaza Pekeliling
No. 2, Jalan Tun Razak
50400 Kuala Lumpur
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Fax No.: 03 - 4042 3422

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

Directors' Profile

Yap Kow @ Yap Kim Fah

Aged 69, 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, Datuk Yap Kau @ Yap Yeow Ho, is a Non-Independent Non-Executive Director of the Company.

Mr. Yap Swee Sang and Ms. Yap Puhui Lin are his son and niece respectively.

Tan Teng Khuan

Aged 58, 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.

Chua Eng Seng

Aged 69, 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.

Lim Hong Liang

Aged 55, 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.

Datuk Yap Kau @ Yap Yeow Ho

Aged 71, Malaysian • Non-Independent Non-Executive Director • Member of Audit Committee

Datuk Yap was appointed to the Board on 30 March 2004. Datuk 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, Datuk Yap has been a Director of TTS Transport Sdn Bhd. Datuk Yap had been conferred the title of Panglima Jasa Negara which carried the title "Datuk" by Seri Paduka Baginda Yang Di-Pertuan Agong XIV on 1 June 2013. Datuk Yap also 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. Datuk Yap is also a Director of several other private companies.

Datuk 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.

Ms. Yap Puhui Lin and Yap Swee Sang are his daughter and nephew respectively.

Mak Fong Ching (Ms.)

Aged 58, 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 a Fellow of the CPA Australia 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 furthering her studies in Australia in 1991. From 1993 to 1995, Ms. Mak worked in JB Were & Sons, Australia as an Assistant to the Group Management Accountant. She joined Deutsche Securities, Kuala Lumpur in 1995 as an Investment Analyst covering 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 38, 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.

Ms. Yap Puhui Lin is his cousin.

Yap Puhui Lin (Ms.)

Aged 46, 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, Datuk 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.

Mr. Yap Swee Sang is her cousin.

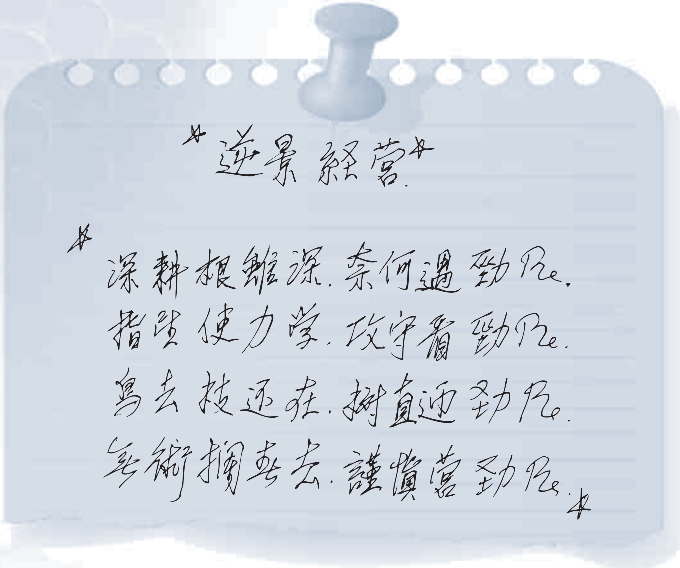
Notes:

- **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, Mr. Yap Swee Sang and Ms. Yap Puhui Lin 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 25 of the accompanying financial statements. Save as disclosed above, none of the other Directors of the Company have any conflict of interest with the Group.

- **Convictions for Offences (Within the Past Ten Years, Other Than Traffic Offences)**
  None of the Directors of the Company have been convicted of any offences within the past ten (10) years other than traffic offences, if any.

Chairman's Statement



Dear Valued Shareholders

On behalf of the Board of Directors, I have the pleasure of presenting the annual report and financial statements of APB Resources Berhad and its subsidiaries ("Group") for the financial year ended 30 September 2014.

PERFORMANCE REVIEW

The overall operating environment improved slightly from the previous year with marginal pick-up in demand for processed equipment. However, while the global economic activities were experiencing some gradual pick-up, particularly in the USA, the operating condition for the Group's processed equipment sector as a whole are still suffering from over-capacity and intense competition. With over 90% of production currently being exported, the Group's order book is mainly driven by global demand for fabrication of process equipment which in turn is dependent on the capital expenditure in the oil & gas, petrochemical, energy and oleo-chemical sectors.

Capital expenditure remained weak in the oil & gas and petrochemical sectors. Years of over-investment have resulted in huge over-capacity. This traditional middle-Eastern market has virtually disappeared and the prevailing political upheaval is adding to the woes. Pockets of capital expenditure in these sectors in some of the emerging markets have not been sufficient to absorb the process equipment supply overcapacity that built up during those booming years. Capital expenditure in the global energy sector failed to gather pace as weak economic condition in the developed countries were capping energy demand growth and forcing spending deferment on more energy-efficient equipment.

Demand for process equipment for the oleo-chemical sector remains strong, albeit with some signs of weakening towards the end of the year. This was mainly driven by upstream acreage expansion and consumption growth particularly in the emerging markets such as India, China and other South Asian countries. However, the equipment demand for capacity expansion for bio-diesel production seemed to have peaked.

Despite the rather difficult operating environment, the Group has performed relatively well for the year. Revenue increased by 26.3% year-on-year (YOY) to RM173.2 million from RM137.1 million previously. Consequently, profit before taxation rose by 11.7% YOY to RM16.2 million while profit after taxation was RM12.1 million, an improvement of 17.0% over the previous year. The higher revenue was mainly due to a more aggressive marketing strategy of focusing on the Group's strength and reputation in the oleo-chemical sector. The Group's strong goodwill with its established Engineering, Procurement, Construction and Commission (EPCC) clients has also enhanced its revenue growth in this trying period.

The Group derived 97.5% of its revenue and 97.7% of profit after tax from the fabrication division for the financial year ended 30 September 2014. Exports continued to account for over 90% of the revenue with the oleo-chemical sector being the principal revenue driver.

The Non-Destructive Testing division maintained its profitability with profit after taxation of RM0.7 million despite the tough business conditions.

The Group's financial position remained healthy with a net cash position of RM40 million or net cash per share of 36.0 sen as at 30 September 2014.

PROSPECTS

Before moving into the fourth quarter of 2014, the market was generally positive on the global outlook for 2015. However, over the past few months, sentiment has been dampened by negative economic data from most of the major economies with the exception of the USA. The Chinese economy seems to be heading for a sharp slowdown while several other major emerging economies such as Russia, India, Indonesia, South Africa and Brazil are also expected to experience significantly slower growth next year. Much anticipated recovery in the Euro-zone looks more likely to be postponed again. So, it seems that the USA economy is the only major bright spot for 2015. Apart from slower growth, of greater concern is the expected interest rate hike in the USA and its impact on the regional currencies arising from the potential outflow of funds from the respective economies. Additionally, the recent sharp drop in crude oil price will result in major ramification for some of the oil exporting economies although it would be positive for the global outlook in general.

Malaysia being a net crude oil exporter will be significantly affected. Both current account and foreign reserve positions are expected to deteriorate. Furthermore, prices of the country's major export commodities, namely crude palm oil and rubber are very depressed. These do not augur well for Malaysia's credit ratings and it's therefore pressurizing its currency while local interest rates are likely to rise soon to support the local currency- further dampening the already weakening domestic growth. The final blow on the local economy is when good and services tax (GST) is implemented from this April which will push up inflation. All these factors could not have happened at a worst time, as the economy is already starting to slow significantly following the cooling measures introduced to cool the hot property sector that was built-up over the past few years.

So, with all these developments what are the implications for the Group? The biggest impacts are the recent plunge in crude oil prices and the prevailing low crude palm oil prices. As you are aware, the Group's earnings are driven by global capital expenditure for the oil & gas, petrochemical, oleo-chemical and energy sectors. Such capital spending and demand for process equipment are expected to lag the general economic activities such as price movement or supply/demand in the sectors by around a year or so. Given that the global fabrication industry is still affected by over-capacity, these recent developments will further depress demand. The more immediate concern for the Group is whether the expected slowdown in the Indonesian economy will dampen the on-going huge investment in the oleo-chemical sector. This area has been the major contributor to the Group's order book in the past. Our view is that capital spending in Indonesia's oleo-chemical sector is more a function of global demand and continued expansion in upstream plantation acreages rather than the general domestic economic condition. Nevertheless, the current crude palm oil inventory build-up and the depressed prices are expected to dampen capital expenditure going forward.

The oil & gas and petrochemical sectors are major users of process equipment. Massive capacity expansion of past years in the two sectors has created substantial excesses particularly in the middle-east. Until early this year there was expectation that the global economic rebound in 2015 may renew capital spending. However, the recent plunge in crude oil prices and the worse-than-expected economic data from China have virtually extinguished any hope of a rebound in these sectors. Even Petronas has announced plans to cut as much as 15% to 20% of its capital expenditure budget for 2015.

Some positive indicators are emerging on capital expenditure in the energy sector where numerous projects which were shelved or deferred in recent years arising from the global financial crisis are showing signs of revival. The sharp drop in fossil fuel prices such as, gas and coal, are renewing interests for capacity expansion in energy deficit and rapid economic/population growth economies. However, the cheaper fossil prices will likely tilt the economic equation against renewable energies spending and could put some of these projects on the back burner. On the flip-side, renewable energy remains a very small sector as far as demand for process equipment is concerned.

Operationally, the Group's drive on efficiency has been successful in keeping cost under control as a result, generating respectable margins despite the challenging business environment over the years. Unfortunately going forward, the local operating and business environment are getting increasingly more difficult, marred by acute shortage of skilled workers, onerous government regulations, rapid cost increases arising from the implementation of GST, toll rates, electricity tariffs, property assessment rates etc. As the Group is operating in an international and highly competitive arena, it would be difficult to pass on the cost increase to the clients. Unless the scenario changes, there is likely to be some pressure on profitability going forward. However, we assure you that the Group will endeavor to minimize the impact through our efficiency drive.

PROSPECTS (continued)

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 list of major global Engineering, Procurement, Construction and Commissioning (EPCC) clients. This will provide a stable earnings base. Moreover, the strong cash position will enable the Group to seize potential opportunities while maintaining a cautious and prudent strategy in all investments going forward.

DIVIDEND

The Board has recommended a single-tier final dividend of 3.0% per ordinary share for the year ended 30 September 2014. This upon approval by shareholders at the forthcoming Thirteenth (13th) Annual General Meeting, together with the interim dividend of 3.5% paid earlier, will bring the total dividend to 6.5% for the year ended 30 September 2014 (6.5% for 2013).

ACKNOWLEDGEMENT

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

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

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

Statement on Corporate Governance

The Board of Directors of APB Resources Berhad ("the Board") is committed to the principles of corporate governance and to ensure these principles 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 Group will continue with its efforts in evaluating its corporate governance practices.

The Board is pleased to report its Statement on Corporate Governance for the financial year ended 30 September 2014 outlining the application of the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("the Code").

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

CLEAR FUNCTIONS OF THE BOARD AND MANAGEMENT

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 and these responsibilities are set out in a Board Charter.

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.

CLEAR ROLES AND RESPONSIBILITIES

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 Board regards the presence of independent and non-executive directors as majority within the composition of the Board as the existence of strong independent elements within the Board. They also act independently of Management and are not involved in any other relationship with the Group that may impair their independent judgment and decision-making. Although the roles of the Chairman of the Board and the Group Managing Director are combined, the Board is of the view that there is a strong independent element on the Board and that there are adequate measures and controls to ensure that there is balance of power and authority, such that no individual has unfettered powers of decision.

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

DIRECTORS' CODE OF CONDUCT

The Board, through a Board Charter, has formalized a Directors' Code of Conduct which sets out the standard of conduct expected of Directors with the aim to cultivate good ethical conduct that spread throughout the Group through transparency, integrity, accountability and corporate social responsibility.

SUSTAINABILITY OF BUSINESS

The Board, through a Board Charter, is committed in promoting business sustainability strategies within the Group.

SUPPLY OF INFORMATION TO BOARD MEMBERS

The Board meets on a quarterly basis and additionally as and when required. Prior to Board Meetings, all 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.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (continued)

SUPPLY OF INFORMATION TO BOARD MEMBERS (continued)

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

ACCESS TO INFORMATION AND ADVICE

All Directors have unrestricted direct access to the Company's Senior Management and 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.

BOARD CHARTER

The Board has also adopted a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and functions. The Board Charter is reviewed periodically and updated in accordance with the needs of the Company to ensure its effectiveness. The current Board Charter is published on our corporate website, www.apb-resources.com.

PRINCIPLE 2 – STRENGTHEN COMPOSITION

To ensure the most effective and professional discharge of duties, the Board is assisted by Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee. Each committee will focus on specific areas and will operate within clearly defined terms of reference which have been approved by the Board.

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, skills and experience of Board members to serve the Group's business and operation needs.

The Nomination Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director i.e. comprises exclusively of Non-Executive Directors and the majority of whom are Independent Directors. The Nomination Committee members are as follows:
(i) Chua Eng Seng (Independent Non-Executive Director) – Chairman;
(ii) Mak Fong Ching (Ms.) (Independent Non-Executive Director); and
(iii) Lim Hong Liang (Non-Independent Non-Executive Director).

The Nomination Committee has held one (1) meeting for the financial year ended 30 September 2014 whereby the Company Secretary shall be the secretary for the Nomination Committee.

The Nomination Committee continually reviews and evaluates its requirements for an appropriate mix of skills and experience to ensure the Board's composition remains relevant and optimal. The Nomination Committee confirms that the present size and composition of the Board is appropriate to oversee the overall businesses of the Group.

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.

PRINCIPLE 2 – STRENGTHEN COMPOSITION (continued)

REMUNERATION COMMITTEE

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.

The Remuneration Committee comprises two (2) Independent Non-Executive Directors and one (1) Executive Director the majority of whom are Independent Non-Executive Directors. The Remuneration Committee members are as follows:
(i) Chua Eng Seng (Independent Non-Executive Director) – Chairman;
(ii) Mak Fong Ching (Ms.) (Independent Non-Executive Director); and
(iii) Yap Kow @ Yap Kim Fah (Executive Director).

The Remuneration Committee has held one (1) meeting for the financial year ended 30 September 2014 whereby the Company Secretary shall be the secretary for the Remuneration Committee.

DIRECTORS' REMUNERATION

The Company's framework on Directors' remuneration has the objectives of attracting and retaining Directors of high caliber needed to run the Group successfully. For Executive Directors, their remunerations are structured so as to link rewards to corporate and individual performance and for Non-Executive Directors, their remunerations are to reflect their expertise, experience and level of responsibilities undertaken. The Directors are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company.

The aggregate remuneration paid or payable, by nature and amount, to all Directors of the Company for the financial year ended 30 September 2014 is as follow:

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Remuneration	800	-
Fees	50	100
Total	850	100

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

	Executive Directors	Non-Executive Directors
Below RM50,000	-	4
RM150,001 – RM200,000	1	-
RM600,001 – RM650,000	1	-

PRINCIPLE 3 – REINFORCE INDEPENDENCE

ASSESSMENT OF INDEPENDENT DIRECTORS

The Board recognizes the importance of independence and objectivity in the decision-making process. The Board and its Nomination Committee are of the opinion that the Independent Non-Executive Directors continue to demonstrate conduct and behavior that are independent, and that each of them continues to fulfill the definition and criteria of independence as set out within Bursa Malaysia Securities Berhad ("BMSB") Main Market 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.

TENURE OF INDEPENDENT DIRECTORS

The Board noted the Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The Board and the Nomination Committee have deliberated on the said recommendation and are of the opinion that a Director's independence cannot be determined solely with reference to tenure of service. A Board composition should have a balance between effectiveness on one hand and the need for fresh perspectives on the other.

The Board and its Nomination Committee are of the opinion that Mak Fong Ching (Ms.) and Chua Eng Seng, who have served on the Board as Independent Directors and each exceeding a cumulating term of nine (9) years, remain independent and objective in expressing their opinions and in participating in decision making of the Board. The length of their service on the Board has not in any way interfered with their independent and objective judgment in carrying out their roles as members of the Board and its Board Committees. The Board believes that the Board is in the best position to evaluate and determine whether any Independent Director has acted in the best interests of the Company and bringing independent and objective judgment to board deliberations.

In this respect, the Board has approved the continuation of Mak Fong Ching (Ms.) and Chua Eng Seng as Independent Directors of the Company.

PRINCIPLE 4 – FOSTER COMMITMENT

BOARD MEETINGS

The Board places importance of devoting sufficient time and efforts to carry out their responsibilities and to enhance their professional skills. Thus, each Director is expected to commit sufficient time and efforts to carry out their responsibilities besides attending meetings of the Board and Board Committees.

The Board meets at least five (5) times a year on a scheduled basis. The meeting calendar is tabled and confirmed at the beginning of each financial year to allow the Directors to plan ahead. Additional meetings may be convened when necessary should major issues arise that need to be resolved between scheduled meetings. Where the Board is considering a matter in which a Director has an interest, such Director abstains from all deliberations and decision making on the subject matter. In the event Directors are unable to attend Board Meetings physically, the Company's Articles of Association allow for such meetings to be conducted via telephone, video conference or any other form of electronic or instantaneous communication.

PRINCIPLE 4 – FOSTER COMMITMENT (continued)

BOARD MEETINGS (continued)

For the financial year ended 30 September 2014, 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
Datuk 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

DIRECTORS' CONTINUING DEVELOPMENT

All Board members have attended and successfully completed the Mandatory Accreditation Programme as prescribed by BMSB's Listing Requirements. The Board oversees the training needs of its Directors. Directors are regularly updated on the Group's businesses and the competitive and regulatory environment in which they operate. Directors are encouraged to visit the Group's operating centers to have an insight into the Group's operations which would assist the Board to make effective decisions relating to the Group. 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 2014, the Directors have attended seminars on "Mediation As An Effective Dispute Resolution Mechanism", "The Effects Of Bankruptcy", "GST And The Impact On The Malaysian Corporate Sectors" and "Portfolio Management Strategies".

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

FINANCIAL REPORTING

The Board is committed to present a fair, balanced and understandable assessment of the Group's operations, 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group at 30 September 2014. 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.

The Audit Committee plays an important role in reviewing information to be disclosed to ensure its accuracy, adequacy and compliance with the appropriate accounting standards. All quarterly results and financial statements have to be reviewed and 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.

The composition and terms of reference of the Audit Committee together with its report are presented on pages 18 to 20 of this Annual Report.

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING (continued)

SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Board maintains a transparent and 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 18 to 20 of this Annual Report.

The suitability and independence of external auditors are also consistently reviewed by the Audit Committee.

PRINCIPLE 6 – RECOGNIZE AND MANAGE RISKS

SOUND RISK MANAGEMENT FRAMEWORK

The Board assumes responsibility for effective management of the Company with the objective to build and deliver value. The Board provides strategic directions and formulates corporate policies to ensure the Group's resources and profitability are optimized. The Board is also responsible for assessing the integrity of the Group's financial information and the adequacy and effectiveness of the Group's system of internal control and risk management processes.

INTERNAL AUDIT FUNCTION

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 on Risk Management and Internal Control which provides an overview of the Group's risk management and state of internal controls is set out on pages 21 of this Annual Report.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

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.

PRINCIPLE 8 – STRENGHTEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS

ANNUAL GENERAL MEETINGS

The Board recognises that Annual General Meeting ("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) days before the AGM.

PRINCIPLE 8 – STRENGHTEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS

ANNUAL GENERAL MEETINGS (continued)

In addition, shareholders have the right, as provided for in the Articles of Association of the Company, to call for poll voting.

The Company will hold its Thirteenth (13th) AGM on 26 March 2015 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.

INVESTOR RELATIONS

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.

This statement is made in accordance with a resolution of the Board dated 28 January 2015.

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.) (Independent Non-Executive Director) - Chairperson;
(ii) Chua Eng Seng (Independent Non-Executive Director); and
(iii) Datuk Yap Kau @ Yap Yeow Ho (Non-Independent Non-Executive Director).

During the financial year ended 30 September 2014, 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
Datuk Yap Kau @ Yap Yeow Ho	5 / 5

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 2014:
(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, Malaysian Financial Reporting Standards, International Financial Reporting Standards, the Companies Act, 1965 and other relevant legal and regulatory requirements.

3. INTERNAL AUDIT FUNCTIONS

For the financial year ended 30 September 2014, the Group has outsourced its internal audit functions to H-Corp Management Sdn. Bhd. ("H-Corp"). H-Corp is an independent professional firm to support the Audit Committee and to assist the Board by providing an independent assurance on the effectiveness of the Group's internal control systems.

During the year under review, H-Corp have assessed the adequacy and effectiveness of the Group's key business processes and conducted visits to the Group's key business units. H-Corp reported their findings and recommendations to the 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, risk management processes and compliance frameworks.

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 Chairman from amongst themselves. The appointment of the Chairman of the Audit Committee shall be approved by the Board. The Chairman of the Audit Committee shall be an Independent Non-Executive Director. All members of the Audit Committee, including the Chairman, 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.

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 five (5) 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. **TERMS OF REFERENCE (continued)**

4.5 Quorum

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

4.6 Secretary

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

4.7 Duties and Responsibilities

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

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

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

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

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

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

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

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

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

(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 Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") is pleased to provide the Statement on Risk Management and Internal Control that is made pursuant to paragraph 15.26(b) of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This statement has been prepared after taking into consideration the "Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies". It outlines the key elements of risk management and internal control systems within the Group for the current financial year.

RESPONSIBILITY

The Board of APB Resources Berhad ("the Company") acknowledges the importance of having a sound system of internal control, risk management processes and best practices to good corporate governance. 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 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 are 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.

The Board is responsible for ensuring that this process is in place and is effective and adequate.

RISK MANAGEMENT FRAMEWORK

The Board has taken necessary measures to ensure the existence of an on-going process to identify, evaluate and manage significant risks faced by the Group with a view to enhance the value of shareholders' investments and safeguarding the Group's assets. It also addresses the compilation of a risk register of the Group.

The Group adopts a risk based management approach and relies on Senior Management utilizing their existing skills as the basis to assume ownership and accountability for risks at their respective levels, and to develop risk awareness among all employees through effective communication, timely dissemination of Group's policies, guidelines and procedures, new legislation and financial reporting compliances.

INTERNAL AUDIT FUNCTIONS

The Group has outsourced its internal audit functions to H-Corp Management Sdn. Bhd. ("H-Corp"). H-Corp is an independent professional firm to support the Audit Committee and to assist the Board by providing an independent assurance on the effectiveness of the Group's internal control systems.

During the year under review, H-Corp have assessed the adequacy and effectiveness of the Group's key business processes and conducted visits to the Group's key business units. H-Corp reported their findings and recommendations to the 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, risk management processes and compliance frameworks.

KEY PROCESSES OF INTERNAL CONTROL

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

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

(ii) The 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;

(iii) 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

(iv) Internal audits are conducted on a quarterly basis to review the system 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 key processes of internal control provide a reasonable assurance of the integrity of the Group's system of internal control.

Nonetheless, 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 Group Managing Director and Chief Operating Officer had given assurance to the Board on the adequacy and effectiveness of the Group's risk management and internal control system, in all material aspects.

This statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 28 January 2015.

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 2014.

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 2013.

SHARE BUY-BACK

The Company has not undertaken any share buy-back exercise for the financial year ended 30 September 2014.

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 2014.

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 2014.

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 2014.

NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors for the financial year ended 30 September 2014 was RM6,000.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection pertaining to the financial year ended 30 September 2014. There were no variances of 10% or more between the audited results for the financial year ended 30 September 2014 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 2014.

REMUNERATION OF DIRECTORS

The details of remuneration of Directors for the financial year ended 30 September 2014 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 27 February 2015 and are attached to this Annual Report.

The details of recurrent related party transactions entered into for the financial year ended 30 September 2014 are as disclosed in note 25 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 2014 are as disclosed in note 75 of the accompanying financial statements.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

For the financial year ended 30 September 2014, 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 the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of the results of their operations and cash flows for the financial year.

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

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

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

The Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965 is set out on page 76 of the accompanying financial statements.

FINANCIAL STATEMENTS

Directors' Report
for the year ended 30 September 2014

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are set out in Note 11 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 financial year	12,136,815	6,899,749
Profit attributable to:		
Owners of the Company	12,136,815	6,899,749

DIVIDENDS

Dividends paid since the end of the previous financial year are as follows:

	RM
In respect of financial year ended 30 September 2013:	
"Final single-tier ordinary dividend of 3.0 sen per ordinary share, paid on 25 April 2014"	3,325,344
In respect of financial year ended 30 September 2014:	
"Interim single-tier ordinary dividend of 3.5 sen per ordinary share, paid on 30 June 2014"	3,879,576
	7,204,920

At the forthcoming Annual General Meeting, a final single-tier ordinary dividend in respect of the financial year ended 30 September 2014 of 3.0 sen per ordinary share amounting to RM3,325,344 will be proposed for the shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2015.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off as bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances 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.

CONTINGENT AND OTHER LIABILITIES

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

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

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

No contingent liability or other liability of the Group and of the Company 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 affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES OR DEBENTURES

During the financial year, no new issue of shares or debentures was made by the Company.

DIRECTORS OF THE COMPANY

The directors in office since the date of the last report are:-

Yap Kow @ Yap Kim Fah (alternate director, Yap Swee Sang)
Tan Teng Khuan
Lim Hong Liang
Yap Kau @ Yap Yeow Ho (alternate director, Yap Puhui Lin)
Chua Eng Seng
Mak Fong Ching

DIRECTORS' INTERESTS

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company during the financial year ended 30 September 2014 as recorded in the Register of Directors' Shareholdings kept by the Company in accordance with Section 134 of the Companies Act, 1965 in Malaysia are as follows:

	Number of Ordinary Shares of RM1.00 Each			
	At 1.10.2013	**Bought**	**Sold**	**At 30.9.2014**
Direct interest				
Yap Kow @ Yap Kim Fah	13,939,404	-	-	13,939,404
Tan Teng Khuan	244,095	-	-	244,095
Lim Hong Liang	9,920,000	-	-	9,920,000
Yap Kau @ Yap Yeow Ho	33,000	-	-	33,000
Indirect interest				
Yap Kow @ Yap Kim Fah*	35,993,215	-	-	35,993,215
Lim Hong Liang*	616,569	-	-	616,569
Yap Kau @ Yap Yeow Ho * #	5,280,415	-	-	5,280,415

* held through corporation in which the director is interested pursuant to Section 6A(4)(c) of the Act.
\# held through child of the director pursuant to Section 134(12)(c) of the Act.

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 ordinary shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company or 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 or become entitled to receive any benefit (other than benefits included in the aggregate amount of the emoluments received or due and receivable by the directors as disclosed in Note 7 to the financial statements or the fixed salary of a full time employee of the Company) by the 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.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution dated 28 January 2015.

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YAP KOW @ YAP KIM FAH **TAN TENG KHUAN**

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 30 September 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Revenue	4	173,194,988	137,137,095	7,302,094	7,302,094
Cost of sales	5	(144,581,688)	(112,224,993)	-	-
Gross profit		28,613,300	24,912,102	7,302,094	7,302,094
Other income		2,690,109	4,102,148	-	-
Administrative expenses		(15,130,711)	(14,158,414)	(648,424)	(680,689)
Other expenses		(1,005,872)	(980,363)	(19,857)	-
		(16,136,583)	(15,138,777)	(668,281)	(680,689)
Profit from operations		15,166,826	13,875,473	6,633,813	6,621,405
Interest income		1,259,000	1,027,165	265,936	148,578
Finance costs		(176,840)	(360,678)	-	-
Profit before tax	6	16,248,986	14,541,960	6,899,749	6,769,983
Tax expense	8	(4,112,171)	(4,169,321)	-	-
Profit for the financial year, representing total comprehensive income for the financial year		12,136,815	10,372,639	6,899,749	6,769,983
Profit attributable to:					
Owners of the Company		12,136,815	10,372,639	6,899,749	6,769,983
Earnings per ordinary share attributable to owners of the Company:					
Basic/Diluted (sen)	9	10.95	9.36		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements of Financial Position

as at 30 September 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	79,350,058	79,665,250	-	-
Investment in subsidiaries	11	-	-	76,837,000	76,837,002
Other investment	12	35,000	35,000	-	-
Goodwill on consolidation	13	13,458,008	13,458,008	-	-
		92,843,066	93,158,258	76,837,000	76,837,002
Current assets					
Inventories	14	919,309	1,465,162	-	-
Receivables	15	74,082,548	71,841,413	26,718,245	30,735,614
Tax assets		-	64,600	-	-
Cash and cash equivalents	16	39,949,744	47,030,954	12,605,429	8,685,232
		114,951,601	120,402,129	39,323,674	39,420,846
TOTAL ASSETS		207,794,667	213,560,387	116,160,674	116,257,848
EQUITY AND LIABILITIES					
Share capital	17	112,875,002	112,875,002	112,875,002	112,875,002
Treasury shares	17	(3,322,462)	(3,322,462)	(3,322,462)	(3,322,462)
Retained earnings		72,250,730	67,318,835	3,974,027	4,279,198
Total equity		181,803,270	176,871,375	113,526,567	113,831,738
LIABILITIES					
Non-current liability					
Deferred tax liabilities	18	3,973,800	4,103,500	-	-
Current liabilities					
Payables	19	18,308,791	29,180,237	2,634,107	2,426,110
Derivative financial liabilities	20	730,520	339,748	-	-
Provision for liquidated and ascertained damages	21	1,698,890	2,175,193	-	-
Tax payables		1,279,396	890,334	-	-
		22,017,597	32,585,512	2,634,107	2,426,110
Total liabilities		25,991,397	36,689,012	2,634,107	2,426,110
TOTAL EQUITY AND LIABILITIES		207,794,667	213,560,387	116,160,674	116,257,848

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Statements of Changes In Equity
for the financial year ended 30 September 2014

Group	Note	← Attributable to Owners of the Company Share Capital RM	Non-Distributable Treasury Shares RM	Distributable Retained Earnings RM	→ Total Equity RM
At 1 October 2012		112,875,002	(3,322,462)	64,151,116	173,703,656
Comprehensive income					
Profit for the financial year		-	-	10,372,639	10,372,639
Total comprehensive income for the financial year		-	-	10,372,639	10,372,639
Transactions with owners					
Dividends paid	22	-	-	(7,204,920)	(7,204,920)
Total transactions with owners		-	-	(7,204,920)	(7,204,920)
At 30 September 2013		112,875,002	(3,322,462)	67,318,835	176,871,375
Comprehensive income					
Profit for the financial year		-	-	12,136,815	12,136,815
Total comprehensive income for the financial year		-	-	12,136,815	12,136,815
Transactions with owners					
Dividends paid	22	-	-	(7,204,920)	(7,204,920)
Total transactions with owners		-	-	(7,204,920)	(7,204,920)
At 30 September 2014		112,875,002	(3,322,462)	72,250,730	181,803,270

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Statements of Changes In Equity

for the financial year ended 30 September 2014

Company	Note	Share Capital RM	Non-Distributable Treasury Shares RM	Distributable Retained Earnings RM	Total Equity RM
At 1 October 2012		112,875,002	(3,322,462)	4,714,135	114,266,675
Comprehensive income					
Profit for the financial year		-	-	6,769,983	6,769,983
Total comprehensive income for the financial year		-	-	6,769,983	6,769,983
Transactions with owners					
Dividends paid	22	-	-	(7,204,920)	(7,204,920)
Total transactions with owners		-	-	(7,204,920)	(7,204,920)
At 30 September 2013		112,875,002	(3,322,462)	4,279,198	113,831,738
Comprehensive income					
Profit for the financial year		-	-	6,899,749	6,899,749
Total comprehensive income for the financial year		-	-	6,899,749	6,899,749
Transactions with owners					
Dividends paid	22	-	-	(7,204,920)	(7,204,920)
Total transactions with owners		-	-	(7,204,920)	(7,204,920)
At 30 September 2014		112,875,002	(3,322,462)	3,974,027	113,526,567

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Statements of Cash Flows

for the financial year ended 30 September 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash Flows from Operating Activities					
Profit before tax		16,248,986	14,541,960	6,899,749	6,769,983
Adjustments for:					
Allowance for impairment losses on trade receivables		101,781	516,742	-	-
Amount due from a subsidiary written off		-	-	19,857	-
Depreciation of property, plant and equipment		4,993,375	4,891,137	-	-
Dividend income		-	-	(7,302,094)	(7,302,094)
Fair value adjustments on derivative financial instruments		390,772	326,281	-	-
Gain on disposal of a subsidiary	24	(1,700)	-	-	-
Interest income		(1,259,000)	(1,027,165)	(265,936)	(148,578)
Loss on disposal of property, plant and equipment		30,245	1,130	-	-
Net reversal of provision for liquidated and ascertained damages		(476,303)	(4,432,348)	-	-
Net unrealised gain on foreign exchange		(1,477,972)	(1,310,504)	-	-
Property, plant and equipment written off		1	-	-	-
Reversal of allowance for impairment losses on receivables		(272,955)	(468,439)	-	-
Operating profit/(loss) before working capital changes carried down		18,277,230	13,038,794	(648,424)	(680,689)

Statements of Cash Flows

for the financial year ended 30 September 2014 (cont'd)

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Operating profit/(loss) before working capital changes brought down		18,277,230	13,038,794	(648,424)	(680,689)
Inventories		545,853	585,164	-	-
Receivables		(1,200,331)	(6,721,894)	3,997,512	3,997,592
Payables		(10,857,441)	11,882,143	207,997	235,450
Cash generated from operations		6,765,311	18,784,207	3,557,085	3,552,353
Interest received		1,259,000	1,027,165	265,936	148,578
Tax paid, net of tax refunded		(3,788,209)	(3,500,866)	-	-
Net cash from operating activities		4,236,102	16,310,506	3,823,021	3,700,931
Cash Flows from Investing Activities					
Acquisition of property, plant and equipment		(4,771,929)	(2,016,096)	-	-
Dividend received from a subsidiary		-	-	7,302,094	7,302,094
Proceeds from disposal of a subsidiary		2	-	2	-
Proceeds from disposal of property, plant and equipment		63,500	3,000	-	-
Net cash (used in)/from investing activities		(4,708,427)	(2,013,096)	7,302,096	7,302,094
Cash Flows from Financing Activity					
Dividend paid, representing net cash used in financing activity		(7,204,920)	(7,204,920)	(7,204,920)	(7,204,920)
Net (decrease)/increase in cash and cash equivalents carried down		(7,677,245)	7,092,490	3,920,197	3,798,105
Net (decrease)/increase in cash and cash equivalents brought down		(7,677,245)	7,092,490	3,920,197	3,798,105
Effect of exchange rate fluctuations on cash and cash equivalents		596,035	(235,746)	-	-
Cash and cash equivalents at beginning of financial year		47,030,954	40,174,210	8,685,232	4,887,127
Cash and cash equivalents at end of financial year	16	39,949,744	47,030,954	12,605,429	8,685,232

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

30 September 2014

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at D12, Tingkat 1, Plaza Pekeliling, No. 2, Jalan Tun Razak, 50400 Kuala Lumpur.

The principal place of business of the Company is located at No. 47 (Lot 540), Jalan Batu Tiga TUDM, Kampung Baru Subang, Seksyen U6, 40150 Shah Alam, Selangor Darul Ehsan.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 11. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors dated 28 January 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as otherwise disclosed in the summary of significant accounting policies.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

<u>New MFRSs</u>

MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interests in Other Entities
MFRS 13 Fair Value Measurement

<u>Revised MFRSs</u>

MFRS 119 Employee Benefits
MFRS 127 Separate Financial Statements
MFRS 128 Investments in Associates and Joint Ventures

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (continued)

<u>Amendments/Improvements to MFRSs</u>

MFRS 1	First-time Adoption of Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting

<u>New IC Int</u>

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

<u>Amendments to IC Int</u>

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments

The adoption of the above new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below.

MFRS 10 Consolidated Financial Statements and MFRS 127 Separate Financial Statements (Revised)

MFRS 10 replaces the consolidation part of the former MFRS 127 Consolidated and Separate Financial Statements. The revised MFRS 127 will deal only with accounting for investment in subsidiaries, joint controlled entities and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with MFRS 139 Financial Instruments: Recognition and Measurement.

MFRS 10 brings about convergence between MFRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of MFRS 10 in relation to special purpose entities. MFRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

The Group adopted MFRS 10 in the current financial year. This resulted in changes to the accounting policies as disclosed in Note 2.3. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 is a single disclosure standard for interests in subsidiaries, jointly controlled entities, associates and unconsolidated structured entities. The disclosure requirements in this MFRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. The requirements in MFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations (“IC Int”) and Amendments to IC Int (cont’d)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (continued)

MFRS 13 Fair Value Measurement

MFRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a result of the guidance in MFRS 13, the Group and the Company reassessed their policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair values measurement of liabilities.

Application of MFRS 13 has not materially impacted the fair value measurements of the Group and of the Company. MFRS 13 requires more extensive disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 27.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments clarifies that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes.

Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendment to MFRS 1 requires first-time adopters to apply the requirements of MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 120 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to MFRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Entities may choose to apply the requirements of MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 120 to any government loans originated before the date of transition to MFRSs retrospectively provided that the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give the first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest.

Amendment to MFRS 1 also clarifies that an entity that has applied MFRSs or IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with MFRSs or IFRSs, has the option to apply this MFRS 1 or apply MFRSs retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors as if it had never stopped applying MFRSs or IFRSs.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 address disclosures to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position.

Amendment to MFRS 116 Property, Plant and Equipment

Amendment to MFRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (continued)

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 11 Joint Arrangements and MFRS 12 Disclosure of Interests in Other Entities

Amendments to MFRS 10 clarify that the date of initial application is the beginning of the annual reporting period for which this MFRS is applied for the first time. Consequently, an entity is not required to make adjustments to the previous accounting if the consolidation conclusion reached upon the application of MFRS 10 is the same as previous accounting or the entity had disposed of its interests in investees during a comparative period. When applying MFRS 10, these amendments also limit the requirement to present quantitative information required by Paragraph 28(f) of MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors to the annual period immediately preceding the date of initial application. A similar relief is also provided in MFRS 11 and MFRS 12. Additionally, entities would no longer be required to provide disclosures for unconsolidated structure entities in periods prior to the first annual period that MFRS 12 is applied.

If, upon applying MFRS 10, an entity concludes that it shall consolidate an investee that was not previously consolidated and that control was obtained before the effective date of the revised versions of these standards issued by the Malaysian Accounting Standards Board in November 2011, these amendment also clarify that an entity can apply the earlier versions of MFRS 3 Business Combinations and MFRS 127.

These amendments are not expected to have any significant impact on the financial performance and position of the Group and of the Company.

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with MFRS 112 Income Taxes.

Amendment to MFRS 134 Interim Financial Reporting

To be consistent with the requirements in MFRS 8 Operating Segments, the amendment to MFRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (continued)

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs		
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosures	Applies when MFRS 9 is applied
MFRS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016
New IC Int		
IC Int 21	Levies	1 January 2014

A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs and new IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

MFRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former MFRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (continued)

MFRS 9 Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)

The new hedge accounting model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The most significant improvements apply to those that hedge non-financial risk, and they are expected to be of particular interest to non-financial institutions. As a result of these changes, users of the financial statements will be provided with better information about risk management and about the effect of hedge accounting on the financial statements. The MFRS 9 hedge accounting model, if adopted, applies prospectively with limited exceptions.

As part of the amendments, an entity is now allowed to change the accounting for liabilities that it has elected to measure at fair value, before applying any of the other requirements in MFRS 9. This change in accounting would mean that gains caused by a worsening in the entity's own credit risk on such liabilities are no longer recognised in profit or loss. The amendments will facilitate earlier application of this long-awaited improvement to financial reporting.

The amendments also removes the mandatory effective date from MFRS 9.

MFRS 14 Regulatory Deferral Accounts

MFRS 14 permits first-time adopters of MFRSs to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt MFRSs. An entity that already presents MFRSs financial statements is not eligible to apply this Standard.

As regulatory deferral account balances were not recognised in the MFRS financial statements, the principles specified in MFRS 14 would have no impact to the Malaysian entities.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:
- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (continued)

Amendment to MFRS 3 Business Combinations

Amendment to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendment to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.

Amendment to MFRS 8 Operating Segments

Amendment to MFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendment to MFRS 13 Fair Value Measurement

Amendment to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (continued)

Amendment to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarify the accounting for the accumulated depreciation/ amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendment to MFRS 124 Related Party Disclosures

Amendment to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 132 does not change the current offsetting model in MFRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendment clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarify that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (continued)

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached.

2.3 Basis of consolidation and Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary which is disclosed in Note 11 made up to the end of the financial year. The financial statements of the Company and its subsidiary are all drawn up to the same reporting date.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an investee if and only if the Group has:-

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:-

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation and Subsidiaries (continued)

Any 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 represents goodwill.

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

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised FRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

2.4 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

2.5 Foreign Currency

(i) Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.6 Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Revenue Recognition (continued)

(i) Construction contract

Revenue from construction contracts is recognised on the percentage of completion method when the outcome of the construction contracts can be reliably estimated. The stage of completion is measured by reference to the certified work done to-date or by the proportion that contract costs incurred for work performed to-date bear to the estimated total construction costs. Where foreseeable losses on construction contracts are anticipated, full allowance of those losses is made in the financial statements.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

(ii) Services rendered

Revenue from services rendered is recognised in 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.

(iv) Interest Income

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

(v) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.7 Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Tax expense (continued)

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside of profit or loss is recognised outside of profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

2.8 Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial period when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined Contribution Plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

2.9 Earnings per share

(i) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

2.10 Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Property, Plant and Equipment and Depreciation (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold land is depreciated over the lease term ranges from 50 to 56 years. All other property, plant and equipment are depreciated to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:

Leasehold land	50 – 56 years
Buildings	50 – 56 years
Furniture and fittings, office equipment and renovation	5 - 10 years
Motor vehicles	5 years
Plant and machinery and testing equipment	5 - 10 years

At the end of each reporting period, the carrying amount of each item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

2.11 Goodwill on consolidation

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as expense 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 (group of units) on a pro-rata basis.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised in profit or loss.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out principal basis. Cost includes the actual cost of materials purchased and incidentals in bringing the inventories into store.

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.

2.14 Construction contracts

When the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

2.15 Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and has categorised the financial assets as loans and receivables and available-for-sale financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial Assets (continued)

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gain or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables comprise receivables including deposits and cash and cash equivalents.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Available-for-sale Financial Assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial Assets (continued)

(iii) Available-for-sale Financial Assets (continued)

Regular way purchases or sales are purchases and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commit to purchase or sell the asset.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter year to the net carrying amount on initial recognition.

2.16 Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit year and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-sale Financial Assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Impairment of Financial Assets (continued)

(ii) Available-for-sale Financial Assets (continued)

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.17 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash on hand, demand deposits, and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.18 Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

2.19 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasure shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.20 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Financial liabilities (continued)

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables including amounts owing to subsidiaries, deposits and accruals, and loans.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Loans and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.21 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred by using the effective interest method.

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.22 Leases

(i) Finance Lease – the Group as Lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease year so as to produce a constant rate of interest on the remaining balance of the liability for each year.

Property, plant and equipment acquired under finance lease are depreciated in accordance with the depreciation policy for property, plant and equipment.

(ii) Operating lease – the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentive provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. The up-front payment for lease of land represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(i) Provision for liquidated and ascertained damages

Provision for liquidated and ascertained damages is recognised immediately in 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.

2.24 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.

2.25 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

The Group and the Company do not recognise contingent assets and liabilities, but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote.

2.26 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Fair value measurement

The Group and the Company adopted MFRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:

(i) Tax expense

Significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which ultimate tax determination of whether additional taxes will be due is uncertain. The Group and the Company recognises liabilities for tax based on estimate of assessment of the tax liability due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the years in which the outcome is known.

(ii) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line method over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 50 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Classification of leasehold land

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset and operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership. If the leasehold land meets the criteria of the financial lease, the lease will be classified as property, plant and equipment if it is for own use. Judgements are made on the individual leasehold land to determine whether the leasehold land qualifies as operating lease or finance lease.

(iv) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences based on projected future profit to the extent that it is probable that taxable profit will be available against which the deductible temporary differences in respect of expenses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the subsidiaries.

(v) Impairment of goodwill on consolidation

The Group tests goodwill on consolidation annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Where expectations differ from the original estimates, the differences will impact the carrying amount of goodwill. Assessment on impairment of goodwill on consolidation is disclosed in Note 13.

(vi) Impairment loss on receivables

The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(vii) Construction contracts

Significant judgement is used in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the works that are recoverable from the customers. In making judgements, the Group evaluates based on past experience and work of specialists.

(viii) Provision for liquidated and ascertained damages

The Group recognised provision for liquidated and ascertained damages on 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.

4. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Revenue				
- Contract revenue	168,871,909	133,245,439	-	-
- Services rendered	4,323,079	3,891,656	-	-
- Dividend income	-	-	7,302,094	7,302,094
	173,194,988	137,137,095	7,302,094	7,302,094

5. COST OF SALES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cost of contract	140,919,227	108,527,834	-	-
Cost of services rendered	3,662,461	3,697,159	-	-
	144,581,688	112,224,993	-	-

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Allowance for impairment losses on trade receivables	101,781	516,742	-	-
Amount due from a subsidiary written off	-	-	19,857	-
Auditors' remuneration				
- Statutory audit	72,000	67,000	20,000	18,000
- Other services	9,500	8,000	9,500	8,000
Depreciation of property, plant and equipment	4,993,375	4,891,137	-	-
Directors' fees (Note 7)	154,000	154,000	150,000	150,000
Dividend income from subsidiaries	-	-	(7,302,094)	(7,302,094)

6. PROFIT BEFORE TAX (continued)

Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Employees benefits expense (including key management personnel)(Note 7):				
- Contribution to defined contribution plan	1,036,967	952,196	6,972	12,960
- Salaries, wages and others	13,040,148	12,130,288	189,627	239,872
Fair value adjustment on derivative financial instruments	390,772	326,281	-	-
Fixed deposit interest income	(516,871)	(517,192)	(265,936)	(148,578)
Gain on disposal of a subsidiary	(1,700)	-	-	-
Loss on disposal of property, plant and equipment	30,245	1,130	-	-
Net gain on foreign exchange:				
- realised	(360,312)	(1,780,215)	-	-
- unrealised	(1,477,972)	(1,310,504)	-	-
Net reversal of provision for liquidated and ascertained damages	(476,303)	(4,432,348)	-	-
Late payment interest charge	(742,129)	(509,973)	-	-
Property, plant and equipment written off	1	-	-	-
Rental of equipment	7,700	-	-	-
Rental of factory	1,351,500	936,560	-	-
Rental income	(6,530)	(9,090)	-	-
Rental of motor vehicles	-	55,235	-	-
Rental of machinery	519,671	105,964	-	-
Rental of premises	22,260	24,430	-	-
Reversal of allowance for impairment losses on trade receivables	(272,955)	(468,439)	-	-

7. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive:				
Fees	54,000	54,000	50,000	50,000
Other emoluments	2,340,882	1,366,558	131,252	131,252
	2,394,882	1,420,558	181,252	181,252
Non-executive:				
Fees	100,000	100,000	100,000	100,000
Total directors' remuneration	2,494,882	1,520,558	281,252	281,252

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.

8. TAX EXPENSE

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Current tax:				
Malaysian income tax:				
Current financial year	4,335,403	2,640,200	-	-
(Over)/Under provision in prior financial years"	(93,532)	165,464	-	-
	4,241,871	2,805,664	-	-
Deferred tax (Note 18) :				
Origination and reversal of temporary differences	34,400	1,423,100	-	-
Relating to changes in tax rate	(164,200)	-	-	-
Under/(Over) provision in prior financial years	100	(59,443)	-	-
	(129,700)	1,363,657	-	-
Tax expense	4,112,171	4,169,321	-	-

The reconciliations of the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Profit before tax	16,248,986	14,541,960	6,899,749	6,769,983
Tax at the Malaysian statutory income tax rate of 25%	4,062,172	3,635,500	1,724,900	1,692,500
Tax effect on non-deductible expenses	399,373	460,525	167,100	170,200
Tax effect on non-taxable income	(80,402)	(37,100)	(1,892,000)	(1,862,700)
Tax effect on double deduction expenses	(6,232)	-	-	-
Effect of changes in tax rate on opening balance of deferred tax	(164,344)	-	-	-
Effect of changes in tax rate	(1,532)			
Deferred tax asset not recognised during the financial year	-	4,375	-	-
Utilisation of deferred tax assets previously not recognised	(3,432)	-	-	-
Under/(Over) provision in prior years				
- current tax	(93,532)	165,464	-	-
- deferred tax	100	(59,443)	-	-
	4,112,171	4,169,321	-	-

The Group has approximately RM900,000 (2013: RM914,300) of unused tax losses available for set-off against future taxable profit.

Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. In the Budget Speech 2014, the Government of Malaysia announced that the domestic statutory income tax rate would be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 30 September 2014 has reflected these changes.

9. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group 2014 RM	Group 2013 RM
Profit for the financial year attributable to owners of the Company	12,136,815	10,372,639
Weighted average number of ordinary shares outstanding during the financial year (adjusted for treasury shares)	110,844,802	110,844,802
Basic earning per ordinary share (sen)	10.95	9.36

(b) Diluted

The diluted earnings per ordinary share of the Group for the financial years 2013 and 2014 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Long term leasehold land RM	Freehold building RM	Long term leasehold buildings RM	Furniture and fittings, office equipment and renovation RM	Motor vehicles RM	Plant and machinery and testing equipment RM	Total RM
Cost							
At 1 October 2013	22,460,000	630,000	43,175,951	5,440,632	4,239,609	58,481,526	134,427,718
Additions	-	-	-	85,425	452,933	4,233,571	4,771,929
Disposals	-	-	-	(9,500)	(676,464)	-	(685,964)
Written off	-	-	-	-	(19,762)	-	(19,762)
At 30 September 2014	22,460,000	630,000	43,175,951	5,516,557	3,996,316	62,715,097	138,493,921
Accumulated Depreciation							
At 1 October 2013	876,132	25,200	1,659,308	4,154,833	3,226,614	44,820,381	54,762,468
Charge for the financial year	438,337	12,600	830,771	281,749	401,965	3,027,953	4,993,375
Disposals	-	-	-	(6,176)	(586,043)	-	(592,219)
Written off	-	-	-	-	(19,761)	-	(19,761)
At 30 September 2014	1,314,469	37,800	2,490,079	4,430,406	3,022,775	47,848,334	59,143,863
Net Carrying Amount							
At 30 September 2014	21,145,531	592,200	40,685,872	1,086,151	973,541	14,866,763	79,350,058

Group	Long term leasehold land RM	Freehold building RM	Long term leasehold buildings RM	Furniture and fittings, office equipment and renovation RM	Motor vehicles RM	Plant and machinery and testing equipment RM	Total RM
Cost							
At 1 October 2012	22,460,000	630,000	43,168,451	5,367,293	3,931,331	56,941,383	132,498,458
Additions	-	-	7,500	89,669	377,454	1,541,473	2,016,096
Disposals	-	-	-	(16,330)	(69,176)	(1,330)	(86,836)
At 30 September 2013	22,460,000	630,000	43,175,951	5,440,632	4,239,609	58,481,526	134,427,718
Accumulated Depreciation							
At 1 October 2012	438,066	12,600	829,298	3,853,486	2,946,520	41,874,067	49,954,037
Charge for the financial year	438,066	12,600	830,010	313,547	349,270	2,947,644	4,891,137
Disposals	-	-	-	(12,200)	(69,176)	(1,330)	(82,706)
At 30 September 2013	876,132	25,200	1,659,308	4,154,833	3,226,614	44,820,381	54,762,468
Net Carrying Amount							
At 30 September 2013	21,583,868	604,800	41,516,643	1,285,799	1,012,995	13,661,145	79,665,250

11. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost	76,837,000	76,837,002

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

Name of Company	Principal Activities	Effective ownership interest 2014	Effective ownership interest 2013
Subsidiaries of APB Resources Berhad			
Era Julung Sdn Bhd	Investment holding	100%	100%
Landas Fikir Sdn Bhd	Dormant	-	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%
Subsidiary of Amalgamated Metal Corporation (M) Sdn Bhd			
Finned Tubes Malaysia Sdn Bhd	Fabrication of finned tubes	100%	100%

12. OTHER INVESTMENT

	Group 2014 RM	Group 2013 RM
Golf club membership	75,000	75,000
Less: Allowance for impairment loss	(40,000)	(40,000)
	35,000	35,000

13. GOODWILL ON CONSOLIDATION

	Group 2014 RM	Group 2013 RM
Goodwill on consolidation	13,458,008	13,458,008

13. GOODWILL ON CONSOLIDATION (continued)

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 lowest 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 divisions based on the following key assumptions:

(i) Cash flows were projected based on actual operating results and five (5) years pre-tax cash flows projection was used for determining the value in use.

(ii) Revenue was projected at RM140 million for fabrication division and RM5.5 million for non-destructive division for the first year and an anticipated growth by 5% per annum thereon for both fabrication division and non-destructive division.

(iii) A pre-tax discount rate of 7.85% was applied in determining the recoverable amount of those divisions. The discount rate was based on the group's weighted average cost of capital.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

14. INVENTORIES

	Group 2014 RM	Group 2013 RM
At cost,		
Raw materials	795,541	1,331,119
Consumables	123,768	134,043
	919,309	1,465,162

During the financial year, inventories of the Group recognised as cost of goods sold amounted to RM545,853 (2013: RM621,512).

15. RECEIVABLES

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade					
Trade receivables	(a)	55,238,711	59,870,989	-	-
Allowance for impairment loss		(3,764,766)	(4,093,032)	-	-
		51,473,945	55,777,957	-	-
Amounts due from contract customers	(b)	20,840,270	14,919,532	-	-
		72,314,215	70,697,489	-	-
Non-trade					
Other receivables	(c)	1,295,118	842,622	-	-
Deposits		151,851	145,831	-	-
Prepayments		321,364	155,471	-	-
Amounts due from subsidiaries	(d)	-	-	26,718,245	30,735,614
		1,768,333	1,143,924	26,718,245	30,735,614
		74,082,548	71,841,413	26,718,245	30,735,614

15. RECEIVABLES (continued)

(a) Trade receivables

(i) Credit term of trade receivables

The normal credit terms extended to customers ranging from 30 days to 120 days (2013: 30 days to 120 days).

Included in trade receivables are amounts of RM1,682,907 (2013: RM8,583,937) which bear interest at a fixed rate at 10% (2013: 10%) per annum.

(ii) Retention sums

	Group 2014 RM	Group 2013 RM
Retention sums included in trade receivables	4,392,560	3,856,643

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

	Group 2014 RM	Group 2013 RM
Within 1 year	4,102,110	3,483,143
1 - 2 years	290,450	373,500
	4,392,560	3,856,643

(iii) Ageing analysis of trade receivables

The ageing analysis of trade receivables as at the end of the reporting period are as follows:

	Group 2014 RM	Group 2013 RM
Neither past due nor impaired	37,794,175	21,069,801
1 to 90 days past due but not impaired	9,593,884	20,637,280
More than 90 days past due but not impaired	4,085,886	14,070,876
	13,679,770	34,708,156
Impaired	3,764,766	4,093,032
	55,238,711	59,870,989

Receivables that are neither past due nor impaired
Trade receivables that are neither past due nor impaired are creditworthy debtors with long term relationship and good payment records with the Group.

None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired
Trade receivables that are past due but not impaired are creditworthy debtors who, by past trade practices, have paid after the expiry of the trade credit terms and the Group is currently still in active trading with the debtors. The Group does not anticipate recovery problem in respect of these debtors.

15. RECEIVABLES (continued)

(a) Trade receivables (continued)

(iv) Receivables that are impaired

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

	Group	
	2014	2013
	RM	RM
At beginning of the financial year	4,093,032	4,044,729
Charge for the financial year (Note 6)	101,781	516,742
Reversal during the financial year (Note 6)	(272,955)	(468,439)
Written off	(157,092)	-
At end of the financial year	3,764,766	4,093,032

Trade receivables that are individually determined to be impaired at the reporting date related to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts due from/(to) contract customers

	Group	
	2014	2013
	RM	RM
Construction contract costs incurred to date	83,665,372	50,907,468
Attributable profits	11,938,815	7,268,805
	95,604,187	58,176,273
Less: Progress billings	(82,161,105)	(62,437,886)
	13,443,082	(4,261,613)
Presented as :		
Amounts due from contract customers	20,840,270	14,919,532
Amounts due to contract customers (Note 19)	(7,397,188)	(19,181,145)
	13,443,082	(4,261,613)

(c) Other receivables

Included in the other receivables of the Group is advance payments made to suppliers for purchase of raw materials amounting to RM1,121,184 (2013: RM731,951).

(d) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand in cash and cash equivalents.

16. CASH AND CASH EQUIVALENTS

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash and bank balances	5,133,397	6,009,960	9,365	11,490
Short term funds	12,596,064	8,673,742	12,596,064	8,673,742
Deposits placed with licensed banks	22,220,283	32,347,252	-	-
	39,949,744	47,030,954	12,605,429	8,685,232

Short term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.

Short term funds of the Group and of the Company represent investments in highly liquid money market, which are readily convertible to a known amounts of cash and are subject to an insignificant risk of changes in value.

Short term funds bear dividend yield at rates ranging from 2.13% to 2.98% (2013: 2.13% to 2.72%) per annum.

Deposits placed with licensed banks of the Group bear interest at rates ranging from 0.01% to 3.22% (2013: 0.01% to 3.15%) per annum. These are made for varying periods between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

17. SHARE CAPITAL AND TREASURY SHARES

Share capital

	Group/Company 2014 Number of shares	Group/Company 2014 RM	Group/Company 2013 Number of shares	Group/Company 2013 RM
Authorised:				
Ordinary shares of RM1.00 each				
Balance as at 1 October 2013/ 1 October 2012/30 September	200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid:				
Ordinary shares of RM1.00 each				
Balance as at 1 October 2013/ 1 October 2012/30 September	112,875,002	112,875,002	112,875,002	112,875,002
Treasury share				
Ordinary shares of RM1.00 each				
Balance as at 1 October 2013/ 1 October 2012/30 September	(2,030,200)	(3,322,462)	(2,030,200)	(3,322,462)

(a) Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

17. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

There were no treasury shares neither purchased nor sold during the financial year. The number of treasury shares held at the end of the financial year was 2,030,200 (2013: 2,030,200) units.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

18. DEFERRED TAX LIABILITIES

	Group 2014 RM	Group 2013 RM
Deferred tax liabilities		
At 1 October 2013/1 October 2012	(4,103,500)	(2,739,843)
Recognised in profit or loss (Note 8)	129,700	(1,363,657)
At 30 September	(3,973,800)	(4,103,500)

The components of deferred tax (assets)/liabilities as at the end of the financial year are as follows:

	Group 2014 RM	Group 2013 RM
Deferred tax assets		
Provisions	683,500	912,800
Deferred tax liabilities		
Difference between the carrying amounts of property, plant and equipment and its tax base	(4,620,900)	(4,773,600)
Other temporary differences	(36,400)	(242,700)
	(3,973,800)	(4,103,500)

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements is as follows:

	Group 2014 RM	Group 2013 RM
Unutilised tax losses	900,000	914,300

No deferred tax assets are recognised in respect of this item as it is not probable that taxable profits of the subsidiary will be available against which the deductible temporary differences can be utilised.

19. PAYABLES

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade					
Trade payables	(a)	6,820,002	6,353,435	-	-
Amounts due to contract customers (Note 15)		7,397,188	19,181,145	-	-
		14,217,190	25,534,580	-	-
Non-trade					
Other payables	(b)	210,099	173,593	-	-
Amount due to a subsidiary	(c)	-	-	2,398,724	2,228,725
Accruals		3,881,502	3,472,064	235,383	197,385
		4,091,601	3,645,657	2,634,107	2,426,110
		18,308,791	29,180,237	2,634,107	2,426,110

(a) Trade payables

The normal trade credit terms granted to the Group ranging from 30 days to 90 days (2013: 30 days to 90 days).

Included in trade payables of the Group are amounts totalling RM68,950 (2013: RM62,490) due to companies in which certain directors of the Company have significant financial interests.

(b) Other payables

Included in the other payables of the Group is an amount of RM10,235 (2013: RM30,098) due to a company in which certain directors of the Company have significant financial interests.

(c) Amount due to a subsidiary

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

20. DERIVATIVE FINANCIAL LIABILITIES

	Group 2014 Notional amounts RM	Group 2014 Liabilities RM	Group 2013 Notional amounts RM	Group 2013 Liabilities RM
Forward currency contracts	44,550,000	730,520	16,250,000	339,748

(i) Forward currency contracts

Forward currency contracts have been entered into to operationally hedge forecast sales and purchases denominated in foreign currencies that are expected to occur at various dates within one (1) year from the end of the reporting period. The forward currency contracts have maturity dates that coincide with the expected occurrence of these transactions. The fair values of these components have been determined based on the differences between the quarterly future rates and the strike rates discounted at the convenience yield of the instruments involved.

(ii) During the financial year, the Group recognised total losses of RM390,772 (2013: RM326,281) arising from fair value changes of derivatives. The fair value changes are attributable to changes in foreign exchange spot and forward foreign exchange rates. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 26.

21. PROVISION FOR LIQUIDATED AND ASCERTAINED DAMAGES

	Group	
	2014 RM	2013 RM
At beginning of the financial year	2,175,193	6,607,541
Provision during the financial year (Note 6)	-	1,076,193
Reversal during the financial year (Note 6)	(476,303)	(5,508,541)
At end of the financial year	1,698,890	2,175,193

22. DIVIDENDS

	Group/Company	
	2014 RM	2013 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final single tier dividend for 2013: 3.0 sen (2012: 3.0 sen)	3,325,344	3,325,344
- Interim single tier dividend for 2014: 3.5 sen (2013: 3.5 sen)	3,879,576	3,879,576
	7,204,920	7,204,920

At the forthcoming Annual General Meeting, a final single-tier ordinary dividend in respect of the financial year ended 30 September 2014 of 3.0 sen per ordinary share amounting to RM3,325,344 will be proposed for the shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2015.

23. FINANCIAL GUARANTEES (UNSECURED)

	Company	
	2014 RM	2013 RM
Corporate guarantees granted to suppliers of its subsidiaries	9,400,000	8,900,000
Corporate guarantees granted to financial institutions for bank facilities granted to its subsidiaries	110,700,000	110,700,000
	120,100,000	119,600,000

The directors are of the view that the chances of the financial institutions and suppliers calling upon the corporate guarantees are remote.

24. DISPOSAL OF SUBSIDIARY

On 3 March 2014, the Company disposed its entire equity interest of 2 ordinary shares of RM1.00 each in Landas Fikir Sdn. Bhd. ("Landas").

As a result, Landas ceased to be a subsidiary of the Company.

24. DISPOSAL OF SUBSIDIARY (continued)

Effect of disposal on the financial position of the Group is as follows:

	2014 RM
Cash on hand	2
Accruals	(1,700)
Net liabilities	(1,698)
Cash consideration received	(2)
Gain on disposal of a subsidiary	(1,700)

25. RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

The Company has related party relationship with its subsidiaries, companies in which the directors have substantial financial interest, key management personnel and persons connected to key management personnel.

(b) Related party transactions

	Group	
	2014 RM	2013 RM
Companies where certain directors of the Company have substantial financial interest:		
Rental of factory	1,351,500	873,000
General and marine cargo insurance	291,883	220,559
Transportation services	574,285	598,585
Minor fabrication works	136,555	29,796
Maintenance of lorries and machinery	36,669	36,314

(c) Related party balances

Information on the outstanding balances with related parties at the end of the reporting period are disclosed in Notes 15 and 19.

(d) Compensation of Key Management Personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company. The remuneration of the key management personnel during the financial year is disclosed in Note 7.

26. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's and the Company's capital management are to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group and the Company manage their capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 September 2014 and 30 September 2013.

The Group and the Company are not subject to any externally imposed capital requirements.

There is no bank borrowing as at the financial year end. Accordingly, calculation of gross debts equity ratio is not meaningful to the Group and to the Company.

(b) Categories of financial instruments

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Financial assets				
Loans and receivables				
- Receivables, net of prepayments	73,761,184	71,685,942	26,718,245	30,735,614
- Cash and cash equivalents	39,949,744	47,030,954	12,605,429	8,685,232
	113,710,928	118,716,896	39,323,674	39,420,846
Available-for-sale				
- Other investment	35,000	35,000		
Financial liabilities				
Other financial liabilities				
- Payables	18,308,791	29,180,237	2,634,107	2,426,110
- Provision for liquidated damages	1,698,890	2,175,193	-	-
	20,007,681	31,355,430	2,634,107	2,426,110
Fair value through profit or loss				
- Derivative liabilities	730,520	339,748		

(c) Fair values of financial instruments

The carrying amounts of financial instruments of the Group and of the Company as at the end of the financial year approximate their fair values.

(d) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

i. Cash and cash equivalents, receivables and payables

The carrying amounts of cash and cash equivalents, receivables and payables are reasonable approximation of fair value due to their short-term nature of these financial instruments.

ii. Other investment

The fair value of the golf club membership is determined by reference to comparable market value of similar investment.

26. FINANCIAL INSTRUMENTS (continued)

(d) Methods and assumptions used to estimate fair value (continued)

iii. Derivative financial liabilities

The fair value of forward exchange contracts 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).

27. FAIR VALUE HIERACHY

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 September 2014, the Group and the Company held the following financial instruments carried at fair values on the statements of financial position:

	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
Group				
2014				
Financial assets				
Financial assets at fair value through profit or loss				
- Other investment	35,000	-	35,000	-
Financial liability				
Financial liabilities at fair value through profit or loss				
- Forward exchange contracts	(730,520)	-	(730,520)	-
2013				
Financial assets				
Financial assets at fair value through profit or loss				
- Other investment	35,000	-	35,000	-
Financial liability				
Financial liabilities at fair value through profit or loss				
- Forward exchange contracts	(339,748)	-	(339,748)	-

During the financial year ended 30 September 2014, there was no transfer between fair value measurement hierarchy.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's overall financial risk management objective is to ensure that the Group and the Company create value for their shareholders while minimising potential adverse effects on the performance of the Group and of the Company. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's and the Company's financial risk management policies. The Group and the Company are exposed mainly to liquidity risk, credit risk, foreign currency risk, market price risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective are to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group and the Company actively manage their operating cash flows by maintaining sufficient level of cash to meet their working capital requirements and availability of funding through an adequate amount of credit facilities.

Analysis of financial instruments by remaining contractual maturities
The Group's and the Company's financial liabilities at the reporting date are either mature within one year or repayable on demand.

(ii) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's and the Company's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk.

Credit risk refers to the risk that counterparty will default on their contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company seek to invest cash assets safely and profitably. The Group and the Company consider the risk of material loss arising in the event of non-performance by a financial counterparty to be unlikely, except when management deems recoverability of specific debtors as doubtful.

The Group's primary exposure to credit risk arises through its trade receivables. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

In respect of cash and bank balances placed with major financial institutions in Malaysia, the directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of financial year, the maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancement for receivables is disclosed in Note 15.

Credit risk concentration profile

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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Credit risk (continued)

Credit risk concentration profile (continued)

As at 30 September 2014, the Group has no significant exposure to any customers and 100% (2013: 100%) of the Company's receivables are amounts due from subsidiaries.

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

	Group 2014 RM	Group 2013 RM
Malaysia	15,625,209	14,204,732
Asia	1,282,775	594,065
Europe	28,218,922	31,669,181
America	5,937,844	7,394,514
Oceania	409,195	1,915,465
	51,473,945	55,777,957

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis repayments made by its subsidiaries and their financial performance.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from import of raw materials and export of finish goods that are denominated in currencies other than the functional currency of the Group entities, RM. The foreign currencies in which these transactions are denominated are United States Dollar ("USD"), Euro Dollar ("Euro") and Singapore Dollar ("SGD").

The Group periodically uses foreign currency forward contracts to protect against the volatility associated with foreign currency transactions for receivables and payables denominated in currencies other than the functional currency of the operating entities within the Group.

During the financial year, the Group entered into foreign currency forward contracts to manage exposures to currency risk for receivables and payables, which are denominated in a currency other than the functional currencies of the Group.

The notional amount and maturity date of the forward foreign exchange contracts outstanding are as follows:

	Maturities	Contract amounts USD	RM equivalents
Group			
2014			
Contracts used to hedge trade receivables	Less than one (1) year	13,500,000	44,550,000
2013			
Contracts used to hedge trade receivables	Less than one (1) year	5,000,000	16,250,000

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the United States Dollar ("USD"), Euro Dollar ("Euro") and Singapore Dollar ("SGD") exchange rate against the functional currency of the Group entities, RM, with all other variables held constant.

		Group Profit for the financial year Increase/(Decrease)	
		2014 RM	**2013 RM**
USD/RM	- Strengthen by 10%	3,655,622	(4,457,688)
USD/RM	- Weaken by 10%	(3,655,622)	4,457,688
SGD/RM	- Strengthen by 10%	22,392	(126,427)
USD/RM	- Weaken by 10%	(22,392)	126,427
EURO/RM	- Strengthen by 10%	187,928	(267,895)
EURO/RM	- Weaken by 10%	(187,928)	267,895

(iv) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risks arising from short term funds, which are quoted. These instruments are classified as financial assets designated at fair value through profit or loss.

Sensitivity analysis for market price risk

Short term funds of the Group and of the Company are exposed to changes in market quoted prices. However, the volatility of these funds' prices is considered low, and hence, sensitivity analysis for equity price risk is not presented.

(v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily relates to deposits placed with licensed banks. Short term receivables and payables are not significantly exposed to interest rate 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.

Sensitivity analysis for interest rate risk
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.

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

29. SEGMENT INFORMATION

The Group has three 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 Company'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.
Others	Investment holding and dormant companies.

Performance is measured based on segment profit before tax and interest, as included in the internal management reports that are reviewed by the Company's Executive Directors. 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.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.26. Segment results represent profit or loss before financial cost and tax of segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

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 Company'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 Company'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.

Geographical segments

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

	Fabrication RM	Non-destructive testing RM	Others RM	Elimination RM	Consolidated RM
2014					
Total external revenue	168,871,909	4,323,079	-	-	173,194,988
Inter-segment revenue	65,072	1,106,742	14,802,094	(15,973,908)	-
Total segment revenue	168,936,981	5,429,821	14,802,094	(15,973,908)	173,194,988
Segment profit/(loss)	15,093,772	728,115	14,127,964	(14,783,025)	15,166,826
Interest income	840,914	152,150	265,936	-	1,259,000
Finance costs	(175,136)	(1,704)	-	-	(176,840)
Profit before tax					16,248,986
Tax expense	(3,902,710)	(209,461)	-	-	(4,112,171)
Profit for the financial year					12,136,815

29. SEGMENT INFORMATION (continued)

	Fabrication RM	Non-destructive testing RM	Others RM	Elimination RM	Consolidated RM
2013					
Total external revenue	133,245,439	3,891,656	-	-	137,137,095
Inter-segment revenue	23,520	1,582,255	14,802,094	(16,407,869)	-
Total segment revenue	133,268,959	5,473,911	14,802,094	(16,407,869)	137,137,095
Segment profit/(loss)	13,698,499	864,853	(687,969)	-	13,875,383
Interest income	745,283	133,304	148,578	-	1,027,165
Finance costs	(358,651)	(1,937)	-	-	(360,588)
Profit before tax					14,541,960
Tax expense	(3,897,316)	(272,005)	-	-	(4,169,321)
Profit for the financial year					10,372,639

	Fabrication RM	Non-destructive testing RM	Other RM	Consolidation RM
2014				
Segment assets	173,222,444	8,452,396	26,119,827	207,794,667
Segment liabilities	24,872,561	909,186	209,650	25,991,397
Other information				
Capital expenditure	4,529,746	242,183	-	4,771,929
Depreciation of property, plant and equipment	4,789,881	203,494	-	4,993,375
2013				
Segment assets	183,521,774	7,860,607	22,178,006	213,560,387
Segment liabilities	35,466,215	1,019,312	203,485	36,689,012
Other information				
Capital expenditure	1,854,647	161,449	-	2,016,096
Depreciation of property, plant and equipment	4,681,098	210,039	-	4,891,137

SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFIT OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 30 September 2014 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings of the Company and its subsidiaries				
- realised profits	125,658,634	121,027,317	3,974,027	4,279,198
- unrealised losses	(5,061,000)	(5,074,256)	-	-
	120,597,634	115,953,061	3,974,027	4,279,198
Less: consolidation adjustments	(48,346,904)	(48,634,226)	-	-
Total retained earnings	72,250,730	67,318,835	3,974,027	4,279,198

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

Statement by Directors

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

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 10 to 73 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 at 30 September 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 74 has been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution dated 28 January 2015.

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YAP KOW @ YAP KIM FAH

……………………………………………………………..
TAN TENG KHUAN

Statutory Declaration

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

I, Yap Wan Ting, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 10 to 73 and the supplementary information set out on page 74 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 at
Kuala Lumpur in the Federal Territory
on 28 January 2015

…………………………………………………….............
YAP WAN TING

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 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 73.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are 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 controls relevant to the Company'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 Company's internal controls. 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 give a true and fair view of the financial position of the Group and of the Company as at 30 September 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia 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 Companies Act, 1965 in Malaysia.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company 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.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Company Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 74 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

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 contents of this report.

BAKER TILLY MONTEIRO HENG
No. AF 0117
Chartered Accountants

LOCK PENG KUAN
No. 2819/10/16(J)
Chartered Accountant

Kuala Lumpur
28 January 2015

List of Properties
as at 30 September 2014

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 2014 (RM)
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 65 years expiring on 26 May 2064	Three (3) Storey Office Building, Five (5) Single-Storey Detached Factory/Workshop cum Storage Area (12 years) / For Office and Factory Operations	39,250 / 15,750 square metres (12 June 1995)	14,060,695 (Within Property, Plant and Equipment)
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 65 years expiring on 23 August 2064	Four (4) Single-Storey Detached Factory/Workshop cum Storage Area (9 years) / For Factory Operations	26,110 / 9,000 square metres (8 June 2003)	9,668,899 (Within Property, Plant and Equipment)
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 59 years expiring on 13 January 2058	Three (3) Storey Office Building, Two (2) Single-Storey Detached Factory/Workshop cum Storage Area (8 1/2 years) / For Office and Factory Operations	8,094 / 4,597 square metres (29 March 2004)	8,548,201 (Within Property, Plant and Equipment)
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 65 years expiring on 26 May 2064	Five (5) Contiguous Open Sided Single-Storey Detached Factory/Workshop cum Storage Area (5 years) / For Factory Operations	71,050 / 16,750 square metres (*29 February 2009)	29,553,610 (Within Property, Plant and Equipment)
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 (9 years) / For Office and Factory Operations	2,000 / 3,000 square feet 11 August 2000	592,200 (Within Property, Plant and Equipment)

Analysis of Shareholdings
as at 29 January 2015

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 shares	1,964	46.10	73,395	0.07
100 to 1,000 shares	1,026	24.09	440,698	0.40
1,001 to 10,000 shares	870	20.42	4,036,987	3.64
10,001 to 100,000 shares	335	7.87	10,830,756	9.77
100,001 to 5,542,239 (less than 5% of the issued shares)	61	1.43	35,761,762	32.26
5,542,240 and above (5% of the issued shares and above)	4	0.09	59,701,204	53.86
Total	4,260	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 29.1.2015

LIST OF TOP 30 HOLDERS AS AT 29.1.2015

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	TTS Resources Sdn. Bhd.	5,117,215	4.62
6	Lim Hong Liang	2,161,500	1.95
7	Teh Teck Tee	1,744,400	1.57
8	Yap Kow @ Yap Kim Fah	1,723,000	1.55
9	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Yulina Binti Baharuddin	1,539,000	1.39
10	Tan Ming Chieh	1,492,900	1.35
11	Rosley Bin Abdul Rahman	1,487,007	1.34

Analysis of Shareholdings
as at 29 January 2015 (cont'd)

LIST OF TOP 30 HOLDERS AS AT 29.1.2015 (continued)

No	Name	No of Shares	%
12	Enisah Binti Baharuddin	1,386,000	1.25
13	Wong Than Loy	1,142,200	1.03
14	Lee Boon Imm	1,138,000	1.03
15	Goh Siang Kuan	1,005,396	0.91
16	Yeo Seo Hwa	1,000,500	0.90
17	Lee Teck Yuen	1,000,000	0.90
18	Cheong Boon Yu	824,157	0.74
19	Gan Chin Boon	725,157	0.65
20	Chi Hoo @ Chu Chi Hoo	658,190	0.59
21	Rare Prestige Sdn. Bhd.	616,569	0.56
22	Fong Pick Kim	599,800	0.54
23	Tan Ming Sheng	530,700	0.48
24	Public Invest Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte Ltd	519,700	0.47
25	Lim Pin Kong	500,000	0.45
26	Tan Huey Szu	487,400	0.44
27	CIMSEC Nominees (Asing) Sdn. Bhd. Exempt An for CIMB Securities (Singapore) Pte Ltd	438,400	0.40
28	Tan Ming Sheng	408,300	0.37
29	Lee Boon	382,300	0.34
30	Puah Siew Mooi	349,700	0.32

Analysis of Shareholdings
as at 29 January 2015 (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	13,939,404	12.58	35,993,215	32.47	49,932,619	45.05
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	5,280,415	4.76	5,313,415	4.79
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 29.1.2015

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	13,939,404	12.58	35,993,215	32.47	49,932,619	45.05
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 29.1.2015

Notice of Thirteenth (13th) Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of APB Resources Berhad ("the Company") will be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Thursday, 26 March 2015 at 10.00 a.m. to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements of the Company for the year ended 30 September 2014 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 below)**

2. To declare a single tier final dividend of 3% for the financial year ended 30 September 2014 as recommended by the Directors. **Ordinary Resolution 1**

3. To approve payment of Directors' fees of RM150,000 for the year ended 30 September 2014. **Ordinary Resolution 2**

4. To pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **Ordinary Resolution 3**

   "THAT Datuk Yap Kau @ Yap Yeow Ho who is retiring at the conclusion of this Annual General Meeting pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until th conclusion of the next Annual General Meeting."

5. To re-elect Mr. Tan Teng Khuan, who retires in accordance with Article 84 of the Company's Articles of Association and, being eligible, has offered himself for re-election. **Ordinary Resolution 4**

6. To re-elect Mr. Lim Hong Liang, who retires in accordance with Article 84 of the Company's Articles of Association and, being eligible, has offered himself for re-election. **Ordinary Resolution 5**

7. To re-appoint Baker Tilly Monteiro Heng as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration. **Ordinary Resolution 6**

Special Business

8. Renewable of Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 **Ordinary Resolution 7**

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

   "THAT, subject to the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, pursuant to Section 132D of the Companies Act 1965, the Directors of the Company be and are hereby empowered to issue shares in the capital of the Company at any time to such person or persons and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion deem fit,

   PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution does not exceed ten (10) per centum of the issued share capital of the Company for the time being,

   AND THAT the Directors of the Company be and 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,

   AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until conclusion of the next Annual General Meeting of the Company."

9. Proposed Renewal of Shareholders' Mandate for APB Resources Berhad ("APB" or "the Company") and its Subsidiaries ("APB Group") to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties ("the Proposal") **Ordinary Resolution 8**

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

   "THAT approval be and is hereby given for the Company and/or its subsidiaries ("APB Group") to enter into any of the category of recurrent related party transactions of a revenue or trading nature falling within the types of transactions set out in Section 2.4, Part A of the Circular to Shareholders dated 27 February 2015 with the related parties mentioned therein, provided such transactions are necessary for the day-to-day operations and they are carried out in the ordinary course of business on normal commercial terms which are consistent with the APB Group's normal business practices and policies, and on terms not more favourable to the related parties than those extended to the other customers of the APB Group, and not to the detriment of the minority shareholders;

   AND THAT such approval shall be enforce until:

   (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM the authority is renewed;

   (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(l) of the Companies Act, 1965 but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act 1965; or

   (iii) revoked or varied by the Company in a general meeting,

   whichever is earlier;

   AND THAT the Directors of the Company and/or its subsidiaries and each of them be authorized to do all such acts and things (including, without limitation, to execute all such documents as may be required) as they may consider expedient, necessary or in the interest of the Company and/or the APB Group to give full effect to the Mandate."

10. Proposed Renewal of Share Buy-Back **Ordinary Resolution 9**

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

   PROPOSED RENEWAL OF SHARE BUY-BACK

   "THAT authority be given to the Company to buy back an aggregate number of shares of RM1.00 each in the Company ("Authority to Buy Back Shares") as may be determined by the Directors from time to time through Bursa Malaysia Securities Berhad ("Bursa Malaysia") upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that at the time of purchase, the aggregate number of shares which may be purchased and/or held by the Company as treasury shares pursuant to this resolution does not exceed 10% of the issued and paid up share capital of the Company and that the maximum funds to be allocated for the Authority to Buy Back Shares shall not exceed the latest audited retained profits and/or share premium account(s) of the Company AND THAT the Directors may resolve to cancel the shares so purchased and/or retain the shares so purchased as treasury shares which may be distributed as dividends to the shareholders of the Company and/or resold on Bursa Malaysia;

   AND THAT the Directors be and are hereby empowered to do all such acts and things to give full effect to the Authority to Buy Back Shares with full powers to assent to any conditions, modifications, variations and/or amendment (if any) as may be imposed by the relevant authorities;

AND THAT such Authority shall commence upon passing of this ordinary resolution and will expire at the conclusion of the next Annual General Meeting ("AGM") of the Company following the passing of this ordinary resolution or the expiry of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of a purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia or any other relevant authority."

11. Retention of Independent Non-Executive Director **Ordinary Resolution 10**

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

"THAT, pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Mr. Chua Eng Seng who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 2004 be and is hereby retained as the Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

12. Retention of Independent Non-Executive Director **Ordinary Resolution 11**

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

"THAT, pursuant to Recommendation 3.3 of the Mlaysian Code on Corporate Governance 2012, Ms Mak Fong Ching who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 2004 be and is hereby retained as the Independent Non-Executive Director of the Company until the conclusion of the next Annaul General Meeting."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that, subject to the approval of Members at the Thirteenth Annual General Meeting to be held on Thursday, 26 March 2015, a single tier final dividend of 3% in respect of the financial year ended 30 September 2014, will be paid on 28 April 2015 to Depositors whose names appear in the record of Depositors on 14 April 2015.

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 14 April 2015 in respect of transfers;

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

BY ORDER OF THE BOARD

CHEOK KIM CHEE
MACS 00139
Secretary

Kuala Lumpur
27 February 2015

Notice of Thirteenth (13th) Annual General Meeting (cont'd)

Members Entitled to Attend Thirteenth Annual General Meeting

For the purpose of determining a member who shall be entitled to attend this Thirteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 60 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 March 2015. Only a depositor whose name appears on the Record of Depositors as at 19 March 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her hehalf.

Annual Report 2014

The Company issues to shareholders its Annual Repot 2014 in CD-ROM. A full version of the Annual Repot in print form shall be provided ro shareholders within four (4) market days from the date of receipt of the written request. Shareholders who wish to receive the full version of the Annual Report 2014 in printed form kindly send the duly completed form to the Company's registered office at D12, Tingkat 1, Plaza Pekeliling, No.2, Jalan Tun Razak, 50400 Kuala Lumpur or fax to 03-40423422 or email to bss.corporateservices@gmail.com.

Notes:

1 Agenda 1 is to table the audited financial statements pursuant to Section 169(1) of the Companies Act, 1965 and is meant for discussion only. It does not require a formal aproval and/or adoption by the shareholders of the Company and hence, Agenda 1 is not put forward for voting.

2 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. There shall be no restriction as the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

3 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, under the corporation's common seal or under the hand of an officer or attorney duly authorized.

4 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.

5 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 exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

Explanatory notes on Special Business:-

6 <u>Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965</u>

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965.

The Company had been granted a general mandate by its shareholders at the Twelfth Annual General Meeting held on 26 March 2014.

The Mandate granted by the shareholders on 26 March 2014 had not been utilized and hence no proceed was raised thereform.

The purpose to seek the General Mandate is to give the Directors of the Company flexibility to issue shares from unissued capital of the Company up to an amount not exceeding 10% of the Company's total issued share capital for the time being without having to convene a general meeting as it would be both time-consuming and costly to orgainze a general meeting. This authority unless revoked or varied by the Company in a geneal meeting will expire at the next Annual General Meeting of the Company.

In case of any strategic opportunities involving equity deals, which may require the Company to 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.

7 Proposed Renewal of Shareholders' Mandate for APB and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties.

The Ordinary Resolution 8, if passed, will allow the APB Group to enter into related party transactions provided that such transactions are in the ordinary course of business and undertaken at arm's length, on normal commercial terms of APB Group which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders ("Proposed Shareholders' Mandate")

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

Further information on the Proposed Shareholdes' Mandate is set out in the Circular to Shareholders dated 27 February 2015 which is despatched together with the Annual Report of the Company for the financial year ended 30 September, 2014.

8 Proposed Renewal of Share Buyback

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to allocate an amount not exceeding the retained profits and/or share premium accounts of the Company for the purpose of and to purchase such amount of ordinary shres of RM1.00 each in the Company from time to time on the market of the Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid up share capital of the Company.

Further information on the Proposed Renewal of Share Buyback is set out in the Circular to Shareholders dated 27 February 2015 which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2014.

9 Retention of Independent Non-Executive Director, Mr. Chua Eng Seng

The Board of Directors has via the Nomination Committee assessed the independence of Mr. Chua Eng Seng ("Mr. Chua") and is of the view that the retention of Mr. Chua as an Independent Non-Executive Director of the Company is in the best interest of the Company. The Board recommends that Mr. Chua continues to act as an Independent Non-Executive Director based on the following justifications:

(i) Mr. Chua has met the independence guidelines as set out in Charpter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and is able to bring independent and objective judgement to the Board.

(ii) Mr. Chua has been with the Company for eleven (11) years and understands the Group's business operations which enable him to participate actively in deliberations/discussions at the Audit Committee, Nomination Committee, Remuneration Committee and Board Meetings.

(iii) Mr. Chua has contributed sufficient time and efforts in his capacity as Independent Non-Executive Director. He has attended all the meetings of the Audit Committee, Nomination Committee, Remuneration Committee and Board of Directors for informed and balanced decision making .

(iv) Mr. Chua has exercised due care during his tenure as the Independent Non-Executive Director and carried out his professional duty in the interest of the Group and its shareholders.

10 Retention of Independent Non-executive Director – Ms. Mak Fong Ching

The Board of Directors has via the Nomination Committee assessed the independence of Ms. Mak Fong Ching ("Ms. Mak") and is of the view that the retention of Ms. Mak as an Independent Non-Executive Director of the Company is in the best interest of the Company. The Board recommends that Ms. Mak continues to act as an Independent Non-Executive Director based on the following justifications:

(i) Ms. Mak has met the independence guidelines as set out in Charpter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and is able to bring independent and objective judgement to the Board.

(ii) Ms. Mak has been with the Company for eleven (11) years and understands the Group's business operations which enable her to participate actively in deliberations/discussions at the Audit committee, Nomination Committee, Remuneration Committee and Board Meetings.

(iii) Ms. Mak has contributed sufficient time and efforts in her capacity as Independent Non-Executive Director. She has attended all the meetings of the Audit Committee, Nomination Committee, Remuneration Committee and Board of Directors for informed and balanced decision making .

(iv) Ms. Mak has exercised due care during her tenure as the Independent Non-Executive Director and carried out her professional duty in the interest of the Group and its shareholders.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements
of Bursa Malaysia Securities Berhad)

1 Further details of individual who are standing for re-election are as follows:

Pursuant to Section 129(6) of the Companies Act, 1965:

Datuk Yap Kau @ Yap Yeow Ho

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

(a) Mr. Tan Teng Khuan

(b) Mr. Lim Hong Liang

Details of the above Directors are set out in the Directors' Profiles appearing on page 4 to page 5 of the Annual Report.

2 The Directors' direct and indirect interests in the securities of the Company as at 29 January 2015.

	Direct		Indirect			
Name of Directors	No. of shares	%	Corporation No. of Shares	Spouse No. of Shares	Child No. of Shares	%
Datuk Yap Kau @ Yap Yeow Ho	33,000	0.03	5,117,215		163,200	4.76
Tan Teng Khuan	244,095	0.22				
Lim Hong Liang	9,920,000	8.95	616,569			0.56

Details of attendance of the Directors at the Board Meetings are set out in the Corporate Governance Statement on page 15 of the Annual Report.

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

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Form of Proxy

CDS Account No.

No. of ordinary shares held

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

of ....
(FULL ADDRESS)

being a member/members of **APB RESOURCES BERHAD**, ("the Company"), hereby appoint

First Proxy

Full Name	NRIC/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

and/or failing him/her

Second Proxy

Full Name	NRIC/Company No.	Proportion of Shareholdings	
		No. of Shares	%
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 Thirteenth Annual General Meeting of the Company, to be held on 26 March 2015 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)

No.		Resolution No.	For	Against
1	To declare a single tier final dividend of 3%	1		
2	To approve payment of Directors' fees	2		
3	To re-elect Datuk Yap Kau @ Yap Yeow Ho as Director	3		
4	To re-elect Mr. Tan Teng Khuan as Director	4		
5	To re-elect Mr. Lim Hong Liang as Director	5		
6	To re-appoint Auditors	6		
7	Proposed renewal of authority to issue shares	7		
8	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	8		
9	Proposed renewal of share buy-back	9		
10	Retention of Independent Non-Executive Director Mr. Chua Eng Seng	10		
11	Retention of Independent Non-Executive Director Ms. Mak Fong Ching	11		

Signed this_________day of___________________2015.

____
Name 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. There shall be no restriction as the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

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, 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 exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

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STAMP

The Company Secretary

APB RESOURCES BERHAD

(Company No. 564838-V)

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

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