Director's Profile

Yap Kow @ Yap Kim Fah

Aged 71, Male, Malaysian • Excutive Chairman

Mr. Yap 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. He 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 was appointed to the Board of Directors on 30 March 2004 and a member of Remuneration Committee.

Mr. Yap is also a Director of several other private companies. He is not a director of any other public company.

Tan Teng Khuan

Aged 59, Male, Malaysian • Chief Operating Officer / Executive Director

Mr. Tan oversees 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. Mr. Tan 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. He joined Metroplex Berhad as Senior Corporate Investment and Planning Manager from 1990 to 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 was appointed to the Board on 30 March 2004. He does not sit on any Board committee of the Company.

Mr. Tan is also a Director of several other private companies. He is not a director of any other public company.

Chua Eng Seng

Aged 71, Male, Malaysian • Independent Non-Executive Director

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 was appointed to the Board on 30 January 2004 and the Chairman of Nomination and Remuneration Committee and member of Audit Committee.

Mr. Chua is also a Director of several other private companies. He is not a director of any other public company.

Lim Hong Liang

Aged 57, Male, Malaysian • Non-Independent Non-Executive Director

Mr. Lim 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 was appointed to the Board on 26 November 2008 and a member of Nomination Committee.

He is also a Director of several other private companies.

Datuk Yap Kau @ Yap Yeow Ho

Aged 73, Male, Malaysian • Non-Independent Non-Executive Director

Datuk Yap started his career in the transportation sector and served as an Operation Manager with TTS Transport Sdn. Bhd. from 1977 to 1984. He has been a Director of TTS Transport Sdn Bhd. since 1984.

Datuk Yap was appointed to the Board on 30 March 2004 and a member of Audit Committee.

Datuk Yap is also a Director of several other private companies. He is not a director of any other public company.

Mak Fong Ching (Ms.)

Aged 60, Female, Malaysian • Independent Non-Executive Director

Ms. Mak is a Fellow of the CPA Australia. 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 was appointed to the Board on 27 January 2004. She is the Chairman of Audit Committee and a member of Nomination and Remuneration Committee.

She is not a director of any other public company.

Yap Swee Sang

Aged 40, Male, Malaysian • Chief Executive Officer • Alternate Director to Yap Kow @ Yap Kim Fah

Mr. Yap holds a Victorian Certificate Education, Australia. He 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 and Deputy General Manager in 2004.

Mr. Yap was appointed as an alternate Director to Mr. Yap Kow @ Yap Kim Fah on 26 November 2008 and as the Chief Executive Officer on 1 June 2016.

He is not a director of any other public company.

Yap Puhui Lin (Ms.)

Aged 47, Female, Malaysian • Alternate Director to Yap Kau @ Yap Yeow Ho

Ms. Yap is a registered insurance agent with General Insurance Association of Malaysia ("PIAM"). She 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 was appointed as an alternate Director to Datuk Yap Kau @ Yap Yeow Ho on 26 November 2008.

She is not a director of any other public company.

Notes:

1. Family Relationship with any Director and/or Substantial Shareholder

   Mr. Yap Kow @ Yap Kim Fah and Datuk Yap Kau @ Yap Yeow Ho are bothers. Mr. Yap Swee Sang is the son of Mr. Yap Kow @ Yap Kim Fah and Ms. Yap Puhui Lin is the daughter of Datuk Yap Kau @ Yap Yeow Ho. None of the other Directors has any family relationship with any Director and/or Substantial Shareholders of the Company.

2. 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 Datuk Yap Kau @ Yap Yeow Ho, have direct and/or indirect interests as disclosed in note 26 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.

3. Convictions for Offences (Within the Past Five Years, Other Than Traffic Offences)

   None of the Directors of the Company have been convicted of any offences within the past five (5) years other than traffic offences and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 September 2016.

4. Number of Board Meeting Attended

   Details of the Board meeting attendance of each director are disclosed in the Statement of Corporate Governance in the Annual Report.

Chief Executive Officer & Key Senior Management's Profile

Yap Swee Sang

Aged 40, Male, Malaysian • Chief Executive Officer /Key Senior Management

Mr. Yap holds a Victorian Certificate Education, Australia. He 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 and Deputy General Manager in 2004.

Mr. Yap was appointed as an alternate Director to Mr. Yap Kow @ Yap Kim Fah on 26 November 2008 and as the Chief Executive Officer on 1 June 2016.

He is not a director of any other public company.

Ong Kok Wah

Aged 47, Male, Malaysian • General Manager of subsidiary – Amalgamated Metal Corporation (M) Sdn Bhd

Mr. Ong is the General Manager (Operation) in Amalgamated Metal Corporation (M) Sdn Bhd ("AMC"). He graduated with Diploma in Mechanical & Manufacturing Engineering from the College Tunku Abdul Rahman in 1993. Upon his graduation, he joined AMC in 1993 as a Quality Control Engineer. His responsibilities in the company include ensuring that the process equipment fabricated meets with the quality specification of the client as well as complying with internationally approved quality standards such as the American Standard of Mechanical Engineers. He was later promoted to Quality Control Manager in 1997 at AMC. As Quality Control Manager, he was responsible for the overall quality control of the entire production process in the workshop to ensure that all quality requirements as required by clients are complied. He was appointed as the General Manager in 2004.

He is not a director of any other public company.

Cheong Boon Yu

Aged 60, Male, Malaysian • Director of subsidiary – Prescan Sdn Bhd

Mr. Cheong is the founder of Prescan Sdn Bhd and appointed Director when the company was established in July 1988. He has been certified as a Radiographic Interpreter, Radiation Protection Officer and SIRIM Radiographic Tester Level II. Other qualifications include an ASNT Level II in Radiographic Testing, Magnetic Particle Testing, Liquid Penetrant Testing in 1999.

Mr. Cheong's working career started in 1974 as a trainee radiographer at Independent Testing Co. Sdn Bhd. In 1975, he joined United Testing Co. Sdn Bhd as a Non-Destructive Testing Technician responsible for radiography and stress relieving work at the Johor Bahru Power Station and the Port Dickson Power Station. He was also involved in radiography work on the ammonia sphere tank at the Chemical Company of Malaysia, Malaysian Electro–Chemical Industries and as well as in the Grik Dam. In 1979, Mr. Cheong joined Maju Timor Sdn Bhd and was responsible for MPI and stress relieving work at Prai Power Station before returning to United Testing Co. Sdn Bhd in 1981 as Technical Supervisor and later as Manager.

Mr. Cheong is also a Director of several other private companies. He is not a director of any other public company.

Gan Chin Boon

Aged 57, Male, Malaysian • Director of subsidiary – Prescan Sdn Bhd

Mr. Gan is the Director of Prescan Sdn Bhd since 1988. He received a Diploma in Complete Welding from International Correspondence School in 1985 and the Diploma in Welding Metallurgy from Metal Engineering Institute in 1988 and Certificate of Proficiency Certification Scheme for Welding Inspection Personnel in Ultrasonic Practitioner (3.1, 3.2, 3.8 & 3.9) in 1989. His other qualifications include American Society for Non-Destructive Testing Level III (KM-987) - Radiographic Testing, Ultrasonic Testing, Magnetic Particle Testing; and ASNT Level II - Radiographic Testing, Ultrasonic Testing, Magnetic Particle Testing, Penetrant Testing. He is a Member of AWS, Member of ASNT and a Member of MSNT.

Mr. Gan's career started in 1980 as Non-Destructive Testing Technician with Independent Testing Co. Sdn Bhd. In 1981, he was at Jardine Malaysia, being employed as Non-Destructive Testing Inspector and in March 1982, at Mitsui Ocean Development Engineering Company, working as Radiographer Supervisor. In August 1982, he returned to Independent Testing Co Sdn Bhd, and was employed as an Ultrasonic Inspector. He moved to Mapel Sdn Bhd in 1983, working as a Structural Integrity Inspector and in 1984, was employed at Solus Oceaneering (M) Sdn Bhd as Welding and Structural Inspector before being seconded to Sarawak Shell Berhad. He was later employed at Petrochemical Inspection (M) Sdn Bhd in 1987 as an offshore Hook-up Inspector and was seconded to Sarawak Shell Berhad on the work barge.

He is not a director of any other public company.

Yap Wan Ting

Aged 41, Female, Malaysian • Group Finance Manager

Ms. Yap is the Group Finance Manager. She started her career in 1998 as Audit Assistant with Arthur Andersen & Co., a public accounting firm. In 2000, she joined Master Body Collision Repair Sdn Bhd (subsidiary of Ford Malaysia Sdn Bhd) as Accounts Executive where she was involved in setting up chart of accounts and handled full set of accounts. She was later transferred to Ford Malaysia Sdn Bhd in 2002 and was mainly responsible on inventory system.

Ms. Yap joined Amalgamated Metal Corporation (M) Sdn Bhd, a wholly owned subsidiary of APB Resources Berhad in 2003 as Corporate Services Executive and was appointed as Group Finance Manager in January 2017.

Ms. Yap heads the Accounts and Finance Department of the Group. Her duties include financial reporting, budgeting and periodic reviews of companies' results in the Group and ensure proper compliance in accordance to the regulatory statue. She is the liaising person with the auditors and other statutory bodies.

She is not a director of any other public company.

Chief Executive Officer & Key Senior Management's Profile
[cont'd]

Notes:

1 Family Relationship with any Director and/or Substantial Shareholder

Mr. Yap Swee Sang is the son of Mr. Yap Kow @ Yap Kim Fah. Mr. Ong Kok Wah is the son in law of Datuk Yap Kau @ Yap Yeow Ho. Ms. Yap Wan Ting is the daughter of Mr. Yap Kow @ Yap Kim Fah. None of the other key senior management of the Company have any family relationship with any Director and/or Substantial Shareholders of the Company.

2 Conflict of Interest with the Group

The group has entered into recurrent related party transactions with parties in which the key senior management of the Company namely Mr. Yap Swee Sang, Mr. Ong Kok Wah and Ms. Yap Wan Ting, have indirect interests as disclosed in note 26 of the accompanying financial statements. Save as disclosed above, none of the key senior management of the Company have any conflict of interest with the Group.

3 Convictions for Offences (Within the Past Five Years, Other Than Traffic Offences)

None of the Directors of the Company have been convicted of any offences within the past five (5) years other than traffic offences and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 September 2016.

Chairman's Statement

Dear Valued Shareholders

On behalf of the Board of Directors, I have the pleasure of presenting the annual report and financial statements of APB Resources Berhad and its subsidiary Companies ("Group") for the financial year ended 30 September 2016.

PERFORMANCE REVIEW

As expected, the business environment for the 2016 financial year turned out to be among the most difficult in recent years. The process equipment industry continued to be plagued by over-capacity and weak demand. Depressed commodity prices, particularly the collapse of the oil and gas prices from the peak exacerbated the problems. Major end-users of process equipment were forced to slash capital expenditure to preserve cash given the slowing demand. This is probably the first time that the industry as a whole experienced sharp slowdown in all the sub-sectors. Even the normally stable oleo-chemical sector was not spared as crude palm prices remained soft. The Group margins were squeezed by weak global demand and excess fabrication capacity.

The sharp drop in the availability of projects coupled with intense competition has resulted in an after taxation loss of RM7.1 million for financial year ended 30 September 2016. This was the Group's maiden loss since its listing in 2004. The 34.8% decline in revenue and margin dip mainly accounted for the loss.

The Group derived 95% of its revenue from the fabrication division for the financial year ended 30 September 2016. Exports account for about 80% of the revenue where the bulk went to Asia, Middle-East and Australia. During the year, the sharp decline in capital expenditure occurred across all sectors with the oil & gas and the petro-chemical sectors being worst hit.

The Non-Destructive Testing division performed ahead of the fabrication industry, achieving a strong profit growth despite the tough business condition.

The Group's financial position remains healthy with a net cash position of RM70.6 million or net cash per share of 64 sen as at 30 September 2016.

PROSPECTS

The Group's earnings are driven by global demand represented by capital expenditure for the oil & gas, petrochemical, energy and oleo-chemical sectors. Unfortunately, all these sectors are currently going through various stages of 'down-cycle', where the oil & gas and petrochemical sectors are experiencing much deeper cycles than the oleo-chemical and the energy. While the global economic condition is looking more positive, there are still areas of volatility and uncertainty, such as, the in-coming Trump Presidency in the USA, China's economic slowdown, the USA Federal Reserve interest rate hike, currency volatility, the Brexit/Euro zone political development and on-going conflicts in the middle-east and potential flash point in the South China Sea.

The global fabrication industry is driven by capital expenditure which is determined by demand for capacity expansion. Huge capacity expansion in the oil & gas and petrochemical sectors in the past years has created excesses particularly in the Middle-East. We anticipate that it would take at least a couple more years for demand to absorb the excess capacity and therefore, before new capital expenditure picks up in this region.

While crude oil prices have recovered somewhat from the recent low, they are still sharply down from the peak of a few years back. The slight recovery may not be sufficient to propel any uptick in capital expenditure in the immediate term. However, the prolonged spending cuts by oil majors will continue to pose significant challenges to the oil & gas fabricating industry. The continued dwindling of contracts is causing intense competition in an industry already facing huge margin pressure. Notwithstanding the cautious outlook, we reckon that the upstream oil & gas sector may have reached the trough of the down cycle and the oil majors may have completed their capital expenditure cuts at least for now. There are some positive signs of exploration and production activities in India and Vietnam. However, fabrication activities for this sector are expected to lag the general pick-up in economic activities by a year or two.

PROSPECTS (continued)

The energy sector is also a significant user of process equipment. Some positive indicators are emerging on capital expenditure in the energy sector where numerous projects were shelved or deferred during the global financial crisis. Highly populated and economically fast-growing countries such as China, India, Brazil, Russia and Indonesia require massive additions to energy capacity for many years to come. Stricter environmental regulations are forcing utility companies in both emerging and developed countries to invest in renewable energy alternatives and to replace old inefficient power plants. While this sector offers stable growth, the share of process equipment to total capital expenditure is relatively small.

The Group has built a very strong track record and reputation as a process equipment fabricator for the oleo-chemical industry. Moreover, this sector has cushioned the Group during the down-turn faced by the fabrication division in the past years. However, the recent soft crude palm oil prices and inventory stock pile have also caused a scale back of capital expenditure for downstream processing capacity. We foresee the industry taking another year or so to absorb the sharp increase in oleo-chemical processing capacity that came on-stream over the past few years. However, in the medium to long term, rapid expansion of palm oil acreage in Malaysia and Indonesia and demand for oleo-chemical end-products particularly in the Asian region will continue to drive capital expenditure for processing activities.

The Group expects another very challenging year ahead. It will continue to be vigilant and will take all the necessary measures to stay competitive. Over the years the Group has built a good reputation and established strong goodwill with its clients. Hopefully, it can capitalize on this to assist in securing projects. The Group's prudent cash management strategy has resulted in a relatively strong cash position which will enable the Group to weather through this difficult period and challenging years ahead.

DIVIDEND

The Board has recommended a single-tier final dividend of 3.0% (3 sen per ordinary share) for the year ended 30 September 2016. This upon approval by shareholders at the forthcoming Fifteenth 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 2016 (6.5% for 2015).

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.

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 2016 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 Board established functions, which are reserved for the Board and those that are delegated to Management. The key roles and responsibilities of the Board are set out in the Board Charter.

The key roles and responsibilities of the Board cover formulation of corporate policies and strategies, overseeing and evaluating the Group's businesses, identifying principal risks and ensuring implementation of appropriate systems to mitigate those risks, reviewing and approving matters such as financial results, investments, divestments, acquisitions and disposals of major capital assets.

The Board delegates certain responsibilities to the Board Committees to assist the execution of its duties and responsibilities, however, the ultimate responsibility and decision rest with the Board. The Committee Chairman reports to the Board at each Board meeting where the minutes of the Board Committee are tabled for adoption.

The Chief Executive Officer (CEO) and the Management team manage the day-to-day operations of the Group and are accountable to the Board for the Group's performance.

The Group Executive Chairman is Mr. Yap Kow @ Yap Kim Fah while the role of CEO is held by Mr. Yap Swee Sang. Their roles are separate with a clear division of responsibilities to distinguish between the running of the Board and the executive responsibility for managing the businesses.

Although the Chairman is an executive member of the Board, it also has independent directors with distinguished records and credentials serving in it to ensure that there is independence of judgement and in compliance with corporate governance.

The Board is mindful that the roles of Chairman and the roles of executive are held by father and son but takes into consideration of the fact Mr. Yap Kow @ Yap Kim Fah is the founder and a single largest shareholders. There is advantage of shareholder leadership and a natural alignment of interest.

Although CEO is the son of the Chairman, 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 Nomination Committee is satisfied that the Executive Chairman has continued to discharge the duties effectively and played an integral role in the stewardship of the Group.

DIRECTORS' CODE OF CONDUCT

The Board observes the Company Directors' Codes of Ethics established by the Companies Commission of Malaysia. In addition, 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.

The Group has in place procedures and rules for employees to raise responsibly, in confidence, concerns about serious misconduct and other improprieties, which pose a financial, legal, reputational or operational risks to the Group.

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

SUSTAINABILITY OF BUSINESS

The Group is committed to operate its business in accordance with environmental, social and governance responsibilities. These include working within the law and local community in order to be innovative and demonstrate initiative to meet the requirements of various stakeholders.

The Board will regularly review the strategic direction of the Group and the progress of the Group's operation to include sustainable commitment in business practices and development focusing on the environment, social responsibility, and well-being of its employees, the benefits of which are believed to translate into better corporate performance and image.

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.

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

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 composition is fairly balance and mix in terms of skills and experience, which is valuable in formulating the strategic direction of the Group.

The presence of Independent Non-Executive Directors on the Board, not only act as a caretaker of minority shareholders but also fulfils a pivotal role in corporate accountability. The Board places great importance on its Independent Non-Executive Directors since they serve as an essential source of impartial and professional guidance to protect the interest of minority shareholders and add value to all shareholders.

The Board recognizes the importance of gender diversity to provide a broader view for its decision making process. Now, the Board has one female member. The Board strives to maintain this target and will consider female candidates as new members of the Board as and when the opportunity arises.

PRINCIPLE 2 – STRENGTHEN COMPOSITION (continued)

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.

AUDIT COMMITTEE

The composition of Audit Committee and a summary of its functions are set out in Audit Committee Report in this Annual Report. The Terms of Reference are set out in the Company's website.

NOMINATION COMMITTEE

The Nomination Committee ("NC") 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. NC 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.

NC 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 NC 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).

NC has held one (1) meeting for the financial year ended 30 September 2016 whereby the Company Secretary shall be the secretary for NC.

The process for the appointment of new director is summarized as below:

(a) Identification of candidate (recommendation from existing Directors, Senior Management, shareholders or third party)

(b) Assessment and evaluation to be conducted by NC basing on the following criteria:-

(i) Integrity and judgement
(ii) Knowledge
(iii) Diversity
(iv) Commitment
(v) Independent judgment
(vi) Performance and contribution
(vii) Experience
(viii) Board interaction
(ix) Any other criteria deemed fit by NC.

For an independent director position, additional assessment on independence would need to be carried out. NC would also need to consider the size and composition of the Board.

(c) Recommendation to be made by NC to the Board

(d) Discussion and decision to be made by the Board on the proposed new appointment

(e) Invitation or offer to be made to the proposed/potential candidate to join the Board, if the proposed appointment is approved by the Board.

The Group is committed to actively managing diversity as a means of enhancing the Group's performance by recognising and utilising the contribution of diverse skills and talent from its directors. Diversity involves recognizing and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives.

PRINCIPLE 2 – STRENGTHEN COMPOSITION (continued)

NOMINATION COMMITTEE (continued)

To achieve diversity, the Board delegated to NC to ensure that the Board has a sufficient size with the appropriate balance of skills and experience to meet the Group's present and future needs. The NC also responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions. The NC should consider the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience of the Board members when identifying and recommending potential candidates for Board memberships.

During the financial year, there was no new Director being appointed to the Board.

The process for the annual assessment and its criteria in respect of the Board and Board Committees, Directors and Board Committee members is summarized as below:

The Board, through its delegation to NC, had implemented a procedure and process towards an annual assessment of the effectiveness of the Board as a whole and the contribution and performance of each individual Director and Board Committee member during the financial year 2016. Assessments were undertaken in respect of the year ended 30 September 2016 and have been concluded and properly recorded. The effectiveness of the Board is assessed mainly in the areas of participation and role in the Board's committee, contribution and number of meeting attended. The Committee has also reviewed the required mix of skills and competencies of the Directors during the year.

The Committee concluded that the composition of the mix of skills, experience and competencies of the Directors during the year was adequate to support the current needs of the Group.

Review of Directors proposed for re-election / re-appointment.

In accordance with the Company's Articles of Association, any Director appointed by the Board shall hold office only until the next Annual General Meeting ("AGM") and shall then be eligible for re-election. The Articles also provide that at least one-third (1/3) of the Directors are subject to re-election by rotation at every AGM. Re-elections are not automatic and all Directors must retire and submit themselves for re-election by shareholders at least once in every three (3) years. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with section 129 (6) of the Companies Act, 1965.

NC is responsible for recommending to the Board those Directors who are eligible to stand for re-election/ re-appointment.

This recommendation is based on formal reviews of the performance of the Directors, taking into account their assessment results, contribution to the Board through their skills, experience, strengths and qualities and ability to act in the best interests of the Company in decision-making.

On 24 November 2016, NC reviews the performance of the retiring directors, namely, Datuk Yap Kau @ Yap Yeow Ho, Yap Kow @ Yap Kim Fah, Chua Eng Seng and Lim Hong Liang and is satisfied with their performance and contribution, recommend to the Board to nominate them for re-election at the forthcoming Fifteen Annual General Meeting.

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.

PRINCIPLE 2 – STRENGTHEN COMPOSITION (continued)

REMUNERATION COMMITTEE (continued)

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 2016 whereby the Company Secretary shall be the secretary for the Remuneration Committee.

At the Remuneration Committee meeting held for the financial year, the Remuneration Committee reviewed and deliberated on the salaries and bonus of the Executive Directors and the Directors' fees to the Directors.

Executive Directors

<u>Basic Salaries</u>

In setting basic salaries for each Executive Director, RC takes into the following considerations:

(a) the relevant experience and expertise of the Executive Director;

(b) prevailing pay pattern and situation in the market;

(c) the remuneration package of companies which are comparable to the Group; and

(d) the performance of the Executive Director.

The salaries are reviewed annually. Salaries are increased only where RC believes that the adjustments are appropriate to reflect performance, increased responsibilities and/or market pressures.

<u>Bonus</u>

Bonus is awarded on a discretionary basis to motivate and reward high performance director. Its exact amount is decided by reference to the Company's performance as well as the individual performance of the Director involved.

<u>Other Benefits</u>

Other benefits include EPF, medical coverage and car.

Directors' Fees

The Non-Executive Directors are paid a fixed fee and is determined by the Board as a whole. Directors' fees are approved by the shareholders at its Annual General Meeting.

Details of the Directors' remuneration for the financial year ended 30 September 2016 are set out below:

	Group		Company	
	2016 (RM)	**2015 (RM)**	**2016 (RM)**	**2015 (RM)**
Directors of the Company				
Executive				
Salaries	1,102,800	752,000	102,000	102,000
Fees	70,000	50,000	70,000	50,000
Total Executive Directors' Remuneration	1,172,800	802,000	172,000	152,000

PRINCIPLE 2 – STRENGTHEN COMPOSITION (continued)

REMUNERATION COMMITTEE (continued)

Directors' Fees (continued)

	Group		Company	
	2016 (RM)	2015 (RM)	2016 (RM)	2015 (RM)
Directors of the Company				
Non-Executive Directors				
Fees	140,000	100,000	140,000	100,000
Total Non-Executive Directors' Remuneration	140,000	100,000	140,000	100,000

The number of Directors of the Company whose total remuneration falls within the following bands for the financial year ended 30 September 2016 are as follows:

	Group		Company	
	2016	2015	2016	2015
Less than RM50,000	4	4	5	5
RM100,000 to RM150,000	1	1	1	1
RM1,000,000 to RM1,050,000	1	-	-	-
RM1,500,000 to RM2,000,000	-	1	-	-

PRINCIPLE 3 – REINFORCE INDEPENDENCE

ASSESSMENT OF INDEPENDENT DIRECTORS

The Board recognises the importance of independence and objectivity in the decision-making process. The Independent Non-Executive Directors bring independent views, advice and judgement, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

During the financial year ended 30 September 2016, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out in the Bursa Malaysia Main Market Listing Requirements. 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 in the Bursa Malaysia Main Market Listing Requirements.

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 seeks to strike an appropriate balance between the tenure of service and continuity of experience. Although a longer tenure of directorship may be perceived as relevant to the determination of a director's independence, the Board recognises that an individual's independence should not be determined solely based on the tenure of service. Further, the continued tenure of directorship bring considerable stability to the Board and the Company benefits from directors who have, over time, gained valuable insight into the Company's operations, its market and the industry.

PRINCIPLE 3 – REINFORCE INDEPENDENCE (continued)

TENURE OF INDEPENDENT DIRECTORS (continued)

The Independent Non-Executive Directors have declared their independence. The Board and the Nomination Committee have determined, at the annual assessment carried out, that Mr. Chua Eng Seng and Ms. Mak Fong Ching who have served on the Board for a period of more than nine (9) years continuously as Independent Non-Executive Directors, remain objective and have continued to bring independence and objective judgement to the Board deliberation and decision makings. At the forthcoming Annual General Meeting (AGM), the Company will seek shareholders' approval to retain them as Independent Non-Executive Directors. Justifications for their retention are set out in the explanatory notes in the notes to the Notice of AGM.

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.

The Board is satisfied with the level of commitments given by the Directors towards fulfilling their roles and responsibilities as Directors of the Group.

For the financial year ended 30 September 2016, 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	Executive Chairman	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.

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.

PRINCIPLE 4 – FOSTER COMMITMENT (continued)

BOARD MEETINGS (continued)

During the year ended 30 September 2016, the Directors received regular briefing and up-dates on the Group's businesses, operations, risk management, internal control, finance and any changes to the relevant legislations, rules and regulations from in-house and outside professionals.

The Directors of the Company, collectively and on their own, attended various training programmes, seminar, briefing and/or workshop including:

(a) International tax developments affecting wealth crossing borders
(b) Beyond retirement
(c) Awareness training on lean manufacturing/lean methodology
(d) Penny stocks fatal attraction – Do's and Don't
(e) New Companies Act, 2016

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

FINANCIAL REPORTING

The Board is committed to present a fair, balance and comprehensive view of the Group financial performance and prospects, primarily through the annual reports and quarterly reports as well as corporate announcements on significant development affected the Group.

The Board is responsible to ensure that the audited financial statements are dawn 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 2016 and their financial performance and cash flows for the financial year then ended.

The Audit Committee plays an important role in reviewing information to be disclosed to ensure its accuracy, adequacy and compliance with the appropriate financial reporting standards and the provisions of the Companies Act, 1965 in Malaysia. All quarterly results and financial statements have to be reviewed 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.

SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Board maintains a transparent and professional relationship with the Group's external auditors, through the Audit Committee where full assistance has been extended to the external 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. The external auditors have been invited to attend Audit Committee meetings twice during the financial year ended 30 September 2016 to discuss their audit plan, audit findings and the Group's financial statements.

The external auditors have given their written confirmation that they are, and have been, independent throughout the conduct of the audit engagement with the Group in comply with their local professional institutes' rules concerning auditors' independence and/or their firm's requirements.

To the best of Audit Committee's knowledge, the Audit Committee is not aware of any non- audit service that had compromised the external auditors' independence for the financial year ended 30 September 2016.

The Audit Committee, at one of its meetings for the financial year, undertook an annual assessment of the suitability and independence of the external auditors. In its assessment, the Audit Committee considered adequacy, experience and resources of the audit firm and the professional staff assigned to the audit, and independence. Having satisfied with Baker Tilly's performance, technical competency, adequacy of resources and audit independence, the Audit Committee recommended the re-appointment of Baker Tilly as the external auditors for the next financial year.

PRINCIPLE 6 – RECOGNIZE AND MANAGE RISKS

SOUND RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL

The Board recognises of its responsibility for identifying, evaluating and managing significant risks within the business environment in which the Group operates. The Board is aware of its responsibility for ensuring effectiveness and adequacy of the internal control system to address strategic, financial and operational, knowledge and compliance to applicable laws, regulations, directives and guidelines.

The Management is responsible for implementing the process of identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions needed, and for providing assurance to the Board the processes have been carried out.

The Audit Committee has been entrusted by the Board to ensure effectiveness of the Group's internal control system. The activities of the outsourced internal auditor are reported regularly to the Audit Committee, which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's internal control system.

INTERNAL AUDIT FUNCTION

The Internal Audit functions is outsourced to H-Corp Management Sdn. Bhd. The Internal Auditors assist the Audit Committee and the Board in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's governance, risk management and internal control processes. Details of the Group internal control system and framework is detailed in the Statement on Risk Management and Internal Control 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 Board is committed to provide accurate, clear, fair and timely disclosures of material information pertaining to the Group's performance and operations to shareholders and public generally.

To comply with Bursa Malaysia Main Marketing Listing Requirements, the Group also maintains a website allowing the shareholders, investors and general public to access to the Group's information relating to quarterly reports, annual reports and announcements. The website is www.apb-resources.com.

PRINCIPLE 8 – STRENGHTEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS

COMMUNICATION WITH THE SHAREHOLDERS

The Board acknowledges the importance of regular communication with the shareholders and investors via quarterly financial reports, annual reports, circulars and announcements made during the year, through which the shareholders and investors can have an overview of the Group's financial performance and operations.

ANNUAL GENERAL MEETINGS ("AGM")

The AGM provides an opportunity for the shareholders to seek and clarify any issue and to have better understanding of the Group's performance. The shareholders are encouraged to attend, speak and meet the Board at the AGM and to vote on all resolutions. Senior management and the independent auditors are also present to response and clarify shareholders' queries.

Notices of general meetings and accompanying explanatory notes together with annual reports and circulars are provided to the shareholders at least 21 days before the meeting allowing the shareholders to make the necessary arrangements to attend and participate in general meetings, either in person or by corporate representative, or by proxy or by attorney.

PRINCIPLE 8 – STRENGHTEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS (continued)

ANNUAL GENERAL MEETINGS ("AGM") (continued)

Bursa Malaysia Main Market Listing Requirements requires all resolutions in general meetings to be voted by poll. The Board will ensure compliance to such requirements at the forthcoming AGM.

INVESTOR RELATIONS

Mr. Tan Teng Khuan (Chief Operating Officer and Executive Director) has been designated as the Group's principal investor relation officer. Shareholders and 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 9 January 2017.

Audit Committee Report

1. MEMBERS

The Audit Committee comprises of the following members:

Chairman	Mak Fong Ching (Independent Non-Executive Director)
Members	Chua Eng Seng (Independent Non-Executive Director)
	Datuk Yap Kau @ Yap Yeow Ho (Non-Independent Non-Executive Director)

2. AUDIT COMMITTEE MEETINGS

The Audit Committee held five (5) meetings during the financial year ended 30 September 2016. Details of the attendance of the meetings by the Committee Members 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

3. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the activities of the Audit Committee included:

<u>Financial Reporting</u>

1. Reviewed the unaudited quarterly financial statements before recommending the same to the Board of Directors for approval;

2. Reviewed the annual audited financial statements of the Group and of the Company for the year ended 30 September 2016, auditors' reports, management letters and management responses with the external auditors prior to submission to the Board of Directors for their approval. The review was to ensure that the audited financial statements are in compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act, 1965 in Malaysia and other relevant legal and regulatory requirements;

<u>Internal Audit</u>

1. Reviewed the internal auditors' audit plan and programme for the year to ensure adequate scope and comprehensive coverage over the Group's activities;

2. Reviewed the internal audit reports and follow up reports on the Group operations;

3. Monitored and ensure that corrective actions had been taken to rectify the weaknesses highlighted and all the keys risks and control are addressed;

4. Reviewed and assessed the competency of the internal audit function.

<u>External Auditors</u>

1. Reviewed and discussed with the external auditors the audit planning memorandum, audit strategy and scope of work for the financial year ended 30 September 2016;

3. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (continued)

2. Assessed and discussed the performance and effectiveness of external auditors, including the independence, professional scepticism, quality of skills and capabilities of audit team and sufficient resources. The Committee is satisfied with the performance of the external auditors and recommended to the Board of Directors to re-appoint the External Auditors at the forthcoming Annual General Meeting;

3. Conducted private discussion with the external auditors without the presence of management and discussed with them problems and observations arising from the audit. No major issues were highlighted.

Recurrent Related Party Transactions

1. Reviewed the recurrent related party transactions of a revenue or trading nature and conflict of interest situation that may have arisen;

2. Reviewed the draft circular to shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transaction of a revenue or trading nature prior submission the same to Bursa Malaysia Securities Berhad for their perusal.

Others

1. Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to recommending to the Board of Directors for approval.

(The Terms of Reference of the Committee can be found on the Company's website)

4. INTERNAL AUDIT FUNCTIONS

For the financial year ended 30 September 2016, 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.

The internal audit function assisted the Committee in discharging its duties and responsibilities by executing independent review on the adequacy and effectiveness of the risk management, internal and operation control.

The costs amounting to approximately RM56,300 (2015: RM43,730) were incurred for the internal audit functions in respect of the financial year ended 30 September 2016.

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.

BOARD OF DIRECTORS' 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

During the current financial year, 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 utilising 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 financial 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 authorisation levels have been established and communicated by the Board to the Committees of the Board and to the management of key operating subsidiary companies;

KEY PROCESSES OF INTERNAL CONTROL (continued)

(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 Executive Chairman 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.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed the Statement on Risk Management and Internal Control which is pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with the understanding of the processes the Board has adopted in the review of the adequacy and integrity of risk management and internal control of the Group.

This statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 9 January 2017.

The Group is totally committed to ensure the practice of Corporate Social Responsibility, and is pleased to state some of the processes which continue to be conducted during the year under review:

a) Continuous application of operating processes approved under the Quality Management System to provide good quality products and services to valued customers at affordable prices. The Group was accredited with ISO 9001:2008, EN ISO 9001:2008, BS EN ISO 9001:2008 and MS ISO 9001:2008 since 17 September 2004 to achieve its key objective of maintaining its production processes to the best standards.

b) Continuous practice of a quality work environment through awareness campaigns. The Group is committed to maintain high safety and health standards at the work place at all times.

c) Continuous allocation of financial and training resources to enhance the long-term value of its human capital. Good training and development will equip the employees with skills and the capabilities to improve operational efficiency and productivity.

d) Continuous employment of a handicapped employee.

e) Continuous providing internship training programs to local diploma and vocational students for knowledge enrichment as well as complementing and nurturing talents among these students for their personal growth and future employment needs.

f) Continuous making donations towards the community i.e. National Council For The Blind, Malaysia, Malaysian Association For The Blind, Malayan Association For The Prevention Of Tuberculosis (Selangor) etc.

g) Continuous encouraging staff to “repair, reduce, reuse and recycle” and adopt energy saving measures, for instance, keeping usage of paper to minimum – on “double-sided” and on “need to” basis, switching off the air-conditioners and lights during breaks and using energy efficient bulbs, wherever possible.

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 2016.

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 2015.

SHARE BUY-BACK

The Company has not undertaken any share buy-back exercise for the financial year ended 30 September 2016.

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 2016.

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 2016.

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 2016.

NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors for the financial year ended 30 September 2016 was RM9,500.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection pertaining to the financial year ended 30 September 2016. There were no variances of 10% or more between the audited results for the financial year ended 30 September 2016 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 2016.

REMUNERATION OF DIRECTORS

The details of remuneration of Directors for the financial year ended 30 September 2016 are stated on page 19-20 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 20 January 2017 and are attached to this Annual Report.

The details of recurrent related party transactions entered into for the financial year ended 30 September 2016 are as disclosed in note 26 of the accompanying financial statements.

DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The details of the disclosure of realised and unrealised profits or losses for the year ended 30 September 2016 are as disclosed in page 88 of the accompanying financial statements.

Statement of Directors' Responsibility

for preparing the financial statements

This statement is prepared as required by the Bursa Malaysia Main Market Listing Requirements.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year. The financial statements for the year end 30 September 2016 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 2016 and of the results of their financial performance and cash flows for the financial year then ended. The directors are also responsible for such internal controls necessary to enable the preparation of financial statements that are free from material misstatement.

In preparing these financial statements, the Directors have:

- Adopted appropriate accounting policies and 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.

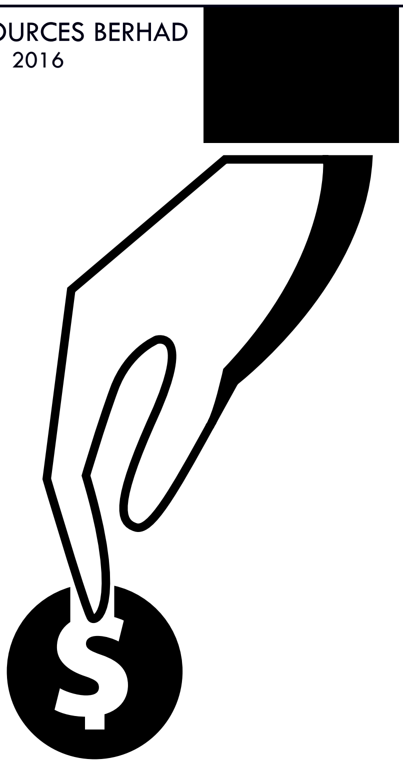
The Directors have the responsibility to ensure that the Group and the Company have properly kept their accounting and other records and the registers as required by the Companies Act, 1965. These records and registers are to disclose with reasonable accuracy the financial positions of the Group and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

This Directors' Responsibility Statement is made in accordance with resolution of the Board of Directors dated 9 January 2017.

Finacial Statements

APB RESOURCES BERHAD
2016



Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2016.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year	(7,126,652)	7,171,595
Attributable to:		
Owners of the Company	(7,126,652)	7,171,595

DIVIDENDS

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

	RM
In respect of fthe inancial year ended 30 September 2015:	
Single-tier final dividend of 3.0 sen per ordinary share of RM 1 each, paid on 28 April 2016	3 ,325,344
In respect of the financial year ended 30 September 2016:	
Single tier interim dividend of 3.5 sen per ordinary share of RM 1 each, paid on 30 June 2016	3 ,879,576
	7 ,204,920

At the forthcoming Annual General Meeting, a single tier final dividend of 3.0 sen per ordinary share, amounting to RM3,325,344 in respect of the financial year ended 30 September 2016, 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 2017.

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 there were no known bad debts and that adequate provision had been made for doubtful debts.

BAD AND DOUBTFUL DEBTS (continued)

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render 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.

In the opinion of the directors, 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 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 MATERIAL AND 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) no item transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 67A of the Companies Act, 1965 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 30 September 2016, the Company held 2,030,200 treasury shares out of its 112,875,002 issued and paid up ordinary shares. Such treasury shares are held at a carrying amount of RM3,322,462. Further details are disclosed in Note 12 to the financial statements.

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	
Datuk Yap Kau @ Yap Yeow Ho	(alternate director, Yap Puhui Lin)
Chua Eng Seng	
Mak Fong Ching	

DIRECTORS' INTERESTS

According to the register of directors' shareholdings required to be kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporation during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	At 1.10.2015	**Bought**	**Sold**	**At 30.9.2016**
Direct interest				
Yap Kow @ Yap Kim Fah	15,247,304	658,190	-	15,905,494
Tan Teng Khuan	244,095	-	-	244,095
Lim Hong Liang	9,920,000	-	-	9,920,000
Indirect interest				
Yap Kow @ Yap Kim Fah*	35,993,215	-	-	35,993,215
Lim Hong Liang*	616,569	-	-	616,569
Datuk Yap Kau @ Yap Yeow Ho * #	5,280,415	-	(5,117,215)	163,200

* 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 and pursuant to Section 6A of the Companies Act, 1965 in Malaysia, Yap Kow @ Yap Kim Fah is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares of the Company and 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 19 to the financial statements) 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 where the 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 of Directors in accordance with a resolution of the directors:

....
YAP KOW @ YAP KIM FAH
Director

....
TAN TENG KHUAN
Director

Date: 9 January 2017

Statements of Financial Position
as at 30 September 2016

	Note	Group 2016 RM	Group 2015 RM (Restated)	Company 2016 RM	Company 2015 RM (Restated)
ASSETS					
Non-current assets					
Property, plant and equipment	5	71,588,105	76,118,139	-	-
Investment in a subsidiary	6	-	-	76,837,000	76,837,000
Other investments	7	35,000	35,000	-	-
Goodwill on consolidation	8	13,458,008	13,458,008	-	-
Total non-current assets		85,081,113	89,611,147	76,837,000	76,837,000
Current assets					
Inventories	9	627,196	1,206,540	-	-
Receivables	10	36,591,953	73,407,808	19,718,245	22,718,245
Tax assets		1,475,103	-	-	-
Other Investments	7	19,742,538	16,743,345	19,742,538	16,743,345
Deposits placed with licensed banks	11	42,862,037	18,608,833	-	-
Cash and bank balances	11	7,971,195	23,544,725	2,610	3,628
Total current assets		109,270,022	133,511,251	39,463,393	39,465,218
TOTAL ASSETS		194,351,135	223,122,398	116,300, 393	116,302,218
EQUITY AND LIABILITIES					
Share capital	12	112,875,002	112,875,002	112,875,002	112,875,002
Treasury shares	12	(3,322,462)	(3,322,462)	(3,322,462)	(3,322,462)
Retained earnings		69,107,229	83,438,801	3,871,829	3,905,154
TOTAL EQUITY		178,659,769	192,991,341	113,424,369	113,457,694
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	13	1,998,143	3,670,566	-	-
Current liabilities					
Payables	14	8,106,640	15,552,884	2,876,024	2,844,524
Provision	15	5,512,585	6,819,566	-	-
Tax payables		73,998	4,088,041	-	-
Total current liabilities		13,693,223	26,460,491	2,876,024	2,844,524
TOTAL LIABILITIES		15,691,366	30,131,057	2,876,024	2,844,524
TOTAL EQUITY AND LIABILITIES		194,351,135	223,122,398	116,300,393	116,302,218

The accompanying notes form an integral part of these financial statements.

Statements of Profit or Loss & Other Comprehensive Income
for the financial year ended 30 September 2016

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Revenue	16	89,262,262	136,907,409	7,302,094	7,302,094
Cost of sales	17	(75,273,648)	(109,076,038)	-	-
Gross profit		13,988,614	27,831,371	7,302,094	7,302,094
Other income		787,239	14,742,829	-	-
Administrative expenses		(16,381,183)	(17,799,772)	(674,498)	(602,043)
Other expenses		(7,841,838)	(675,360)	-	-
		(24,223,021)	(18,475,132)	(674,498)	(602,043)
(Loss)/Profit from operations		(9,447,168)	24,099,068	6,627,596	6,700,051
Interest income		1,052,865	1,067,008	543,999	435,996
Finance costs		(115,300)	(246,445)	-	-
(Loss)/Profit before tax	18	(8,509,603)	24,919,631	7,171,595	7,136,047
Tax credit/(expense)	20	1,382,951	(6,526,640)	-	-
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year		(7,126,652)	18,392,991	7,171,595	7,136,047
(Loss)/Profit attributable to:					
Owners of the Company		(7,126,652)	18,392,991	7,171,595	7,136,047
(Loss)/Earnings per ordinary share attributable to owners of the Company:					
Basic/Diluted (sen)	21	(6.43)	16.59		

The accompanying notes form an integral part of these financial statements.

Statements of Changes In Equity
for the financial year ended 30 September 2016

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 2014		112,875,002	(3,322,462)	72,250,730	181,803,270
Comprehensive income					
Profit for the financial year		-	-	18,392,991	18,392,991
Total comprehensive income for the financial year		-	-	18,392,991	18,392,991
Transaction with owners					
Dividends paid	22	-	-	(7,204,920)	(7,204,920)
Total transaction with owners		-	-	(7,204,920)	(7,204,920)
At 30 September 2015		112,875,002	(3,322,462)	83,438,801	192,991,341
Comprehensive loss					
Loss for the financial year		-	-	(7,126,652)	(7,126,652)
Total comprehensive loss for the financial year		-	-	(7,126,652)	(7,126,652)
Transaction with owners					
Dividends paid	22	-	-	(7,204,920)	(7,204,920)
Total transaction with owners		-	-	(7,204,920)	(7,204,920)
At 30 September 2016		112,875,002	(3,322,462)	69,107,229	178,659,769

[cont'd]

Company	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 2014		112,875,002	(3,322,462)	3,974,027	113,526,567
Comprehensive income					
Profit for the financial year		-	-	7,136,047	7,136,047
Total comprehensive income for the financial year		-	-	7,136,047	7,136,047
Transaction with owners					
Dividends paid	22	-	-	(7,204,920)	(7,204,920)
Total transaction with owners		-	-	(7,204,920)	(7,204,920)
At 30 September 2015		112,875,002	(3,322,462)	3,905,154	113,457,694
Comprehensive income					
Profit for the financial year		-	-	7,171,595	7,171,595
Total comprehensive income for the financial year		-	-	7,171,595	7,171,595
Transaction with owners					
Dividends paid	22	-	-	(7,204,920)	(7,204,920)
Total transaction with owners		-	-	(7,204,920)	(7,204,920)
At 30 September 2016		112,875,002	(3,322,462)	3,871,829	113,424,369

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
for the financial year ended 30 September 2016

	Note	Group 2016 RM	Group 2015 RM (Restated)	Company 2016 RM	Company 2015 RM (Restated)
Cash Flows from Operating Activities					
(Loss)/Profit before tax		(8,509,603)	24,919,631	7,171,595	7,136,047
Adjustments for:					
Allowance for impairment loss on trade receivables		241,512	30,500	-	-
Amount due from a contract customer written off		-	142,983	-	-
Deposit written off		25,192	52,000	-	-
Depreciation of property, plant and equipment		4,960,524	5,221,076	-	-
Dividend income		-	-	(7,302,094)	(7,302,094)
Fair value adjustments on derivative financial instruments		-	(730,520)	-	-
Gain on disposal of property, plant and equipment		(10,475)	(126,646)	-	-
Interest expense		91,206	210,330	-	-
Interest income		(1,052,865)	(1,067,008)	(543,999)	(435,996)
Net provision for project cost		162,100	1,620,000	-	-
Net (reversal of provision)/ provison for liquidated and ascertained damages		(229,081)	3,500,676	-	-
Net unrealised gain on foreign exchange		(728,050)	(5,365,025)	-	-
Reversal of allowance for impairment loss on trade receivables		-	(114,268)	-	-
Operating (loss)/profit before working capital changes		(5,049,540)	28,293,729	(674,498)	(602,043)
Inventories		579,344	(287,231)	-	-
Receivables		37,344,404	5,443,892	3,000,000	4,000,000
Payables		(7,509,100)	(2,969,612)	31,500	210,417
Provision	15	(1,240,000)	-	-	-
Cash generated from operations		24,125,108	30,480,778	2,357,002	3,608,374
Interest paid		(91,206)	(210,330)	-	-
Interest received		1,010,692	1,049,329	543,999	435,996
Tax paid		(5,778,618)	(4,021,229)	-	-
Net cash from operating activities carried down		19,265,976	27,298,548	2,901,001	4,044,370

Statements of Cash Flows
for the financial year ended 30 September 2016

[cont'd]

	Note	Group 2016 RM	Group 2015 RM (Restated)	Company 2016 RM	Company 2015 RM (Restated)
Net cash from operating activities brought down		19,265,976	27,298,548	2,901,001	4,044,370
Cash Flows from Investing Activities					
Acquisition of property, plant and equipment	5	(430,930)	(2,059,277)	-	-
Dividend received from a subsidiary		-	-	7,302,094	7,302,094
Placement of fixed deposit with a licensed bank		(10,000)	(626,000)	-	-
Proceeds from disposal of property, plant and equipment		10,915	196,766	-	-
Purchase of other investments		(2,999,193)	(4,147,281)	(2,999,193)	(4,147,281)
Withdrawal of deposits placed with a licensed bank		3,493,309	-	-	-
Net cash from/(used in) investing activities		64,101	(6,635,792)	4,302,901	3,154,813
Cash Flows from Financing Activity					
Dividend paid, representing net cash used in financing activity	22	(7,204,920)	(7,204,920)	(7,204,920)	(7,204,920)
Net increase/(decrease) in cash and cash equivalents		12,125,157	13,457,836	(1,018)	(5,737)
Effect of exchange rate fluctuations on cash and cash equivalents		37,826	716,042	-	-
Cash and cash equivalents at beginning of the financial year		36,094,725	21,920,847	3,628	9,365
Cash and cash equivalents at the end of financial year	11	48,257,708	36,094,725	2,610	3,628

The accompanying notes form an integral part of these financial statements.

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 6. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 9 January 2017.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 New MFRSs and amendments/improvements to MFRSs that have been issued but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
<u>Amendments/Improvements to MFRSs</u>		
MFRS 2	Share-based Payment	1 January 2018
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 10	Consolidated Financial Statements	Deferred/ 1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interest in Other Entities	1 January 2016
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 107	Statement of Cash Flows	1 January 2017
MFRS 112	Income Taxes	1 January 2017
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ ! January 2016
MFRS 138	Intangible Assets	1 January 2016
MFRS 141	Agriculture	1 January 2016

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

2. BASIS OF PREPARATION (continued)

2.2 New MFRSs and amendments/improvements to MFRSs that have been issued but yet to be effective (continued)

MRFS 9 Financial Instruments

Key Requirements of MFRS 9

- MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

- MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

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:

(i) Identify the contracts with a customer;
(ii) Identify the performance obligation in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations in the contract; and
(v) 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. BASIS OF PREPARATION (continued)

2.2 New MFRSs and amendments/improvements to MFRSs that have been issued but yet to be effective (continued)

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improve the effectiveness of disclosures. The Amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to MFRS 107 Statement of Cash Flows

Amendments to MFRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more that their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The Amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to MFRS 116 Property, Plant and Equipment

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.

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

2. BASIS OF PREPARATION (continued)

2.2 New MFRSs and amendments/improvements to MFRSs that have been issued but yet to be effective (continued)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosures of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:

- Exemption from presenting consolidated financial statements: the Amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities: the Amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures: the Amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

2.3 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("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.

2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2.5 Use of estimates and judgement

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 that are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:
- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.7.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

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.

(c) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss for the period in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3.4 Financial instruments

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

Financial instruments are recognised initially at fair value, except for financial instruments not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

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

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

<u>Financial assets at fair value through profit or loss</u>

Financial assets are classified as financial assets at fair value through profit or loss when the financial assets are either held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or are designated into this category upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(i) Financial assets (continued)

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a). Gains and losses are recognised in profit or loss through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are designated as available for sale or are not classified in any of the three preceding categories.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair values hedges which 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.

Unquoted equity instruments carried at cost

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a).

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(ii) Financial liabilities (continued)

<u>Other financial liabilities</u>

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

(b) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company themselves purchase or sell an asset). Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(f) Hedge accounting

Fair value hedge

In a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value or the foreign currency component of its carrying amount translated at the exchange rate prevailing at the reporting date is recognised in profit or loss. For a hedged item that is otherwise measured at cost, the gain or loss attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss. For a hedged item categorised as available-for-sale, the fair value gain or loss attributable to the hedged risk is recognised in profit or loss.

Fair value hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective or the hedge designation is revoked.

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment (continued)

(c) Depreciation

Leasehold land is depreciated over the lease term of 50 years. All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Leasehold land	50 years
Freehold, leasehold buildings	50 years
Furniture and fittings, office equipment and renovation	5 - 10 years
Motor vehicles	5 years
Plant and machinery and testing equipment	5 - 10 years

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Company does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost includes the actual cost of purchase materials and incidentals in bringing the inventories into store. Cost is determined on a first-in-first-out basis.

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.

3.9 Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's and the Company's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of contract assets as amount owing by contract customers in the statements of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount owing to contract customers which is part of the contract liabilities in the statements of financial position.

3.10 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3.11 Impairment of assets

(a) Impairment and uncollectibility of financial assets

At each reporting date, all financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of asset (continued)

(a) Impairment and uncollectibility of financial assets (continued)

<u>Loans and receivables</u>

The Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Group and the Company may include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases due to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

Loan together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If a write-off is later recovered, the recovery is credited to profit or loss.

<u>Available-for-sale financial assets</u>

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. The Group and the Company use their judgement to determine what is considered as significant or prolonged decline, evaluating past volatility experiences and current market conditions.

Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified from equity to profit or loss shall be the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss.

Impairment losses on available-for-sale equity investments are not reversed through 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 through profit or loss if an increase in the fair value of the investment can be objectively related to a loss event occurring after the recognition of the impairment loss in profit or loss.

<u>Unquoted equity instruments carried at cost</u>

In the case of unquoted equity instruments carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of asset (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and amount due from customers for contract work) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill that has indefinite useful life, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.12 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Share capital (continued)

(b) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.13 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.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

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.

(a) 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.

3.14 Revenue and other income

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

(a) Construction contract

Revenue from construction contracts is accounted for by the stage of completion method. The stage of completion method is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

(b) Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion at the reporting date. Stage of completion is determined by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

(c) Dividend income

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Revenue and other income (continued)

(d) Interest income

Interest income is recognised using the effective interest method.

3.15 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.17 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income tax (continued)

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. 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 allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.19 Fair Value measurement

Fair value of an asset or a liability, except for lease transactions, 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.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.20 Contigencies

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.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statement of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial year include the following:

(a) Classification of finance and operating leases

The Group and the Company classify a lease as a finance lease or an operating lease based on the criterion of the extent to which significant risks and rewards incident to ownership of the underlying asset lie. As a lessee, the Group and the Company recognise a lease as a finance lease if it is exposed to significant risks and rewards incident to ownership of the underlying asset.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(a) Classification of finance and operating leases (continued)

In applying judgements, the Group and the Company consider whether there is significant economic incentive to exercise a purchase option and any optional renewal periods. A lease is classified as a finance lease if the lease term is for at least 75% the remaining economic life of the underlying asset, the present value of lease payments is at least 90% of the fair value of the underlying asset, or the identified asset in the lease is a specialised asset which can only be used by the leasee without major modifications. All other leases that do not result in a significant transfer of risks and rewards are classified as operating leases.

(b) Construction contract

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 work that are recoverable from the customers. In making judgements, the Group and the Company evaluate based on the past experience and work of specialists.

The carrying amounts of amount owing by contract customers and amount owing to contract customers are disclosed in Note 10 and 14.

(c) Provision

The Group and the Company use a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Group's and the Company's historical experience and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers, a probability-weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate (such as a provision for site restoration costs), a reference contractor's price or market price is used as the best estimate. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made. The carrying amounts of the Group's and the Company's provision are disclosed in Note 15.

(d) Depreciation and useful lives of property, plant and equipment

As disclosed in Note 3.5, the Group and the Company review the residual values, depreciation rates and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amount of the Group's and the Company's property, plant and equipment are disclosed in Note 5.

(e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The information on the fair value measurements of financial assets and liabilities are disclosed in Note 24(c).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(f) Impairment of goodwill

The Group assesses at each reporting date whether there is any indication that goodwill may be impaired. For the purpose of assessing impairment, assets (including goodwill) are grouped at the lowest level where there are separately identifiable cash flows (cash-generating units). In determining the value-in-use of a cash-generating unit, management estimates the discounted cash flows using reasonable and supportable inputs about sales, costs of sales and other expenses based on past experience, current events and reasonably possible future developments. Cash flows that are projected based on those inputs or assumptions and the discount rate applied in the measurement of value-in-use may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 8.

(g) Impairment of financial assets

The Group and the Company recognise impairment losses for loans and receivables using the incurred loss model. At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that loans and receivables is impaired. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. The actual eventual losses may be different from the impairment made and this may affect the Group's and the Company's financial position and results.

For available-for-sale unquoted equity investments, the Group and the Company use estimates of future cash flows of the unquoted equity investments and discounts the future cash flows using a current market rate of return of similar risk-class instrument. For quoted available-for-sale equity investments, the Group and the Company recognise an impairment loss when there has been a significant or prolonged decline in the market price of a quoted equity investment. The Group and the Company use its judgement to decide when an impairment loss shall be recognised using past experience of similar investments, historical volatility of the share prices and current market conditions. The actual eventual losses may be different from the impairment made and this may affect the Group's and the Company's financial position and results.

The carrying amounts of the Group's and the Company's financial assets are disclosed in Note 24(a) to the financial statements.

(h) Write-down of obsolete or slow moving inventories

Reviews are made periodically by the Group and the Company, if any, on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(i) Impairment of non-financial assets

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's and the Company's estimates, taking into consideration factors such as historical and industry trends, general market and economic conditions and other available information. Cash flows that are projected based on those inputs or assumptions and the discount rate applied in the measurement of value-in-use may have a significant effect on the Group's and the Company's financial position and results if the actual cash flows are less than the expected.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM	Freehold building RM	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 2015	22,460,000	630,000	43,175,951	5,807,656	4,424,555	63,350,535	139,848,697
Additions	-	-	-	45,922	54,383	330,625	430,930
Disposals	-	-	-	(7,500)	(71,474)	-	(78,974)
Written off	-	-	-	-	-	(154,154)	(154,154)
At 30 September 2016	22,460,000	630,000	43,175,951	5,846,078	4,407,464	63,527,006	140,046,499
Accumulated Depreciation							
At 1 October 2015	1,752,806	50,400	3,320,846	4,633,736	2,925,182	51,047,588	63,730,558
Charge for the financial year	438,337	12,600	830,770	238,732	445,097	2,994,988	4,960,524
Disposals	-	-	-	(7,063)	(71,471)	-	(78,534)
Written off	-	-	-	-	-	(154,154)	(154,154)
At 30 September 2016	2,191,143	63,000	4,151,616	4,865,405	3,298,808	53,888,422	68,458,394
Net Carrying Amount							
At 30 September 2016	20,268,857	567,000	39,024,335	980,673	1,108,656	9,638,584	71,588,105
Cost							
At 1 October 2014	22,460,000	630,000	43,175,951	5,516,557	3,996,316	62,715,097	138,493,921
Additions	-	-	-	365,599	1,058,240	635,438	2,059,277
Disposals	-	-	-	(74,500)	(630,001)	-	(704,501)
At 30 September 2015	22,460,000	630,000	43,175,951	5,807,656	4,424,555	63,350,535	139,848,697
Accumulated Depreciation							
At 1 October 2014	1,314,469	37,800	2,490,079	4,430,406	3,022,775	47,848,334	59,143,863
Charge for the financial year	438,337	12,600	830,767	267,580	472,538	3,199,254	5,221,076
Disposals	-	-	-	(64,250)	(570,131)	-	(634,381)
At 30 September 2015	1,752,806	50,400	3,320,846	4,633,736	2,925,182	51,047,588	63,730,558
Net Carrying Amount							
At 30 September 2015	20,707,194	579,600	39,855,105	1,173,920	1,499,373	12,302,947	76,118,139

6. INVESTMENT IN A SUBSIDIARY

	Company 2016 RM	Company 2015 RM
Unquoted shares, at cost	76,837,000	76,837,000

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

Name of Company	Principal Activities	Effective ownership interest 2016	Effective ownership interest 2015
Subsidiary of APB Resources Bhd.			
Era Julung Sdn. Bhd.	Investment holding	100%	100%
Subsidiaries of Era Julung Sdn. Bhd.			
Prescan Sdn. Bhd.	Provision of non-destructive testing services and other related services	100%	100%
Amalgamated Metal Corporation (M) Sdn. Bhd.	Fabrication of specialised design and manufacturing of engineering equipment	100%	100%
Subsidiary of Amalgamated Metal Corporation (M) Sdn. Bhd.			
Finned Tubes Malaysia Sdn. Bhd.	Fabrication of finned tubes	100%	100%

7. OTHER INVESTMENTS

	Group 2016 RM	Group 2015 RM (Restated)	Company 2016 RM	Company 2015 RM (Restated)
Non-current				
Available-for-sale financial asset				
At fair value:				
Golf club membership	35,000	35,000	-	-
Current				
Held for trading financial assets				
At fair value:				
Fixed income funds	15,560,336	16,540,008	15,560,336	16,540,008
Money Market fund	4,182,202	203,337	4,182,202	203,337
	19,742,538	16,743,345	19,742,538	16,743,345

The fixed income funds are redeemable upon 7 days to 30 days notice or upon 6 months maturity (2015: 7 days to 30 days notice) and bear dividend yield at rates ranging from 3.13% to 3.87% (2015: 3.14%) per annum as at the financial year end.

The money market funds are redeemable upon request or 1 day notice (2015: upon request) and bear dividend yield at rates ranging from 2.43% to 3.17%. (2015: 2.75%) per annum as at the financial year end.

8. GOODWILL ON CONSOLIDATION

	Group 2016 RM	2015 RM
Goodwill on consolidation	13,458,008	13,458,008

Impairment of goodwill on consolidation

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 RM74 million for fabrication division and RM7 million for non-destructive division for the first year and an anticipated decrease by 8% per annum thereon for fabrication division and growth by 3.3% per annum thereon for non-destructive division.

(iii) A pre-tax discount rate of 9.76% was applied in determining the recoverable amount of those divisions. The discount rate was based on the industry'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.

9. INVENTORIES

	Group 2016 RM	2015 RM
At lower of cost and net realisable value:		
Raw materials	505,170	1,064,720
Consumables	122,026	141,820
	627,196	1,206,540

During the financial year, inventories of the Group recognised as cost of goods sold amounted to RM2,419,306 (2015: RM1,268,955).

10. RECEIVABLES

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Trade					
Trade receivables	(a)	21,864,014	31,046,808	-	-
Allowance for impairment loss		(3,922,510)	(3,680,998)	-	-
		17,941,504	27,365,810	-	-
Amounts due from contract customers	(b)	16,967,814	43,514,816	-	-
		34,909,318	70,880,626	-	-
Non-trade					
Other receivables	(c)	538,146	1,412,624	-	-
Deposits		842,459	426,348	-	-
GST refundable		742	411,554	-	-
Prepayments		301,288	276,656	-	-
Amount due from a subsidiary	(d)	-	-	19,718,245	22,718,245
		1,682,635	2,527,182	19,718,245	22,718,245
		36,591,953	73,407,808	19,718,245	22,718,245

(a) Trade receivables

(i) Credit term of trade receivables

The normal credit terms extended to customers ranging from 30 days to 120 days (2015: 30 days to 120 days).

Included in trade receivables are amounts totalling RM2,304,799(2015: RM2,569,194) which bear interest at a fixed rate at 10% (2014: 10%) per annum.

(ii) Retention sums

	Group 2016 RM	Group 2015 RM
Retention sums included in trade receivables	1,460,029	3,191,605

Retention sums are unsecured and interest-free.

(iii) Ageing analysis of trade receivables

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

	Group 2016 RM	Group 2015 RM
Neither past due nor impaired	5,582,280	11,519,001
1 to 90 days past due but not impaired	7,713,558	12,200,781
More than 90 days past due but not impaired	4,645,666	3,646,028
	12,359,224	15,846,809
Impaired	3,922,510	3,680,998
	21,864,014	31,046,808

10. RECEIVABLES (continued)

(a) Trade receivables (continued)

(iii) Ageing analysis of trade receivables (continued)

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.

(iv) Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables is as follows:

	Group	
	2016 RM	2015 RM
At beginning of the financial year	3,680,998	3,764,766
Charge for the financial year (Note 18)	241,512	30,500
Reversal during the financial year (Note 18)	-	(114,268)
At end of the financial year	3,922,510	3,680,998

Trade receivables that are individually determined to be impaired at the reporting date related to receivables 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	
	2016 RM	2015 RM
Construction contract costs incurred to date	109,077,077	97,368,536
Add: Attributable profits	28,423,337	31,607,350
	137,500,414	128,975,886
Less: Progress billings	(121,842,159)	(86,562,464)
	15,658,255	42,413,422
Less: Amount due from a contract customer written off	-	(142,983)
	15,658,255	42,270,439
Presented as:		
Amounts due from contract customers	16,967,814	43,657,799
Less: Amount due from a contract customer written off	-	(142,983)
	16,967,814	43,514,816
Amounts due to contract customers (Note 14)	(1,309,599)	(1,244,377)
	15,658,255	42,270,439

10. RECEIVABLES (continued)

(c) Other receivables

Included in the other receivables of the Group is advance payments made to suppliers for purchase of raw materials amounting to RM270,554 (2015: RM1,215,843).

(d) Amount due from a subsidiary

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

(e) Foreign currency exposure profile of receivables

The foreign currency exposure profile of receivables is as follows:

	Group	
	2016 RM	2015 RM
United States Dollar	4,553,621	20,958,800
Euro	48,042	478,978
Singapore Dollar	464,126	41,613
	5,065,789	21,479,391

11. CASH AND BANK BALANCES AND DEPOSITS

	Group		Company	
	2016 RM	2015 RM (Restated)	2016 RM	2015 RM (Restated)
Cash and bank balances	7,971,195	23,544,725	2,610	3,628
Deposits placed with licensed banks	42,862,037	18,608,833	-	-
	50,833,232	42,153,558	2,610	3,628
Less: Fixed deposit with maturity more than 3 months	(2,575,524)	(6,058,833)	-	-
Cash and cash equivalents as reported in the statements of cash flows	48,257,708	36,094,725	2,610	3,628

Deposits placed with licensed banks of the Group bear interest at rates ranging from 0.01% to 4.50% (2015: 0.01% to 4.08%) 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.

The foreign currency exposure profile of cash and cash equivalents is as follows:

	Group	
	2016 RM	2015 RM
United States Dollar	38,563,621	20,026,163
Euro	292,208	173,175
Singapore Dollar	25,281	573,663
	38,881,710	20,773,001

12. SHARE CAPITAL AND TREASURY SHARES

	Group/Company			
	Number of shares		Amount	
	2016 Unit	2015 Unit	2016 RM	2015 RM
Ordinary shares of RM1 each				
Authorised:				
At 1 October 2015/ 1 October 2014/30 September	200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid:				
At 1 October 2015/ 1 October 2014/30 September	112,875,002	112,875,002	112,875,002	112,875,002
Treasury shares:				
At 1 October 2015/ 1 October 2014/30 September	(2,030,200)	(2,030,200)	(3,322,462)	(3,322,462)

(a) Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are repurchased and 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.

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 share repurchased made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965 in Malaysia.

As at 30 September 2016, the Company held 2,030,200 (2015: 2,030,200) treasury shares.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

13. DEFERRED TAX LIABILITIES

	Group	
	2016 RM	2015 RM
Deferred tax liabilities		
At beginning of the financial year	(3,670,566)	(3,973,800)
Recognised in profit or loss (Note 20)	1,672,423	303,234
At end of the financial year	(1,998,143)	(3,670,566)

13. DEFERRED TAX LIABILITIES (continued)

(a) Presented after appropriate off-setting as follows:

	Group 2016 RM	Group 2015 RM
Deferred tax assets	2,317,740	2,021,745
Deferred tax liabilities	(4,315,883)	(5,692,311)
	(1,998,143)	(3,670,566)

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

	Group 2016 RM	Group 2015 RM
Deferred tax assets		
Provisions	1,528,698	2,021,745
Unutilised tax losses	171,947	-
Unabsorbed capital allowances	617,095	-
	2,317,740	2,021,745
Deferred tax liabilities		
Difference between the carrying amounts of property, plant and equipment and its tax base	(4,141,151)	(4,404,705)
Other temporary differences	(174,732)	(1,287,606)
	(4,315,883)	(5,692,311)

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

	Group 2016 RM	Group 2015 RM
Unutilised tax losses	840,022	828,566

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.

14. PAYABLES

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Trade					
Trade payables	(a)	3,050,705	9,286,789	-	-
Amounts due to contract customers (Note 10)		1,309,559	1,244,377	-	-
		4,360,264	10,531,166	-	-
Non-trade					
Other payables	(b)	421,346	691,090	-	-
Amount due to a subsidiary	(c)	-	-	2,638,724	2,638,724
Accruals		3,225,247	4,318,793	237,300	205,800
GST payable		99,783	11,835	-	-
		3,746,376	5,021,718	2,876,024	2,844,524
		8,106,640	15,552,884	2,876,024	2,844,524

(a) Trade payables

The normal trade credit terms granted to the Group ranging from 30 days to 90 days (2015: 30 days to 90 days).

Included in trade payables of the Group are amounts totalling RM38,898 (2015: RM71,359) due to companies in which certain directors of the Group have significant financial interests.

(b) Other payables

Included in the other payables of the Group is an amount of RM26,380 (2015: RM27,195) due to a company in which certain directors of the Group have significant financial interests.

(c) Amount due to a subsidiary

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

(d) Foreign currency exposure profile of payables

The foreign currency exposure profile of payables is as follows:

	Group 2016 RM	Group 2015 RM
United States Dollar	341,437	1,293,078
Euro	42,381	42,533
Singapore Dollar	28,931	702,161
Japanese Yen	-	1,082
	412,749	2,038,854

15. PROVISION

	Note	Group 2016 RM	Group 2015 RM
Provision for liquidated and ascertained damages	(a)	4,970,485	5,199,566
Provision for project costs	(b)	542,100	1,620,000
		5,512,585	6,819,566

(a) Provision for liquidated and ascertained damages

	Group 2016 RM	Group 2015 RM
At beginning of the financial year	5,199,566	1,698,890
Provision during the financial year (Note 18)	1,374,767	5,002,531
Reversal during the financial year (Note 18)	(1,603,848)	(1,501,855)
At end of the financial year	4,970,485	5,199,566

(b) Provision for project costs

	Group 2016 RM	Group 2015 RM
At beginning of the financial year	1,620,000	-
Provision during the financial year (Note 18)	422,100	1,620,000
Utilisation during the finacial year	(1,240,00)	-
Reversal during the financial year (Note 18)	260,000	-
At end of the financial year	542,100	1,620,000

16. REVENUE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Revenue				
- Contract revenue	84,464,676	132,901,328	-	-
- Services rendered	4,797,586	4,006,081	-	-
- Dividend income	-	-	7,302,094	7,302,094
	89,262,262	136,907,409	7,302,094	7,302,094

17. COST OF SALES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cost of contract	70,942,925	105,698,094	-	-
Cost of services rendered	4,330,723	3,377,944	-	-
	75,273,648	109,076,038	-	-

18. (LOSS)/PROFIT BEFORE TAX

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

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Allowance for impairment loss on trade receivables	241,512	30,500	-	-
Amount due from a contract customer written off	-	142,983	-	-
Auditors' remuneration:				
- Statutory audit				
- current year	79,000	79,000	23,000	23,000
- over provision in prior financial year	-	(1,090)	-	-
- Other services	9,500	9,500	9,500	9,500
Deposit written off	25,192	52,000	-	-
Depreciation of property, plant and equipment	4,960,524	5,221,076	-	-
Directors' fees (Note 19)				
- current year	180,000	150,000	180,000	150,000
- under provision in prior financial year	30,000	-	30,000	-
Dividend income from a subsidiary	-	-	(7,302,094)	(7,302,094)
Employees benefits expense (including key management personnel) (Note 19):				
- Contribution to defined contribution plan	1,156,932	1,116,403	-	-
- Salaries, wages and others	14,279,087	14,734,496	114,929	120,324
Fair value adjustments on derivative financial instruments	-	(730,520)	-	-
Gain on disposal of property, plant and equipment	(10,475)	(126,646)	-	-
Interest expense	91,206	210,330	-	-
Interest Income	(908,984)	(857,403)	(543,999)	(435,996)
Late payment interest charge	(143,881)	(209,605)	-	-
Net loss/(gain) on foreign exchange:				
- realised	7,537,416	(7,802,960)	-	-
- unrealised	(728,050)	(5,365,025)	-	-
Net provision for project costs	162,100	1,620,000	-	-
Net (reversal of provision)/provision for liquidated and ascertained damages	(229,081)	3,500,676	-	-
Rental income	-	(2,083)	-	-
Rental of factories	1,665,000	1,665,000	-	-
Rental of hostels	60,960	74,060	-	-
Rental of machineries	59,806	947,840	-	-
Rental of premises	34,530	22,680	-	-
Reversal of allowance for impairment loss on trade receivables	-	(114,268)	-	-

19. DIRECTORS' REMUNERATION

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Executive:				
Fees	70,000	50,000	70,000	50,000
Other emoluments	1,115,729	1,990,609	114,929	120,324
	1,185,729	2,040,609	184,929	170,324
Non-executive:				
Fees	140,000	100,000	140,000	100,000
Total directors' remuneration	1,325,729	2,140,609	324,929	270,324

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

20. TAX (CREDIT)/EXPENSE

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Current tax:				
Malaysian income tax:				
Current financial year	272,255	6,961,125	-	-
Under/(Over) provision in prior financial year	17,217	(131,251)	-	-
	289,472	6,829,874	-	-
Deferred tax (Note 13):				
Reversal of temporary differences	(2,012,292)	(454,443)	-	-
Under provision in prior financial year	339,869	151,209	-	-
	(1,672,423)	(303,234)	-	-
Tax (credit)/expense	(1,382,951)	6,526,640	-	-

20. TAX (CREDIT)/EXPENSE (continued)

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
(Loss)/Profit before tax	(8,509,603)	24,919,631	7,171,595	7,136,047
Tax at the Malaysian statutory income tax rate of 24% (2015: 25%)	(2,042,305)	6,229,898	1,721,183	1,784,000
Tax effect on non-deductible expenses	431,978	396,045	161,880	150,500
Tax effect on non-taxable income	(130,560)	(108,977)	(1,883,063)	(1,934,500)
Tax effect on double deduction expenses	(1,895)	(6,032)	-	-
Effect of changes in tax rate	-	17,538	-	-
Deferred tax asset not recognised during the financial year	2,745	-		
Utilisation of deferred tax assets previously not recognised	-	(21,790)	-	-
Under/(Over) provision in prior year				
- current tax	17,217	(131,251)	-	-
- deferred tax	339,869	151,209	-	-
	(1,382,951)	6,526,640	-	-

The Group has approximately RM842,002 (2015: RM828,566) of unutilised tax losses available for set-off against future taxable profit.

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

21. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per ordinary share is based on the (loss)/profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2016 RM	2015 RM
(Loss)/Profit for the financial year attributable to owners of the Company	(7,126,652)	18,392,991
Weighted average number of ordinary shares outstanding during the financial year (adjusted for treasury shares)	110,844,802	110,844,802
Basic (loss)/earning per ordinary share (sen)	(6.43)	16.59

(b) Diluted (loss)/earnings per ordianry share

The diluted (loss)/earnings per ordinary share of the Group for the financial years 2015 and 2016 are same as the basic (loss)/earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

22. DIVIDENDS

	Group/Company 2016 RM	2015 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
-Single tier final dividend for the financial year ended 30 September 2015: 3.0 sen (2014: 3.0 sen) per ordinary share of RM1 each	3,325,344	3,325,344
-Single tier interim dividend for the financial year ended September 2016: 3.5 sen (2015: 3.5 sen) per ordinary share of RM1 each	3,879,576	3,879,576
	7,204,920	7,204,920

At the forthcoming' Annual General Meeting, a single-tier final dividend of 3.0 sen per ordinary share, amounting to RM3,325,344 in respect of the financial year ended 30 September 2016, 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 2017.

23. FINANCIAL GUARANTEES (UNSECURED)

	Company 2016 RM	2015 RM
Corporate guarantees granted to suppliers of its subsidiaries	9,400,000	9,400,000
Corporate guarantees granted to financial institutions for bank facilities granted to a subsidiary	107,500,000	110,700,000
	116,900,000	120,100,000

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

24. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Financial assets				
Loans and receivables				
- Receivables, net of prepayments and GST refundable	36,289,923	72,719,598	19,718,245	22,718,245
- Deposits placed with licensed banks	42,862,037	18,608,833	-	-
- Cash and bank balances	7,971,195	23,544,725	2,610	3,628
	87,123,155	114,873,156	19,720,855	22,721,873
Available-for-sale				
- Golf club membership	35,000	35,000		
Held for trading				
- fixed income funds	15,560,336	16,540,008	15,560,336	16,540,008
- money market funds	4,182,202	203,337	4,182,202	203,337
	19,742,538	16,743,345	19,742,538	16,743,345
Financial liabilities				
Other financial liabilities				
- Payables (excluding amounts due to contract customers and GST payable)	6,697,298	14,296,672	2,876,024	2,844,524
- Provision	5,512,585	6,819,566	-	-
	12,209,883	21,116,238	2,876,024	2,844,524

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company use derivative financial instruments, such as, foreign exchange contracts to hedge certain exposures. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Trade and other receivables

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

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

24. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade and other receivables (continued)

The carrying amount of trade and other receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables. The ageing of trade receivables as at the end of the financial year is disclosed in Note 10. Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. A significant portion of these trade receivables are regular customers that have been transacting with the Group and the Company. Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable values. Impairment are made on specific receivables when there is objective evidence that the Group and the Company will not be able to collect all amounts due.

As at 30 September 2016, 54% (2015: 42%) of the trade receivables of the Group were owed by 4 major customers (2015: 2 major customers).

<u>Credit risk concentration profile</u>
The Group determines the credit risk concentration of its trade receivables by geographic region on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group	
	2016 RM	2015 RM
Malaysia	13,978,855	8,770,042
Asia	2,355,695	2,473,332
Europe	633,862	7,034,476
America	81,629	77,944
Oceania	891,463	9,010,016
	17,941,504	27,365,810

Other financial assets

For other financial assets (including other investments, deposits placed with licensed banks and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM116,900,000 (2015: RM120,100,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 23. As at the reporting date, there was no indication that the subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

24. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group' and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables and provision.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company actively manages 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.

Maturity analysis

The Group's and the Company's financial liabilities at the reporting date are either mature within one year or repayable on demand.

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposures to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when import of raw materials and export of finished goods that are denominated in a foreign currency).

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.

There are no foreign exchange contracts outstanding as at 30 September 2016 and 30 September 2015.

Sensitivity analysis for foreign currency risk
The Group principal foreign currency exposure related mainly to United States Dollar ("USD"), Euro, Singapore Dollar ("SGD") and Japanese Yen ("JPY").

The following table demonstrates the sensitivity to a reasonably possible change in the USD, Euro, SGD and JPY with all other variables held constant on the Group's total equity and (loss)/profit for the financial year.

		Group (Loss)/Profit for the financial year	
		2016 RM	**2015 RM**
USD/RM	- Strengthened by 10% (2015: 10%)	3,250,961	2,976,891
	- Weakened by 10% (2015: 10%)	(3,250,961)	(2,976,891)
EURO/RM	- Strengthened by 10% (2015: 10%)	22,684	45,722
	- Weakened by 10% (2015: 10%)	(22,684)	(45,722)
SGD/RM	- Strengthened by 10% (2015: 10%)	34,996	(6,516)
	- Weakened by 10% (2015: 10%)	(34,996)	6,516
JPY/RM	- Strengthened by 10% (2015: 10%)	-	(81)
	- Weakened by 10% (2015: 10%)	-	81

24. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates.

The Group and the Company's exposure to interest rate risk arises primarily relates to fixed income funds, money market fund and deposits placed with licensed banks. Short term receivables 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.

(c) Fair value measurement

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

i. Other investments

The fair value of the fixed income funds and money market fund reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The fair value of the golf club membership is determined by reference to its' market value.

During the financial year ended 30 September 2016, there was no transfer between fair value measurement hierarchy.

ii. Deposits placed with licensed banks, cash and bank balances, receivables, payables and provision.

The carrying amounts of deposits placed with licensed banks, cash and bank balances, receivables, payables and provision reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

24. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (continued)

		Fair value of financial instruments carried at fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
2016					
Financial assets					
Available-for-sale financial asset					
-Golf club membership	35,000	35,000	-	-	35,000
Held for trading financial assets					
-fixed income funds	15,560,336	15,560,336	-	-	15,560,336
-money market funds	4,182,202	4,182,202	-	-	4,182,202
2015					
Financial assets					
Available-for-sale financial asset					
-Golf club membership	35,000	35,000	-	-	35,000
Held for trading financial assets					
-fixed income funds	16,540,008	16,540,008	-	-	16,540,008
-money market funds	203,337	203,337	-	-	203,337
Company					
2016					
Financial assets					
Held for trading financial assets					
-fixed income funds	15,560,336	15,560,336	-	-	15,560,336
-money market funds	4,182,202	4,182,202	-	-	4,182,202
2015					
Financial assets					
Held for trading financial assets					
-fixed income funds	16,540,008	16,540,008	-	-	16,540,008
-money market funds	203,337	203,337	-	-	203,337

25. CAPITAL COMMITMENT

The Group has made commitment for the following capital expenditures:

	Group	
	2016	**2015**
	RM	**RM**
Capital expenditure approved and contracted for:		
-property, plant and equipment	24,350	-

26. RELATED PARTIES

(a) Identity of related parties

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

Related parties of the Group and the Company include subsidiaries, companies in which certain directors have substantial financial interest, key management personnel and persons connected to key management personnel

(b) Related party transactions

	Group	
	2016 RM	2015 RM
Companies where certain directors of the company have substatial financial interest:		
Rental of factories	1,665,000	1,655,000
General marine cargo insurance	284,668	335,948
Transportation services	521,160	432,152
Minor fabrication works	11,879	1,680
Maintenance of lorries and machinery	32,555	21,189

	Company	
	2016 RM	2015 RM
Subsidiary		
Dividends received	7,302,094	7,302,094

(c) 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 directors of the Group and of the Company. The remuneration of the key management personnel during the financial year is disclosed in Note 19.

27. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management are to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make 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 2016 and 30 September 2015.

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.

The Company is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

28. 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 makers) 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 3.18. 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.

28. SEGMENT INFORMATION (continued)

	Fabrication RM	Non-destructive testing RM	Others RM	Elimination RM	Consolidated RM
2016					
Total external revenue	84,464,676	4,797,586	-	-	89,262,262
Inter-segment revenue	-	1,833,324	14,642,094	(16,475,418)	-
Total segment revenue	84,464,676	6,630,910	14,642,094	(16,475,418)	89,262,262
Segment (loss)/profit	(9,425,087)	909,979	13,961,680	(14,893,740)	(9,447,168)
Interest income	300,848	208,018	543,999	-	1,052,865
Finance costs	(115,300)	-	-	-	(115,300)
Loss before tax					(8,509,603)
Tax credit/(expense)	1,663,158	(280,207)	-	-	1,382,951
Loss for the financial year					(7,126,652)
2015					
Total external revenue	132,901,328	4,006,081	-	-	136,907,409
Inter-segment revenue	431,185	1,081,071	14,802,094	(16,314,350)	-
Total segment revenue	133,332,513	5,087,152	14,802,094	(16,314,350)	136,907,409
Segment profit	24,227,912	479,417	14,193,833	(14,802,094)	24,099,068
Interest income	444,560	186,452	435,996	-	1,052,865
Finance costs	(245,842)	(603)	-	-	(246,445)
Profit before tax					24,919,631
Tax expense	(6,327,701)	(198,939)	-	-	(6,526,640)
Profit for the financial year					18,392,991

28. SEGMENT INFORMATION (continued)

	Fabrication RM	Non-destructive testing RM	Other RM	Consolidation RM
2016				
Segment assets	154,332,215	6,775,966	33,242,954	194,351,135
Segment liabilities	14,010,421	1,439,945	241,000	15,691,366
Other information				
Allowance for impairment loss on trade receivables	137,121	104,291	-	241,512
Capital expenditure	245,817	185,113	-	430,930
Deposit witten off	25,192	-	-	25,192
Depreciation of property, plant and equipment	4,819,809	140,715	-	4,960,524
Gain on disposal of property, plant and equipment	(978)	(9,497)	-	(10,475)
Net provision for project costs	162,100	-	-	162,100
Net reversal of provision for liquidated and ascertained damages	(229,081)	-	-	(229,081)
Net unrealised gain on foreign exchange	(728,050)	-	-	(728,050)
2015				
Segment assets	183,720,125	9,189,303	30,212,970	223,122,398
Segment liabilities	28,680,052	1,271,027	179,978	30,131,057
Other information				
Allowance for impairment loss on trade receivables	-	30,500	-	30,500
Amount due from a contract customer written off	142,983	-	-	142,983
Capital expenditure	1,985,633	73,644	-	2,059,277
Deposit written off	52,000	-	-	52,000
Depreciation of property, plant and equipment	5,016,145	204,931	-	5,221,076
Fair value adjustments on derivative financial instruments	(730,520)	-	-	(730,520)
(Gain)/Loss on disposal of property, plant and equipment	(128,114)	1,468	-	(126,646)
Net provision for liquidated and ascertained damages	3,500,676	-	-	3,500,676
Net provision for project costs	1,620,000	-	-	1,620,000
Net unrealised gain on foreign exchange	(5,365,025)	-	-	(5,365,025)
Reversal of allowance for impairment loss on trade receivables	-	(114,268)	-	(114,268)

29. RECLASSIFICATION

	As previously stated RM	Reclassification RM	As restated RM
Statement of Finacial Position			
Current assets			
Other investments	-	16,743,345	16,743,345
Deposits placed with licensed banks	-	18,608,833	18,608,833
Cash and bank balances	-	23,544,725	23,544,725
Cash and cash equivalents	58,896,903	(58,896,903)	-

Supplementary Information on Realised & Unrealised profit/Loss

SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFIT OR LOSSES

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

The following analysis of realised and unrealised profits or losses included in the retained earnings of the Group and the Company as at 30 September 2016 and 30 September 2015 is presented in accordance with the directive of Bursa Malaysia Securities Berhad and 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.

	Group		**Company**	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
Total retained earnings of the Company and its subsidiaries				
- realised profits	120,161,257	141,532,747	3,871,829	3,905,154
- unrealised losses	(2,726,193)	(9,766,111)	-	-
	117,435,064	131,766,636	3,871,829	3,905,154
Less: consolidation adjustments	(48,327,835)	(48,327,835)	-	-
Total retained earnings	69,107,229	83,438,801	3,871,829	3,905,154

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, **YAP KOW @ YAP KIM FAH** and **TAN TENG KHUAN**, being two of the directors of APB RESOURCES BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 38 to 87 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 2016 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 88 has been prepared in accordance with the Guidance of 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 of Directors in accordance with a resolution of the directors:

…………………………………………………………..	…………………………………………………………..
YAP KOW @ YAP KIM FAH	**TAN TENG KHUAN**
Director	Director

Kuala Lumpur

Date: 9 January 2017

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 APB RESOURCES BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements as set out on pages 38 to 87 and the supplementary information set out on page 88 are 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.

…………………………………………………………..
YAP WAN TING

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
on 9 January 2017

Before me,

…………………………………………………………..
Commissioner for Oaths

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 2016 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 38 to 87.

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 2016 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 88 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 Berhad.

Other Matters

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

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Dato' Lock Peng Kuan
No. 02819/10/2018J
Chartered Accountant

Kuala Lumpur

Date: 9 January 2017

List of Properties
as at 30 September 2016

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 2016 (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)	13,494,499 (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)	9,281,498 (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)	8,153,669 (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)	28,363,532 (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	567,000 (Within Property, Plant and Equipment)

Analysis of Shareholdings
as at 21 December 2016

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 Shares	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	1,956	49.21	72,668	0.06
100 to 1,000 shares	984	24.76	419,279	0.38
1,001 to 10,000 shares	697	17.53	3,222,458	2.91
10,001 to 100,000 shares	276	6.94	8,976,531	8.10
100,001 to 5,542,239 (less than 5% of the issued shares)	58	1.46	31,369,357	28.30
5,542,240 and above (5% and above of issued shares)	4	0.10	66,784,509	60.25
Total	3,975	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 21.12.2016*

LIST OF TOP 30 HOLDERS AS AT 21.12.2016

No	Name	No of Shares	%
1	Ikram Pintas Sdn.Bhd	35,993,215	32.47
2	Yap Kow @ Yap Kim Fah	14,182,494	12.79
3	Lembaga Tabung Haji	8,850,300	7.98
4	Lim Hong Liang	7,758,500	7.00
5	Tan Ming Sheng	2,320,300	2.09
6	Lim Hong Liang	2,161,500	1.95
7	Tan Ming Chieh	2,063,700	1.86
8	Yap Kow @ Yap Kim Fah	1,723,000	1.55
9	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Yulina Binti Baharuddin	1,498,500	1.35
10	Rosley Bin Abdul Rahman	1,487,007	1.34
11	Enisah Binti Baharuddin	1,386,000	1.25
12	Teh Teck Tee	1,187,700	1.07
13	Lee Boon Imm	1,138,000	1.03
14	Wong Than Loy	1,099,200	0.99
15	Yeo Seo Hwa	1,000,500	0.90

Analysis of Shareholdings
as at 21 December 2016
[cont'd]

LIST OF TOP 30 HOLDERS AS AT 21.12.2016 (continued)

No	Name	No of Shares	%
16	DB (Malaysia) Nominee (Tempatan) Sdn. Bhd. Exempt An for Bank of Singapore Limited	1,000,000	0.90
17	Cheong Boon Yu	824,157	0.74
18	Gan Chin Boon	725,157	0.65
19	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities for Teh Teck Tee	699,600	0.63
20	Rare Prestige Sdn. Bhd.	616,569	0.56
21	Affin Hwang Nominees (Asing) Sdn Bhd Exempt An for DBS Vickers Securities (Singapore) Pte Ltd	592,400	0.53
22	Lim Pin Kong	500,000	0.45
23	Tan Huey Szu	487,400	0.44
24	CIMSEC Nominees (Asing) Sdn. Bhd. Exempt An for CIMB Securities (Singapore) Pte Ltd	451,400	0.41
25	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt an for DBS Bank Ltd	440,400	0.40
26	Goh Siang Kuan	423,496	0.38
27	Public Invest Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte Ltd	409,700	0.37
28	Tan Ming Sheng	408,300	0.37
29	Lim Kee	390,000	0.35
30	Fong Pick Kim	324,600	0.29

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	15,905,494	14.35	35,993,215	32.47	51,898,709	46.82
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
Datuk Yap Kau @ Yap Yeow Ho	0	0.00	163,200	0.15	163,200	0.15
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
Chief Executive Officer						
Yap Swee Sang	0	0	0	0	0	0

Note: *Excluding a total of 2,030,200 ordinary shares bought-back by APB and retained as treasury shares as at 21.12.2016*

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	15,905,494	14.35	35,993,215	32.47	51,898,709	46.82
Lim Hong Liang	2	9,920,000	8.95	616,569	0.56	10,536,569	9.51
Ikram Pintas Sdn. Bhd.		35,993,215	32.47	0	0.00	35,993,215	32.47
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.
(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 21.12.2016

Notice of Fifteenth [15th] Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of APB Resources Berhad ("the Company") will be held at Dewan Tan Sri Hamzah, Royal Selangor Club, Kiara Sports Annexe, Jalan Bukit Kiara, Off Damansara, 60000 Kuala Lumpur on Tuesday, 14 February 2017 at 10.00 a.m. to transact the following businesses:

Ordinary Business

1. To receive the Audited Financial Statements of the Company for the year ended 30 September 2016 together with the Reports of the Directors and Auditors thereon.
   (Please refer to Explanatory Note 1)

2. To declare a single tier final dividend of 3% for the financial year ended 30 September 2016 as recommended by the Directors. **Resolution 1**

3. To approve payment of Directors' fees for the year ended 30 September 2016. **Resolution 2**

4. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **Resolution 3**

   "THAT Datuk Yap Kau @ Yap Yeow Ho who retires in compliance with Section 129(6) of the Companies Act 1965, be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **Resolution 4**

   "THAT Mr. Yap Kow @ Yap Kim Fah who retires in compliance with Section 129(6) of the Companies Act 1965, be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

6. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **Resolution 5**

   "THAT Mr. Chua Eng Seng who retires in compliance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

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

8. To re-appoint Baker Tally MH, having consented to act, as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration. **Resolution 7**

Special Business

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

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

   "THAT, subject to the Companies Act, 1965, 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 and paid-up share capital of the Company for the time being,

9. **Renewable of Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 (continued)** **Resolution 8**

AND THAT the Directors of the Company be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad 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."

10. **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 Proposed Shareholders' Mandate")** **Resolution 9**

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

"THAT approval be and is hereby given to the Company and/or its subsidiaries ("APB Group") to enter into all arrangements and/or transactions involvng the interest of the Related Parties as specified in Section 2.4, Part A of the Circular to Shareholders dated 20 January 2016 provided that such arrangements and/or transactions are:

(a) recurrent transactions of a revenue or trading nature;
(b) necessary for the day-to-day operations;
(c) 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 generally available to public; and
(d) not to the detriment of the minority shareholders of the Company.

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 the Company and/or the APB Group to give full effect to the Mandate."

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

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

"THAT, subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Main Market Listing Requirments of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals from all relevant government and/or regulatory authority (if any), the Company be and is hereby authorized to renew the authority to purchase the Company's ordinary shares of RM1.00 each through Bursa Malaysia Securities Berhad provided that:

(a) the aggregate number of shares which may be purchased and/or held by the Company as treasury shares pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid up share capital of the Company ("Proposed Share Buy-Back");

11. **Proposed Renewal of Share Buy-Back (continued)** **Resolution 10**

(b) the maximum amount of funds to be ultilized for the purpose of the Proposed Share Buy-Back shall not exceed the Company's aggregate retained profits and/or share premium account at the time of purchase be allocated by the Company for the Proposed Share Buy-Back.

AND THAT at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as as dividends to the shareholders of the Company and/or resold on Bursa Malaysia;

AND THAT such Authority shall commence upon passing of this ordinary resolution and will expire:

(a) at 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;
(b) at the expiry of the period within which the next AGM is required by law to be held;
(c) revoked or varied by the Company in a 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

whichever is earlier;

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

12. **Retention of Independent Non-Executive Director** **Resolution 11**
Mr. Chua Eng Seng

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

"THAT, subject to the passing of Resolution No.5, 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 (9) years be and is hereby retained as the Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

13. **Retention of Independent Non-Executive Director** **Resolution 12**
Ms. Mak Fong Ching

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, 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 (9) years be and is hereby retained as the Independent Non-Executive Director of the Company until the conclusion of the next Annaul General Meeting."

14. **Proposed Amendments to the Articles of Association** **Special Resolution**

"THAT the proposed amendments to the Articles of Association of the Company as set out in the Appendix A of the Notice of Fifteenth Annual General Meeting be and are hereby approved;

AND THAT the Directors of the company be and are hereby authorised to do all things and acts necessary to effect the proposed amendments to the Articles of Association.

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of Members at the Fifteen Annual General Meeting to be held on Tuesday, 14 February 2017, a single-tier final dividend of 3% for the financial year ended 30 September 2016, will be paid on 17 March 2017 to Depositors whose names appear in the record of Depositors on 3 March 2017.

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 3 March 2017 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
20 January 2017

Notes to the Notice of Fifteenth Annual General Meeting:

1 Agenda 1 is to table the audited financial statements pursuant to Section 169(1) of the Companeis 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 Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan 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.

6 Re-election of Directors pursuant to Section 129(6) of the Companies Act, 1965

The re-appointment of Datuk Yap Kau @ Yap Yeow Ho. Mr. Yap Kow @ Yap Kim Fah and Mr. Chua Eng Seng, who are over the age of 70 years to hold office until the conclusion of next Annual General Meeting, shall take effect if the proposed Ordinary Resolution 3, 4 and 5 are passed by a majority of not less than three-fourth (3/4) of members entiled to vote in person or proxy at the forthcoming annual General Meeting.

Explanatory notes on Special Business:-

7 Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

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 Fourteenth Annual General Meeting held on 23 March 2016.

The Mandate granted by the shareholders on 26 March 2016 had not been utilized and hence no proceed was raised therefrom.

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.

7 Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 (continued)

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

8 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 9, if passed, will allow the APB Group to enter into related party transactions provided that such transactions are in the ordinary course of business, 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 20 January 2017 which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2016.

9 Proposed Renewal of Share Buyback

The proposed Ordinary Resolution 10, 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 shares of RM1.00 each in the Company from time to time on the market of the Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten 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 20 January 2017 which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2016.

10 Retention of Independent Non-Executive Director, Mr. Chua Eng Seng and Ms. Mak Fong Ching

The proposed Ordinary Resolution 11 and 12, if passed, will enable Mr. Chua Eng Seng and Ms. Mak Fong Ching to continue in offfice as Independent Non-Executive Directors of the Company.

Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") provides that approval of shareholders be sought in the event that the Company would like an independent director who has served in that capacity for more than nine (9) years to continue in office as an independent director.

The Board recognises that indepedence should not be determine solely based on tenure of service. There are significant advantages to be gained from the long-servicing directors who possess tremendous insight and knowledge of the Group's business operations and affairs. The ability of a director to serve effectively as an independent non-executive director is very much depend on his calibre, qualification, experience, personal qualities, integrity and objectivity in discharging his or her responsibilities in the best interest of Company and the minority shareholders.

The Nomination Committee and the Board have assessed the performance and indepedence of Mr. Chua Eng Seng and Ms. Mak Fong Ching, who had served the Board as Independent Non-Executive Directors for more than nine (9) years and determined that they remain objective and continue to bring independence and of objective judgement, based on the following justifications:

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

(ii) They have been with the Company for thirteen (13) years and understands the Group's business operations which enable them to participate actively in deliberations/discussions at the Audit Committee, Nomination Committee, Remuneration Committee and Board Meetings.

(iii) They have contributed sufficient time and efforts in their capacity as Independent Non-Executive Director. They have attended all the meetings of the Audit Committee, Nomination Committee, Remuneration Committee and Board of Directors for informed and balanced decision making and providing an independent voice to the Board

(iv) They challenge Management in an effective and constructive manner, providing a check and balance, and bringing independent and objective judgement to the Board deliberation. Perform their duties as independent non-executive director without being subject to influence of Management.

(iv) They have exercised due care during their tenure as the Independent Non-Executive Directors and carried out their professional duty in the best interest of the Group and its shareholders.

(v) They are free from any conflict of interest with the Company and have not hold any shares in the Company.

(vi) They have not established or maintained any significant personal or social relationship, whether direct or indirect with the executive directors or substantial shareholders and/or persons connected with them other than the normal engagements and interactions on professional level consistent with his duties and expected of them to carry out their duties as Independent Non-Executive Directors.

11 Amendments to Articles of Association

The Special Resolution, if passed, will allow the Chairman the prerogative to promote orderly conduct of general meetings and render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Members Entitled to Attend Fifteenth Annual General Meeting

For the purpose of determining a member who shall be entitled to attend and vote at the forthcoming Fifteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 7 February 2017. Only a depositor whose name appears on the Record of Depostors as at 7 February 2017 shall be entitled to attend and vote at the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Annual Report 2016

The Company issues to shareholders its Annual Report 2016 in CD-ROM. A full version of the Annual Report in print form shall be provided to 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 2016 in printed form kind send the duly completed form to Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

Voting

Voting at the forthcoming Fifteenth Annual General Meeting of the Company will be conducted by poll. Poll Administrator and Independent Scrutineer will be appointed respectively to conduct polling-voting process and to verify the results of the poll.

Registration

Registration of members/proxies attending the meeting will start from 8.30 a.m. and shall remain open until 10.00 a.m. on the day of the Meeting. At the close thereof, no person will be allowed to register for the Meeting nor enter the Meeting venue. Members/proxies are required to produce identification documents for registrationn.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the forthcoming Fifteenth Annual General Meeting and/or any adjournment thereof, a member of the Company:

1 consent to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and adminstration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

2 warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) the member has obtained the prior consent of such proxy(ies) and/or prepresentative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

3 agrees that the member will indemnify the Company in respect of any penalties, cliams, demands, losses and damages as a result ofth member's breach of warranty.

Appendix A

Article	Existing Article	Amended Article
68A	New provision to be added	**Without prejudice to any other power which the Chairman may have under the provisions of these Articles or at common law and subject to the Act and the Listing Requirements, the Chairman may take such action as he thinks fit to promote the orderly conduct of the business of all general meetings as specified in the notice of such meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, and shall be his determination as to whether any matter is of such a nature.**
69	At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded: (a) by the Chairman of the meeting; (b) by at least three (3) members present in person or by proxy; (c) by any member or members present in person or by proxy and representing not less than one-tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting; or (d) by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right. Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution has on a show hands been carried unanimously by a particular majority or lost, and an entry to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.	**Subject to the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting shall be voted by poll. Subject to the Act, a poll may be demanded:** (a) by the Chairman of the meeting; (b) by at least three (3) members present in person or by proxy; (c) by any member or members present in person or by proxy and representing not less than one-tenth (1/10) of the total voting rights of all members having the right to vote at the meeting; or (d) by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right. A declaration by the Chairman of the meeting that a resolution has been carried unanimously by a particular majority or lost, and an entry to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against the resolution.

Article	Existing Article	Amended Article
70	No poll shall be demanded on the election of a Chairman or on a question of adjourment. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman may direct. The demand for poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may in addition to the powers of adjourment meetings contained in Article 68 adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.	No poll shall be demanded on the election of a Chairman or on a question of adjourment. **A poll shall be taken in such manner as the Chairman of the meeting directs (not being more than thirty (30) days from the date of meeting).** **Pursuant to the Listing Requirements at least one (1) scrutineer must be appointed to validate the votes casted at the general meeting. The appointed scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process. The poll may be conducted manually using voting slips or electronically using various forms of electronic devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer, as may be appointed by the Chairman of the meeting for the purpose of determining the outcome of the resolution(s) to be decided on poll.**
71	In the case of an equality of votes, whether on a show of hands or on poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.	In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.
72	Subject to any right or restricts for the time being attached to any class of shares at meeting of members or class of members and Article 59, 60 and 61, each member shall be entitled to be present and to vote any general meeting in respect of any share or shares upon which all calls due to the company have been paid, and may vote in person or by proxy or by attorney or by duly authorized representative, and on show of hands, every person who is a member or proxy or attorney or representative of a member shall have one vote, and on a poll, every member present in person or by proxy or attorney or representative shall have one vote for each share he holds.	Subject to any right or restricts for the time being attached to any class of shares at meeting of members or class of members and Article 59, 60 and 61, each member shall be entitled to be present and to vote any general meeting in respect of any share or shares upon which all calls due to the company have been paid, and may vote in person or by proxy or by attorney or by duly authorized representative, and on a poll, every member present in person or by proxy or attorney or representative shall have one vote for each share he holds.

Statement Accompanying
Notice of Fifteenth (15th) Annual General Meeting

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 Details of individuals who are standing for election as Directors

No individual is seeking for election as Director at the forthcoming Fifteenth Annual General Meeting.

2 Statement relating to general mandate for issue of shares in accordance to Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue shares in the Company pursuant to Section 132D of the Companies Act, 1965 are set out in the Explanatory Note 7 of the Notice of Fifteenth Annual General Meeting.

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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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Proxy Form

CDS Account No.

No. of ordinary shares held

*I/We .... NRIC/Passport/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 attend and vote for *me/us and on *my/our behalf at the Fifteenth Annual General Meeting of the Company, to be held on 14 February 2017 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. Yap Kow @ Yap Kim Fah as Director	4		
5	To re-elect Mr. Chua Eng Seng as Director	5		
6	To re-elect Mr. Lim Hong Liang as Director	6		
7	To re-appoint Auditors	7		
8	Proposed renewal of authority to issue shares	8		
9	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	9		
10	Proposed renewal of share buy-back	10		
11	Retention of Independent Non-Executive Director Mr. Chua Eng Seng	11		
12	Retention of Independent Non-Executive Director Ms. Mak Fong Ching	12		
13	Proposed Amendment to Articles of Association	Special Resolution		

Signed this_________day of____________________2017.

____
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 original copy of the instrument appointing a proxy must be deposited at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Scan or fax copy of the proxy forms are not acceptable.

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.

Notes:

5 Voting at the forthcoming Fifteenth Annual General Meeting of the Company will be conducted by poll. Poll Administrator and Independent Scrutineer will be appointed respectively to conduct polling-voting process and to verify the results of the poll.

6 Only members whose names appear on the Record of Depositors on 7 February 2017 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the Meeting or appoint proxy to attend and/or vote on his behalf.

7 Registration of members/proxies attending the meeting will start from 8.30 a.m. and shall remain open until 10.00 a.m. on the day of the Meeting. At the close thereof, no person will be allowed to register for the Meeting nor enter the Meeting venue. Members/proxies are required to produce identification documents for registration.

Personal Data Privacy

By submitting an instrument appointing a proxy and/or representative, the member accepts and agrees to the personal data privacy terms set out in the Notice of the Fifteenth Annual General Meeting dated 20 January 2017

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AFFIX
STAMP

SYMPHONY SHARE REGISTRARS SDN BHD

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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