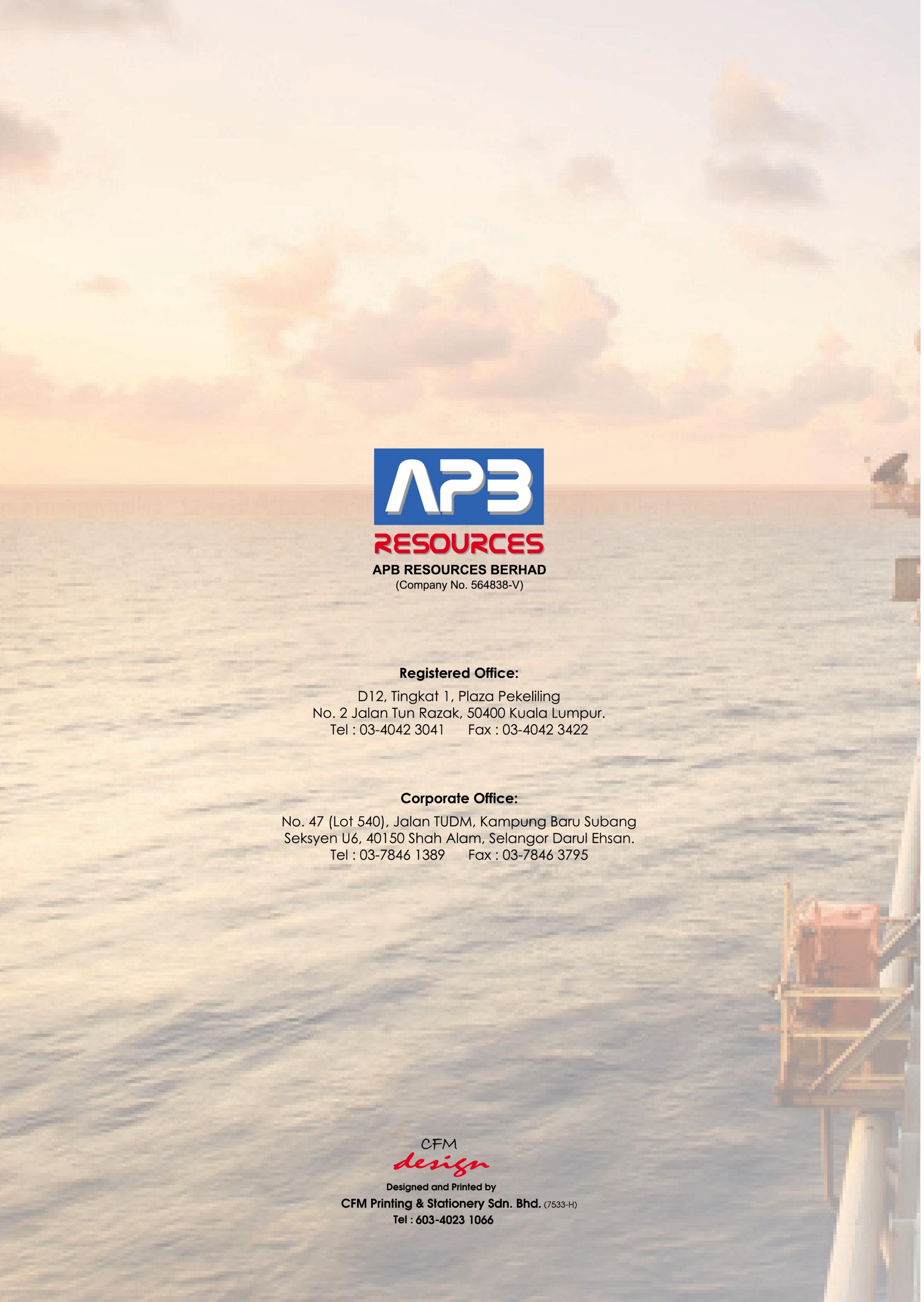

APB RESOURCES

APB RESOURCES BERHAD
(Company No. 564838-V)

Registered Office:

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

Corporate Office:

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

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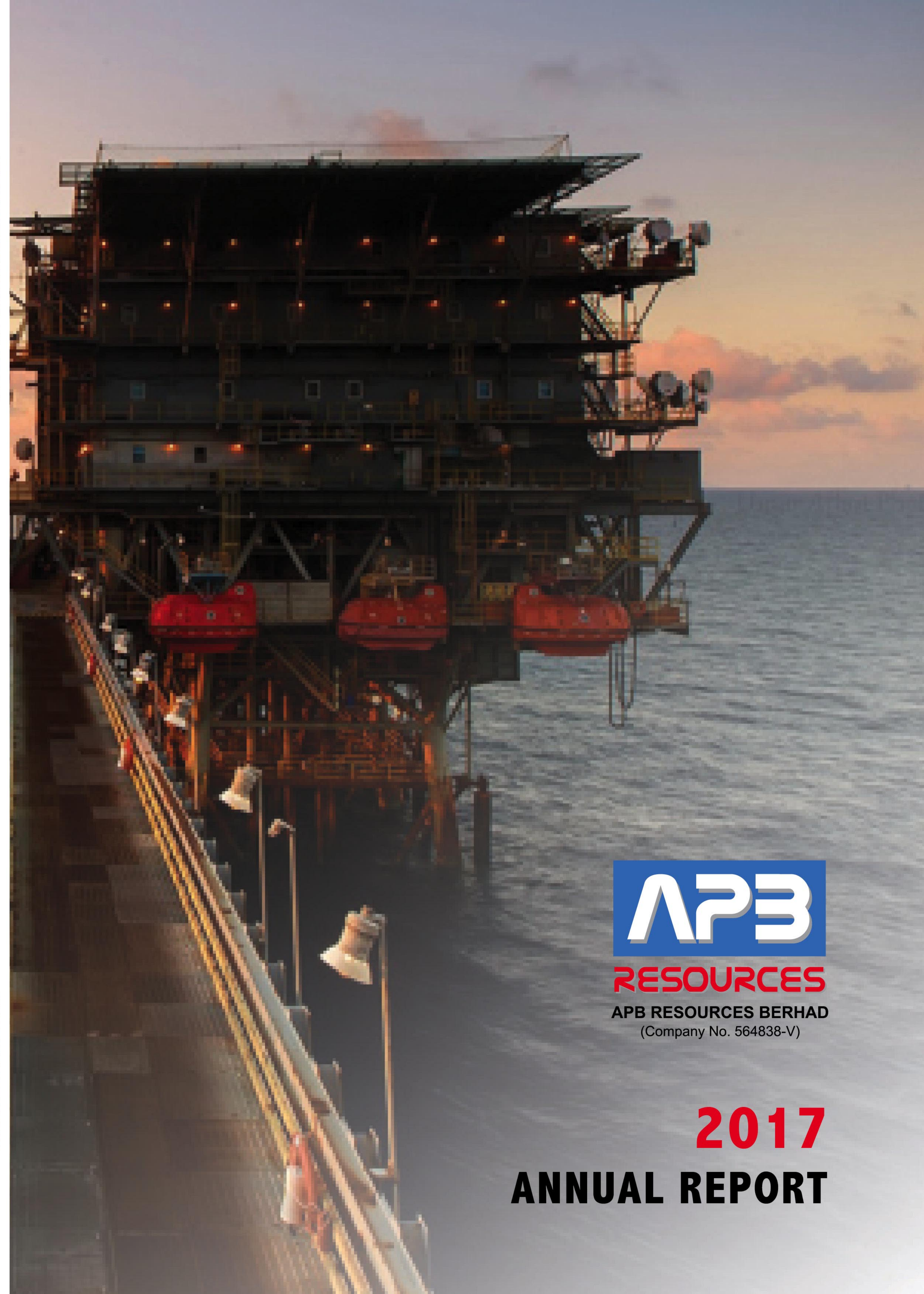
Tel : 603-4023 1066

APB RESOURCES BERHAD (564838-V)

2017 ANNUAL REPORT



APB RESOURCES

APB RESOURCES BERHAD
(Company No. 564838-V)

2017
ANNUAL REPORT

APB RESOURCES

2017 ANNUAL REPORT

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Corporate Information

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

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

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

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

COMPANY SECRETARY
Cheok Kim Chee (MACS 00139)

AUDITORS
Baker Tilly Monteiro Heng
Chartered Accountants (AF 0117)
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel No.: 03 - 2297 1000
Fax No.: 03 - 2282 9980

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

SHARE REGISTRAR
Symphony Share Registrars Sdn. Bhd.
(Company No. 378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No.: 03 - 7849 0777
Fax No.: 03 - 7841 8151/8152

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

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

Corporate Structure

APB RESOURCES

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

Director's Profile

Yap Kow @ Yap Kim Fah

Age 72, Male, Malaysian • Non-Independant Non-Executive Director/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.

Datuk Yap Kau @ Yap Yeow Ho

Age 74, Male, Malaysia • 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.

Tan Teng Khuan

Age 61, 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 in 1990. In 1992, he moved from the corporate to equity sector when he joined GK Goh Research Pte. Ltd. as a Senior Investment Analyst where he undertook equity research assignments on banking, gaming and property sectors. In January 1995, he was Deputy Head of Research at Credit Lyonnais Securities Research. He joined Deutsche Morgan Grenfell, Malaysia in September 1995 as Director of Research, managing its research team and was responsible for strategies, equity research on the banking and finance sectors and macro research on Malaysia. He was subsequently promoted to Chief Representative for Malaysia in 1997 and subsequently moved to Hwang-DBS Securities Berhad as the Senior Vice-President until 2001.

Mr. Tan 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.

Lim Hong Liang

Age 58, Male, Malaysian • Non-Independent Non-Executive Director

He received a Degree in Bachelor of Commerce (Accounting) and Master of Commerce from University of New South Wales, Australia.

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

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

Mr. Lim is also a Director of several other private companies.

Director's Profile

[cont'd]

Mak Fong Ching

Age 61, 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.

Chua Eng Seng

Age 72, 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.

Yap Swee Sang

Age 41, 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

Age 48, Female, Malaysian • Alternate Director to Datuk Yap Kau @ Yap Yeow Ho

She 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 2017.

4 **Number of Board Meeting Attended**
Details of the Board meeting attendance of each director are disclosed in the Statement on Corporate Governance in the Annual Report.

Chief Executive Officer & Key Senior Management's Profile

Yap Swee Sang

Age 41, 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. He was appointed as the Chief Executive Officer on 1 June 2016.

He was appointed an alternate director to Mr. Yap Kow @ Yap Kim Fah on 26 November 2008.

He is not a director of any other public company.

Ong Kok Wah

Age 48, 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

Age 61, Male, Malaysian • Director of subsidiary – Prescan Sdn. Bhd.

Mr. Cheong is the founder of Prescan 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 a director of several other private companies. He is not a director of any other public company.

Gan Chin Boon

Age 58, Male, Malaysian • Director of subsidiary – Prescan Sdn. Bhd.

Mr. Gan is the Director of Prescan 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.

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

Yap Wan Ting

Age 42, Female, Malaysian • Group Finance Manager

She 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. ("AMC"), a wholly owned subsidiary of APB Resources Berhad in 2003 as Corporate Services Executive and was promoted to 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 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 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 key senior management 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 2017.

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 2017.

PERFORMANCE REVIEW

As anticipated, the Group endured another very difficult year with the number of available projects continued to dwindle during the period. Excess capacity and cut-backs of capital expenditure remained the main problem plaguing the process equipment industry. Demand remains weak as major end-users of process equipment were not expanding their capital expenditure as the commodity prices especially crude oil and gas has yet to sustain a strong recovery. The huge inventory overhang further dampened capital expenditure. Historically, one or two sub-sectors would normally hold up, unfortunately, this time round virtually all the sub-sectors were affected. Even the normally stable oleo-chemical sector was not spared as crude palm prices remained relatively soft. The difficult operating environment has not only affected demand for fabrication of process equipment, margins were also squeezed.

For the financial year ended September 2017, revenue dropped by 33.5% mainly due to the weak and competitive environment coupled with continued declines in the availability of projects. However, for this financial year the Group managed to register an after taxation profit of RM3.8 million compared to an after taxation loss of RM7.1 million for financial year ended September 2016. The higher profit was in part due to the absence of significant foreign exchange losses in 2017. It was also the result of the on-going cost cutting and efficiency drive exercises.

The Group derived 92% of its revenue and 88% of profit from the fabrication division for the financial year ended 30 September 2017. During the year, sharp declines in capital expenditure occurred across all sectors with the oil & gas and the petro-chemical worst hit. The Non-Destructive Testing division registered a marginal drop in profit reflecting the tough business condition as well.

The Group's financial position remains healthy with a net cash position of RM84.4 million or net cash per share of 76 sen as at 30 September 2017.

PROSPECTS

Less than two years ago, the world was going through stalling growth and financial market turbulence. The global economy is finally seeing synchronized recovery in all major economies and will continue to gather strength. We are seeing strong expansion in the European Union, Japan, United States and even China. On the surface it seems that financial conditions remain buoyant, with most economies being stable and expecting little turbulence going forward. Arguably, global recovery has largely been fuelled by debt due to low interest rates coupled with ample liquidity. With most central banks expected to tighten monetary policy; growth could be affected, especially when household and corporate debts have hit record levels in many countries. Other factors that could dampen global growth are potential policy mishaps such a faster-than-expected monetary policy normalization in the United States and failure to continue the delicate balancing act by the Chinese authorities to rein in excess credit.

However, notwithstanding the upbeat global economic outlook, the fabricated process equipment market recovery principally hinges on significant pick-ups in capital expenditure for the various major sub-sectors, namely; petro-chemical, oleo-chemical, oil & gas, and energy. While strong global economic growth is expected to boost demand particularly for commodities, we can expect a lag of at least a one to two years before this translates into higher capital expenditure to expand production capacities. Moreover, the industry is presently plagued by excess capacity overhang resulting from over-expansion during the boom years. It would take some time for demand to expand sufficiently in order to absorb the excess capacity.

Chairman's Statement

[cont'd]

PROSPECTS (continued)

The fabrication industry has gone through very difficult times over the past few years with dwindling projects and squeezed margins resulting from continuous sharp capital expenditure cuts by the major players in the crude oil & gas and the petrochemical sectors. While crude oil & gas prices may have staged a significant recovery recently from the low of 2016, they are still sharply down from the peak of 2013/2014. While price recovery may not translate into immediate uptick in capital expenditure, it augurs well for the industry outlook as the inventory overhang gradually shrinks as demand picks up. We reckon that both upstream and downstream oil & gas sectors may have just passed the tough conditions of the down cycle and the major players would be starting to look at expanding capacity again, although at a moderate pace initially. India is currently experiencing strong exploration and production activities. Some positive signs are evident in Vietnam and Indonesia.

The strong global economic growth will drive up demand for energy. We anticipate increased capital expenditure in this sector as numerous projects that were shelved or deferred during the global financial crisis will be initiated again. Additionally, 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. However, the process equipment share of total capital expenditure for the energy sector is relatively small.

The Group has built a very strong track record and reputation as a process equipment fabricator for the oleo-chemical industry. The prevailing soft crude palm oil prices and inventory stock pile has undermined capital expenditure for downstream processing capacity. However, as the global economy gathers strength, we foresee a parallel expanding demand for edible oil and other oleo-chemical products, especially in the emerging economies. This will drive up capital expenditure for processing activities, hence, demand for process equipment for new capacity.

The last few years must have been the most challenging period facing the fabrication industry in a long time. The Group reckons that it weathered through this difficult period relatively well mainly due to various measures taken by management over the years, such as cost-cutting and innovating to stay efficient. The prolonged downturn of the fabrication industry may have taken a toll on many players and some may struggle to pull through. This could force the industry to go through a consolidation which would result in a smaller playing field and a smaller overall fabricating capacity. This would result in positive and renewed opportunities for the surviving operators, like APB Group.

Given the lag between strong global economic activities and capital expenditure pick-up for the industry, the Group expects another challenging year ahead. While the industry may not be out of the woods, we are cautiously optimistic for the medium to longer term. The Group has built a strong base and will continue to be vigilant and 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 built itself a relatively strong cash position which will enable it to weather unforeseen challenges or enable it to benefit from potential opportunities.

DIVIDEND

The Board has recommended a single-tier final dividend of 3.0% (3 sen per ordinary share) for the year ended 30th September 2017. This is subject to approval by shareholders at the forthcoming Annual General Meeting.

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 for and confidence in the Group.

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

Statement on Corporate Governance

The Board of Directors of APB Resources Berhad ("the Board") is committed to the principles of corporate governance and to ensure these principles are practiced throughout APB Resources Berhad ("the Company") and its subsidiary companies ("the Group") to protect and to enhance shareholders' value and financial performance. The Group will continue with its efforts in evaluating its corporate governance practices.

The Board is pleased to report its Statement on Corporate Governance for the financial year ended 30 September 2017 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 Chairman, Mr. Yap Kow @ Yap Kim Fah holding the position of Non-Executive 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 position of Chairman and CEO are held by father and son, 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. There is advantage of 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 Chairman has continued to discharge the duties effectively and played an integral role in the stewardship of the Group.

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.

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.

SUSTAINABILITY OF BUSINESS (continued)

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 is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging its functions and believes that the 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 the Group's 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 one (1) Executive Director, three (3) 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.

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.

PRINCIPLE 2 – STRENGTHEN COMPOSITION (continued)

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:

Chua Eng Seng (Independent Non-Executive Director) – Chairman;
Mak Fong Ching (Ms.) (Independent Non-Executive Director); and
Lim Hong Liang (Non-Independent Non-Executive Director).

NC has held one (1) meeting for the financial year ended 30 September 2017 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 recognizing and utilizing 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.

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.

PRINCIPLE 2 – STRENGTHEN COMPOSITION (continued)

NOMINATION COMMITTEE (continued)

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 2017. Assessments were undertaken in respect of the year ended 30 September 2017 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 Constitution, 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 Constitution 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.

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.

NC reviews the performance of the retiring directors and is satisfied with their performance and contribution, recommend to the Board to nominate them for re-election at the forthcoming Sixteenth Annual General Meeting.

REMUNERATION COMMITTEE

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

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

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

Chua Eng Seng (Independent Non-Executive Director) – Chairman;
Mak Fong Ching (Ms.) (Independent Non-Executive Director); and
Yap Kow @ Yap Kim Fah (Non-Independant Non-Executive Director).

The Remuneration Committee has held one (1) meeting for the financial year ended 30 September 2017 whereby the Company Secretary shall be the secretary for the Remuneration Committee.

PRINCIPLE 2 – STRENGTHEN COMPOSITION (continued)

REMUNERATION COMMITTEE (continued)

Executive Directors

Basic Salaries

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.

Bonus

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.

Other Benefits

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 2017 are set out below:

	Group		Company	
Directors of the Company	**2017 (RM)**	**2016 (RM)**	**2017 (RM)**	**2016 (RM)**
Executive				
Salaries	754,050	798,495	115,069	114,929
Fees	34,000	39,000	30,000	35,000
Total Executive Directors' Remuneration	**788,050**	**837,495**	**145,069**	**149,929**
Non-Executive Directors				
Salaries	1,000,000	1,000,800	-	-
Fees	150,000	175,000	150,000	175,000
Total Non-Executive Directors' Remuneration	**1,150,000**	**1,175,800**	**150,000**	**175,000**

The number of Directors of the company whose total remuneration falls within the following bands for the financial year ended 30 September 2017 are as follow:

	Group		Company	
	2017 (RM)	**2016 (RM)**	**2017 (RM)**	**2016 (RM)**
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	1	-	-

PRINCIPLE 3 – REINFORCE INDEPENDENCE

ASSESSMENT OF INDEPENDENT DIRECTORS

The Board recognizes 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 2017, 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 recognizes 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.

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 twelve (12) 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. The Company shall use the two-tier voting process in seeking shareholders' approval.

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 their meeting schedules. 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 Constitution allow for such meetings to be conducted via telephone, video conference or any other form of electronic or instantaneous communication.

PRINCIPLE 4 – FOSTER COMMITMENT (continued)

BOARD MEETINGS (continued)

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 2017, 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	Non-Independent Non-Executive Director/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.

During the year ended 30 September 2017, 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, conference, briefing and/or workshop including:

a. Compliance to Companies Act 2016
b. Tax Audit, Investigation & Risks of Company's Directors
c. CIMB 9th Annual Malaysia Corporate Day
d. CIMB Malaysia Small Mid Cap Corporate Access Day
e. Maybank Oil & Gas Day 2017
f. RHB Regional Conference
g. New Economy Conference "The Edge For Tomorrow"

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 drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2017 and their financial performance and cash flow 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 2016 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 2017 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 acknowledge, 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 2017.

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 Monteiro Heng's performance, technical, competency, adequacy of resources and audit independence, the Audit Committee recommended the re-appointment of Baker Tilly Monteiro Heng 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.

PRINCIPLE 6 – RECOGNIZE AND MANAGE RISKS (continued)

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.

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 10 January 2018.

Audit Committee Report

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)

SECRETARY

The Company Secretary of the Company acts as the Secretary to the Audit committee.

MEETINGS

The Audit Committee held five (5) meetings during the financial year ended 30 September 2017. 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

Audit Committee to review the quarterly financial results and annual financial statements are held prior to such quarterly financial results and annual financial statements being presented to the Board for approval.

The Chairman of the Audit Committee reported to, and updated the Board on significant issues discussed during the Audit Committee meetings and made recommendations where necessary.

Representatives from the Independent Auditors, Internal Auditors and Finance Manager were invited to attend and to present their reports and recommendations.

The Independent Auditors were given full opportunity to raise any issues with the audit Committee without the presence of the Management. They were further given unrestricted access to contact the Members of Audit Committee any time should they become aware of incidents or matters during the course of their audit. Minutes of the Audit committee were tabled for confirmation at the following Audit Committee Meeting and subsequently presented to the Board for notation.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

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

Financial Reporting

1. Reviewed the unaudited quarterly financial statements before recommending the same to the Board of Directors for approval; and
2. Reviewed the annual audited financial statements of the Group and of the Company for the year ended 30 September 2017, 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 provisions of the Companies Act 2016 in Malaysia and other relevant legal and regulatory requirements.

Internal Audit

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

Independent Auditors

1. Reviewed and discussed with the Independent Auditors the audit planning memorandum, audit strategy and scope of work for the financial year ended 30 September 2017;
2. Review with the Independent Auditors, their evaluation of internal controls and audit findings;
3. Consider and recommend to the Board for approval of audit fees payable to the Independent Auditors;
4. Review the Independent Auditors' Management Letter and Management response;
5. Assessed and discussed the performance and effectiveness of Independent Auditors, including the independence, professional skepticism, 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; and
6. 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 related party transactions of a revenue or trading nature and conflict of interest situation that may have arisen;
2. Evaluate the related party transactions of a revenue or trading nature at all meetings and ensures

   that the transactions are conducted on normal commercial terms, on terms not more favourable to the related party than those generally available to public and were not detrimental to the minority shareholders; and
3. 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)

Audit Committee Report

[cont'd]

INTERNAL AUDIT FUNCTIONS

For the financial year ended 30 September 2017, 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 RM49,100 (2016: RM56,300) were incurred for the internal audit functions in respect of the financial year ended 30 September 2017.

TERMS OF REFERENCE

The Terms of Reference of Audit Committee are in the Company's website, www.apb.com.my.

Statement On Risk Management And Internal Control

INTRODUCTION

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

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 FUNCTION

The Group has outsourced its internal audit function 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 ELEMENTS OF INTERNAL CONTROL

Key elements of the Group's internal control systems are identified and categorised as follows:

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

ii. The 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 internal auditors have identified several internal control improvements and risk areas during the financial year ended 30 September 2017. These were reviewed by the Audit Committee and Board and then were closely monitored by management to ensure internal control systems as a whole are adequate and working satisfactorily. The management will continue to review and implement measures to strengthen the internal control environment of the Group.

Nonetheless, the Board recognises that the processes of identification, assessment and management of significant business issues and risks faced by the Group are continuous and should take into account the changes in the external and internal environment faced by the Group. In addition, the Group Managing Director and Chief Operating Officer had given assurance to the Board on the adequacy and effectiveness of the Group's risk management and internal control system, in all material aspects.

Based on the foregoing, there were no major internal control weaknesses identified that may result in any material loss or uncertainties for the financial year ended 30 September 2017 that would require disclosure in this annual report.

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 Bursa Securities Listing Requirements and pursuant to the scope set out in the Recommended Practice Guide 5 ("RPG 5"): Guidance for Auditors on the Review of Directors' Statement on Internal Control, issued by the Malaysian Institute of Accountants.

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 10 January 2018.

CORPORATE SOCIAL RESPONSIBILITY

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. Teach For Malaysia Foundation, Persatuan Bagi Mencegah Penyakit Tibi Malaysia, Persatuan Bagi Orang Buta Malaysia 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.

Disclosure Requirements
Pursuant To The Listing Requirements Of Bursa Malaysia Securities Berhad

MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

There were no material contracts entered into by the Company and/or its subsidiary companies which involve Directors' and/or substantial shareholders' interests for the financial year ended 30 September 2017.

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 2016.

SHARE BUY-BACK

The Company has not undertaken any share buy-back exercise for the financial year ended 30 September 2017.

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 2017.

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 2017.

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 2017.

NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors for the financial year ended 30 September 2017 was RM14,500.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection pertaining to the financial year ended 30 September 2017. There were no variances of 10% or more between the audited results for the financial year ended 30 September 2017 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 2017.

REMUNERATION OF DIRECTORS

The details of remuneration of Directors for the financial year ended 30 September 2017 are stated on page 19 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 30 January 2018 and are attached to this Annual Report.

The details of recurrent related party transactions entered into for the financial year ended 30 September 2017 are as disclosed in note 26 of the accompanying financial statements.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

For the financial year ended 30 September 2017, a subsidiary of the Company has continued the employment of a handicapped employee. The Company and/or its subsidiary companies are committed to employ and train local Malaysians for their fabrication and non-destructive testing activities.

Statement Of Directors' Responsibility

For Preparing The Financial Statements

The Directors are responsible for preparing the Financial Statements to ensure the Audited Financial Statements for the year ended 30 September 2017 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 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 2017 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, whether due to fraud or error.

In preparing these financial statements, the Directors have:

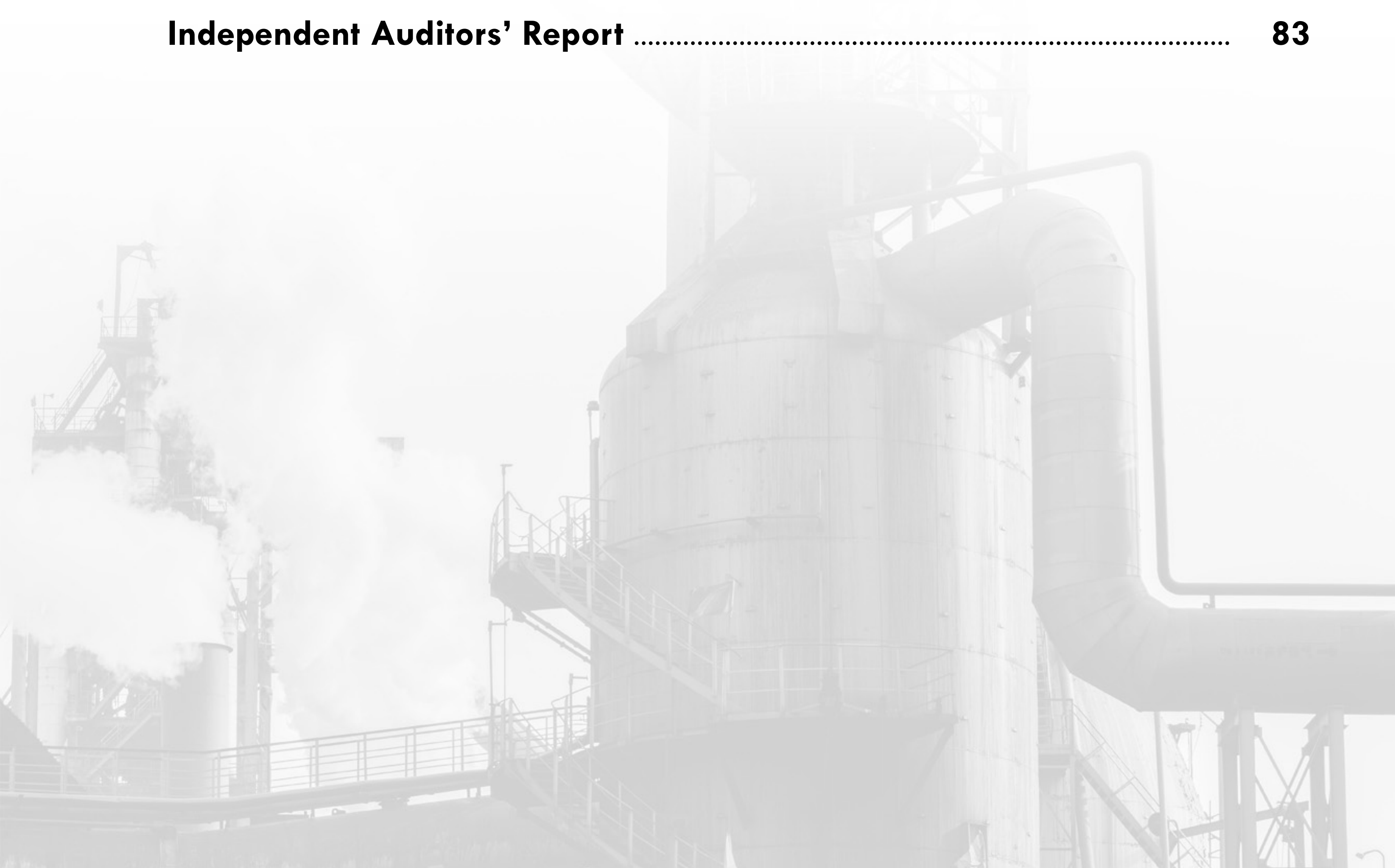
- Adopted appropriate accounting policies and applied these accounting policies consistently;
- Made judgments and estimates that are deemed reasonable and prudent;
- Ensured that all applicable approved accounting standards have been adhered to; and
- Prepared these financial statements on the basis 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 2016. 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 10 January 2018.

Financial Statements



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 2017.

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
Profit for the financial year	3,751,060	3,441,420
Attributable to:		
Owners of the Company	3,751,060	3,441,420

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year was as follows:

	RM
Single tier final dividend of 3.0 sen per ordinary share of RM1 each in respect of the financial year ended 30 September 2016, paid on 17 March 2017	3,325,344

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 current financial year, 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 2018.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, 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 allowance for doubtful debts, and have satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, 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 had 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; and

ii. Any contingent liabilities in respect of the Group or of the Company which have arisen since the end of the financial year.

In the opinion of the directors, no contingent 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 AND 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 127 of the Companies Act 2016 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 2017, 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

The directors in office during the financial year and during the period from the end of the financial year to the date of the 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 of the Company and certain subsidiaries

Directors' Report

[cont'd]

DIRECTORS (continued)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Cheong Boon Yu
Gan Chin Boon
Jaafar Bin Padil

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares			
	At 1.10.2016	**Bought**	**Sold**	**At 30.9.2017**
Direct Interest				
Yap Kow @ Yap Kim Fah	15,905,494	-	-	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#	163,200	-	-	163,200

* Shares held through company in which the director has substantial financial interests.
# Shares held through children.

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 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 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.

INDEMNITY TO DIRECTORS AND OFFICERS

Every directors and officers for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Companies Act in Malaysia in which relief is granted to him by the Court in respect of any negligence, default breach of duty or breach of trust.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 18 to the financial statements.

INDEMNITY TO AUDITORS

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

AUDITORS

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

This report was approved and 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: 10 January 2018

Statements Of Financial Position
As At 30 September 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	68,279,254	71,588,105	-	-
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		81,772,262	85,081,113	76,837,000	76,837,000
Current assets					
Inventories	9	573,300	627,196	-	-
Receivables	10	19,341,960	36,591,953	14,718,245	19,718,245
Tax assets		2,184,997	1,475,103	-	-
Other investments	7	25,041,889	19,742,538	25,041,889	19,742,538
Cash and cash equivalents	11	59,374,792	50,833,232	1,479	2,610
Total current assets		106,516,938	109,270,022	39,761,613	39,463,393
TOTAL ASSETS		188,289,200	194,351,135	116,598,613	116,300,393
EQUITY AND LIABILITIES					
Share capital	12	112,875,002	112,875,002	112,875,002	112,875,002
reasury shares	12	(3,322,462)	(3,322,462)	(3,322,462)	(3,322,462)
Retained earnings		69,532,945	69,107,229	3,987,905	3,871,829
TOTAL EQUITY		179,085,485	178,659,769	113,540,445	113,424,369
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	13	2,915,481	1,998,143	-	-
Current liabilities					
Payables	14	6,036,956	8,106,640	3,058,168	2,876,024
Provision	15	251,278	5,512,585	-	-
Tax payables		-	73,998	-	-
Total current liabilities		6,288,234	13,693,223	3,058,168	2,876,024
TOTAL LIABILITIES		9,203,715	15,691,366	3,058,168	2,876,024
TOTAL EQUITY AND LIABILITIES		188,289,200	194,351,135	116,598,613	116,300,393

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

Statements Of Comprehensive Income
For The Financial Year Ended 30 September 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Revenue	16	59,353,082	89,262,262	3,422,856	7,302,094
Cost of sales	17	(44,404,909)	(75,273,648)	-	-
Gross profit		14,948,173	13,988,614	3,422,856	7,302,094
Other income		4,186,947	787,239	-	-
Administrative expenses		(15,158,259)	(16,381,183)	(642,730)	(674,498)
Other expenses		(300,029)	(7,841,838)	-	-
		(15,458,288)	(24,223,021)	(642,730)	(674,498)
Profit/(Loss) from operations		3,676,832	(9,447,168)	2,780,126	6,627,596
Interest income		1,310,685	1,052,865	661,294	543,999
Finance costs		(69,556)	(115,300)	-	-
Profit/(Loss) before tax	18	4,917,961	(8,509,603)	3,441,420	7,171,595
Tax (expense)/credit	20	(1,166,901)	1,382,951	-	-
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		3,751,060	(7,126,652)	3,441,420	7,171,595
Profit/(Loss) attributable to:					
Owners of the Company		3,751,060	(7,126,652)	3,441,420	7,171,595
Earnings/(Loss) per ordinary share attributable to owners of the Company:					
Basic/Diluted (sen)	21	3.38	(6.43)		

Statements Of Changes In Equity
For The Financial Year Ended 30 September 2017

		Attributable to owners of the Company			
Group	**Note**	**Share capital RM**	**Non-distributable treasury shares RM**	**Distributable retained earnings RM**	**Total equity RM**
At 1 October 2015		112,875,002	(3,322,462)	83,438,801	192,991,341
Total comprehensive loss for the financial year					
Loss for the financial year		-	-	(7,126,652)	(7,126,652)
Total comprehensive loss		-	-	(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
Total comprehensive income for the financial year					
Profit for the financial year		-	-	3,751,060	3,751,060
Total comprehensive income		-	-	3,751,060	3,751,060
Transaction with owners					
Dividends paid	22	-	-	(3,325,344)	(3,325,344)
Total transaction with owners		-	-	(3,325,344)	(3,325,344)
At 30 September 2017		112,875,002	(3,322,462)	69,532,945	179,085,485

Statements Of Changes In Equity
For The Financial Year Ended 30 September 2017
[cont'd]

		Attributable to owners of the Company			
Company	**Note**	**Share capital RM**	**Non-distributable treasury shares RM**	**Distributable retained earnings RM**	**Total equity RM**
At 1 October 2015					
Total comprehensive income		112,875,002	(3,322,462)	3,905,154	113,457,694
for the financial year					
Profit for the financial year		-	-	7,171,595	7,171,595
Total comprehensive income		-	-	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					
Total comprehensive income		112,875,002	(3,322,462)	3,871,829	113,424,369
for the financial year					
Profit for the financial year		-	-	3,441,420	3,441,420
Total comprehensive income		-	-	3,441,420	3,441,420
Transaction with owners					
Dividends paid	22	-	-	(3,325,344)	(3,325,344)
Total transaction with owners		-	-	(3,325,344)	(3,325,344)
At 30 September 2017		112,875,002	(3,322,462)	3,987,905	113,540,445

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

Statements Of Cash Flows
For The Financial Year Ended 30 September 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash Flows from Operating Activities					
Profit/(Loss) before tax		4,917,961	(8,509,603)	3,441,420	7,171,595
Adjustments for:					
Deposit written off		-	25,192	-	-
Depreciation of property, plant and equipment		4,252,484	4,960,524	-	-
Dividend income		-	-	(3,422,856)	(7,302,094)
Gain on disposal of property, plantand equipment		(230,082)	(10,475)	-	-
Interest expense		32,307	91,206	-	-
Interest income		(1,310,685)	(1,052,865)	(661,294)	(543,999)
Net (reversal of allowance)/ allowance for impairment loss on trade receivables		(33,364)	241,512	-	-
Net (reversal of provision)/provision for project costs		(502,100)	162,100	-	-
Net reversal of provision for liquidated and ascertained damages		(3,359,312)	(229,081)	-	-
Net unrealised gain on foreign exchange		(237,704)	(728,050)	-	-
Property, plant and equipment written off		5,654	-	-	-
Operating profit/(loss) before working capital changes carried down		3,535,159	(5,049,540)	(642,730)	(674,498)

Statements Of Cash Flows
For The Financial Year Ended 30 September 2017
[cont'd]

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Operating profit/(loss) before working capital changes brought down		3,535,159	(5,049,540)	(642,730)	(674,498)
Inventories		53,896	579,344	-	-
Receivables		17,272,207	37,344,404	5,000,000	3,000,000
Payables		(2,066,667)	(7,509,100)	182,144	31,500
Provision	15	(1,399,895)	(1,240,000)	-	-
Cash generated from operations		17,394,700	24,125,108	4,539,414	2,357,002
Interest paid		(32,307)	(91,206)	-	-
Interest received		1,310,685	1,010,692	661,294	543,999
Tax paid		(1,033,455)	(5,778,618)	-	-
Net cash from operating activities		17,639,623	19,265,976	5,200,708	2,901,001
Cash Flows from Investing Activities					
Acquisition of property, plant and equipment	5	(949,288)	(430,930)	-	-
Dividend received from a subsidiary		-	-	3,422,856	7,302,094
Net (withdrawal)/ placement of fixed deposits		(1,829,572)	3,483,309	-	-
Proceeds from disposal of property, plant and equipment		230,083	10,915	-	-
Purchase of other investments		(5,299,351)	(2,999,193)	(5,299,351)	(2,999,193)
Net cash (used in)/from investing activities		(7,848,128)	64,101	(1,876,495)	4,302,901

Statements Of Cash Flows
For The Financial Year Ended 30 September 2017
[cont'd]

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash Flows from Financing Activity					
Dividends paid, representing net cash used in financing activity	22	(3,325,344)	(7,204,920)	(3,325,344)	(7,204,920)
Net increase/(decrease) in cash and cash equivalents		6,466,151	12,125,157	(1,131)	(1,018)
Effect of exchange rate fluctuations on cash and cash equivalents		245,837	37,826	-	-
Cash and cash equivalents at the beginning of the financial year		48,257,708	36,094,725	2,610	3,628
Cash and cash equivalents at the end of the financial year	11	54,969,696	48,257,708	1,479	2,610

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 is 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 its 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 10 January 2018.

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"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
MFRS 138	Intangible Assets
MFRS 141	Agriculture

The adoption of the above Amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective

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

		Effective for financial periods beginning on or after
		New MFRSs
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (continued)

		Effective for financial periods beginning on or after
		Amendments/Improvements to MFRSs
MFRS 1	First-time adoption of MFRS	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 4	Insurance Contracts	1 January 2018
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 12	Disclosure of Interest in Other Entities	1 January 2017
MFRS 107	Statement of Cash Flows	1 January 2017
MFRS 112	Income Taxes	1 January 2017
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/Deferred
MFRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

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

MFRS 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.

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (continued)

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

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 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.

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") 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.

IC Int 22 Foreign Currency Transactions and Advance Consideration

IC Int 22 clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

2.4 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.

2.5 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.

2.6 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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
- 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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).

3.3 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Financial assets at fair value through profit or loss

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

(ii) Financial liabilities

<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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

(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 and 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.

Lessee accounting

For operating leases, the Group and the Company do 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.

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.

<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,

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

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

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.

Available-for-sale financial assets

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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

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.

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 any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Prior to Companies Act 2016 which came into effect on 31 January 2017, incremental external costs directly attributable to the issuance of new shares are deducted against the share premium account. Effective on 31 January 2017 and subsequent period, incremental external costs directly attributable to the issuance of new shares are deducted against equity. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Provisions (continued)

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.

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.

(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 and the Company.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 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.

(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 nvestments 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:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Income tax (continued)

(c) Goods and services tax (continued)

- 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.

3.17 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.

3.18 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.

3.19 Contingencies

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

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.

Notes To The Financial Statements

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

(a) 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.

(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 due from contract customers and amount due to contract customers are disclosed in Notes 10 and 14.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM	Freehold building RM	Leasehold buildings RM	Furniture and fittings, office equipment & renovation RM	Motor vehicles RM	Plant and machinery and testing equipment RM	Total RM
Cost							
At 1 October 2016	22,460,000	630,000	43,175,951	5,846,078	4,407,464	63,527,006	140,046,499
Additions	-	-	-	254,658	34,500	660,130	949,288
Disposal	-	-	-	-	(243,888)	-	(243,888)
Written of	-	-	-	(11,175)	-	-	(11,175)
At 30 September 2017	22,460,000	630,000	43,175,951	6,089,561	4,198,076	64,187,136	140,740,724
Accumulated Depreciation							
At 1 October 2016	2,191,143	63,000	4,151,616	4,865,405	3,298,808	53,888,422	68,458,394
Charge for the financial year	438,337	12,600	830,771	214,201	416,238	2,340,337	4,252,484
Disposal	-	-	-	-	(243,887)	-	(243,887)
Written off	-	-	-	(5,521)	-	-	(5,521)
At 30 September 2017	2,629,480	75,600	4,982,387	5,074,085	3,471,159	56,228,759	72,461,470
Net Carrying Amount							
At 30 September 2017	19,830,520	554,400	38,193,564	1,015,476	726,917	7,958,377	68,279,254

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Leasehold land RM	Freehold building RM	Leasehold buildings RM	Furniture and fittings, office equipment & 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

a. Leasehold land has remaining unexpired lease period of more than 50 years.

b. During the financial year, the Group acquired plant and equipment with an aggregate cost of RM949,288 (2016: RM430,930), which is satisfied by cash.

6. INVESTMENT IN A SUBSIDIARY

	Company 2017 RM	Company 2016 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 2017	Effective ownership interest 2016
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		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
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	19,728,828	15,560,336	19,728,828	15,560,336
Money market funds	5,313,061	4,182,202	5,313,061	4,182,202
	25,041,889	19,742,538	25,041,889	19,742,538

The fixed income funds are redeemable upon 1 day notice or upon 12 months maturity (2016: 7 days to 30 days notice or upon 6 months maturity) and bear dividend yield at rates ranging from 3.56% to 3.74% (2016: 3.13% to 3.87%) per annum as at the financial year end.

The money market funds are redeemable upon request or 1 day notice (2016: upon request or 1 day notice) and bear dividend yield at rates ranging from 2.65% to 3.5% (2016: 2.43% to 3.17%) per annum as at the financial year end.

8. GOODWILL ON CONSOLIDATION

	Group	
	2017 RM	2016 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. Gross profit margin was projected at average 18.2% and 32.6% per annum for fabrication division and non-destructive division respectively.

iii. Revenue was projected at RM66 million for fabrication division and RM5 million for non-destructive division for the first year and an anticipated decrease by 2% per annum thereon for fabrication division and decrease by 1.7% per annum thereon for non-destructive division.

iv. A pre-tax discount rate of 16.75% 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	
	2017 RM	**2016 RM**
At lower of cost and net realisable value:		
Raw materials	440,121	505,170
Consumables	133,179	122,026
	573,300	627,196

During the financial year, inventories of the Group recognised as cost of goods sold amounted to RM1,831,126 (2016: RM2,419,306).

10. RECEIVABLES

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Note	**RM**	**RM**	**RM**	**RM**
Trade					
Trade receivables	(a)	12,742,877	21,648,330	-	-
Allowance for impairment loss		(3,673,462)	(3,706,826)	-	-
		9,069,415	17,941,504	-	-
Amounts due from contract customers	(b)	9,028,078	16,967,814	-	-
		18,097,493	34,909,318	-	-
Non-trade					
Other receivables	(c)	560,461	538,146	-	-
Deposits		182,950	842,459	-	-
GST refundable		8,695	742	-	-
Prepayments		492,361	301,288	-	-
Amount due from a subsidiary	(d)	-	-	14,718,245	19,718,245
		1,244,467	1,682,635	14,718,245	19,718,245
		19,341,960	36,591,953	14,718,245	19,718,245

(a) Trade receivables

(i) Credit term of trade receivables

The normal credit terms extended to customers ranging from 30 days to 90 days (2016: 30 days to 120 days).

Included in trade receivables are amounts totalling RM240 (2016: RM2,304,799) which bear interest at a fixed rate at 10% (2016: 10%) per annum.

(ii) Retention sums

	Group	
	2017 RM	**2016 RM**
Retention sums included in trade receivables	892,191	1,460,029

Retention sums are unsecured and interest-free.

10. RECEIVABLES (continued)

(a) Trade receivables (continued)

(iii) Ageing analysis of trade receivables

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

	Group 2017 RM	2016 RM
Neither past due nor impaired	4,066,109	5,582,280
1 to 90 days past due but not impaired	3,265,237	7,713,558
More than 90 days past due but not impaired	1,738,069	4,645,666
	5,003,306	12,359,224
Impaired	3,673,462	3,706,826
	12,742,877	21,648,330

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 2017 RM	2016 RM
At beginning of the financial year	3,706,826	3,680,998
Charge for the financial year (Note 18)	103,757	241,512
Reversal during the financial year (Note 18)	(137,121)	-
Written off	-	(215,684)
At end of the financial year	3,673,462	3,706,826

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.

10. RECEIVABLES (continued)

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

	Group	
	2017	**2016**
	RM	**RM**
Construction contract costs incurred to date	19,468,008	109,077,077
Add: Attributable profits	3,462,011	28,423,337
	22,930,019	137,500,414
Less: Progress billings	(15,015,519)	(121,842,159)
	7,914,500	15,658,255
Amounts due from contract customers	9,028,078	16,967,814
Amounts due to contract customers (Note 14)	(1,113,578)	(1,309,559)
	7,914,500	15,658,255

(c) Other receivables

Included in the other receivables of the Group is advance payments made to suppliers for purchase of raw materials amounting to RM129,842 (2016: RM270,554).

(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	
	2017	**2016**
	RM	**RM**
United States Dollar	658,179	4,553,621
Euro	404,806	48,042
Singapore Dollar	-	464,126
	1,062,985	5,065,789

11. CASH AND CASH EQUIVALENTS

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Note	**RM**	**RM**	**RM**	**RM**
Cash and bank balances		54,444,696	7,971,195	1,479	2,610
Deposits placed with licensed banks		4,930,096	42,862,037	-	-
Cash and cash equivalents as reported in the statements of financial position		59,374,792	50,833,232	1,479	2,610
Less: Fixed deposits with maturity more than 3 months		(4,405,096)	(2,575,524)	-	-
Cash and cash equivalents as reported in the statements of cash flows		54,969,696	48,257,708	1,479	2,610

Notes To The Financial Statements

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11. CASH AND CASH EQUIVALENTS (continued)

Deposits placed with licensed banks of the Group bear interest at rates ranging from 2.75% to 3.25% (2016: 0.01% to 4.50%) 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 as reported in the statements of financial position is as follows:

	Group	
	2017	**2016**
	RM	**RM**
United States Dollar	40,707,914	38,563,621
Euro	1,069,339	292,808
Singapore Dollar	67,220	25,281
	41,844,473	38,881,710

12. SHARE CAPITAL AND TREASURY SHARES

	Group / Company			
	Number of shares		**Amount**	
	2017	**2016**	**2017**	**2016**
	Unit	**Unit**	**RM**	**RM**
Issued and fully paid:				
At the beginning/end of the financial year	112,875,002	112,875,002	112,875,002	112,875,002
Treasury shares:				
At the beginning/end of the financial year	(2,030,200)	(2,030,200)	(3,322,462)	(3,322,462)

(a) Share capital

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital.

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

(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 127 of the Companies Act 2016 in Malaysia.

As at 30 September 2017, the Company held 2,030,200 (2016: 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 2017 RM	2016 RM
Deferred tax liabilities		
At beginning of the financial year	(1,998,143)	(3,670,566)
Recognised in profit or loss (Note 20)	(917,338)	1,672,423
At end of the financial year	(2,915,481)	(1,998,143)

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

	Group 2017 RM	2016 RM
Deferred tax assets	1,178,862	2,317,740
Deferred tax liabilities	(4,094,343)	(4,315,883)
	(2,915,481)	(1,998,143)

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

	Group 2017 RM	2016 RM
Deferred tax assets		
Provisions	245,591	1,528,698
Unutilised tax losses	414,396	171,947
Unabsorbed capital allowances	518,875	617,095
	1,178,862	2,317,740
Deferred tax liabilities		
Difference between the carrying amounts of property, plant and equipment and its tax base	(4,000,127)	(4,141,151)
Other temporary differences	(94,216)	(174,732)
	(4,094,343)	(4,315,883)

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

	Group 2017 RM	2016 RM
Unutilised tax losses	23,575	10,858

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

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Trade					
Trade payables	(a)	2,975,816	3,050,705	-	-
Amounts due to contract customers (Note 10)		1,113,578	1,309,559	-	-
		4,089,394	4,360,264	-	-
Non-trade					
Other payables	(b)	42,091	421,346	-	-
Amount due to a subsidiary	(c)	-	-	2,815,868	2,638,724
Accruals		1,898,314	3,225,247	242,300	237,300
GST payable		7,157	99,783	-	-
		1,947,562	3,746,376	3,058,168	2,876,024
		6,036,956	8,106,640	3,058,168	2,876,024

(a) Trade payables

The normal trade credit terms granted to the Group ranging from 30 days to 90 days (2016: 30 days to 90 days).

Included in trade payables of the Group are amounts totalling RM101,523 (2016: RM38,898) 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 RM18,389 (2016: RM26,380) 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	
	2017	2016
	RM	RM
United States Dollar	116,885	341,437
Euro	45,393	42,381
Singapore Dollar	78,667	28,931
	240,945	412,749

15. PROVISION

	Note	Group 2017 RM	Group 2016 RM
Provision for liquidated and ascertained damages	(a)	211,278	4,970,485
Provision for project costs	(b)	40,000	542,100
At end of the financial year		251,278	5,512,585

(a) Provision for liquidated and ascertained damages

	Group 2017 RM	Group 2016 RM
At beginning of the financial year	4,970,485	5,199,566
Provision during the financial year (Note 18)	220,753	1,374,767
Utilitisation during the financial year	(1,399,895)	-
Reversal during the financial year (Note 18)	(3,580,065)	(1,603,848)
At end of the financial year	211,278	4,970,485

(b) Provision for project costs

	Group 2017 RM	Group 2016 RM
At beginning of the financial year	542,100	1,620,000
Provision during the financial year (Note 18)	40,000	422,100
Utilisation during the financial year	-	(1,240,000)
Reversal during the financial year (Note 18)	(542,100)	(260,000)
At end of the financial year	40,000	542,100

16. REVENUE

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Revenue				
- Contract revenue	54,717,612	84,464,676	-	-
- Services rendered	4,635,470	4,797,586	-	-
- Dividend income	-	-	3,422,856	7,302,094
	59,353,082	89,262,262	3,422,856	7,302,094

17. COST OF SALES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cost of contract	40,552,013	70,942,925	-	-
Cost of services rendered	3,852,896	4,330,723	-	-
	44,404,909	75,273,648	-	-

18. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Auditors' remuneration:				
• Statutory audit				
- current year	82,000	79,000	23,000	23,000
• Other services	14,500	9,500	14,500	9,500
Deposit written off	-	25,192	-	-
Depreciation of property, plant and equipment	4,252,484	4,960,524	-	-
Directors' fees (Note 19)				
- current year	184,000	184,000	180,000	180,000
- under provision in prior financial year	-	30,000	-	30,000
Dividend income from a subsidiary	-	-	(3,422,856)	(7,302,094)
Employees benefits expense (including key management personnel) (Note 19):				
- Contribution to defined contribution plan	979,298	1,156,932	-	-
- Salaries, wages and others	13,594,723	14,275,087	115,069	114,929
Gain on disposal of property, plant and equipment	(230,082)	(10,475)	-	-
Interest expense	32,307	91,206	-	-
Interest income	(1,306,654)	(908,984)	(661,294)	(543,999)
Late payment interest charge	(4,031)	(143,881)	-	-
Net (reversal of allowance)/ allowance for impairment loss on trade receivables	(33,364)	241,512	-	-
Net loss/(gain) on foreign exchange:				
- realised	190,618	7,537,416	-	-
- unrealised	(237,704)	(728,050)	-	-
Net reversal of provision for liquidated and ascertained damages	(3,359,312)	(229,081)	-	-
Net (reversal of provision)/ provision for project costs	(502,100)	162,100	-	-
Property, plant and equipment written off	5,654	-	-	-
Rental of factories	1,440,000	1,665,000	-	-
Rental of hostels	68,200	60,960	-	-
Rental of machineries	67,941	59,806	-	-
Rental of premises	35,530	34,530	-	-

19. DIRECTORS' REMUNERATION

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Executive:				
Fees	34,000	39,000	30,000	35,000
Other emoluments	754,050	798,495	115,069	114,929
	788,050	837,495	145,069	149,929
Non-executive:				
Fees	150,000	175,000	150,000	175,000
Other emoluments	1,000,000	1,000,800	-	-
	1,150,000	1,175,800	150,000	175,000
Total directors' remuneration	1,938,050	2,013,295	295,069	324,929

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 EXPENSE/(CREDIT)

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Current tax:				
Malaysian income tax:				
Current financial year	239,765	272,255	-	-
Under provision in prior financial year	9,798	17,217	-	-
	249,563	289,472	-	-
Deferred tax (Note 13):				
Origination/(Reversal) of temporary differences	1,174,089	(2,012,292)	-	-
(Over)/Under provision in prior financial year	(256,751)	339,869	-	-
	917,338	(1,672,423)	-	-
Tax expense/(credit)	1,166,901	(1,382,951)	-	-

20. TAX EXPENSE/(CREDIT) (continued)

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit/(Loss) before tax	4,917,961	(8,509,603)	3,441,420	7,171,595
Tax at the Malaysian statutory income tax rate of 24% (2016: 24%)	1,180,311	(2,042,305)	825,941	1,721,183
Tax effect on non-deductible expenses	422,110	431,978	154,255	161,880
Tax effect on non-taxable income	(191,619)	(130,560)	(980,196)	(1,883,063)
Tax effect on double deduction expenses	-	(1,895)	-	-
Deferred tax asset not recognised during the financial year	3,052	2,745	-	-
Under/(Over) provision in prior financial year				
- current tax	9,798	17,217	-	-
- deferred tax	(256,751)	339,869	-	-
	1,166,901	(1,382,951)	-	-

The Group has approximately RM23,575 (2016: RM10,858) 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% (2016: 24%) of the estimated assessable profit for the financial year.

21. EARNINGS/(LOSS) PER SHARE

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

Basic earnings/(loss) per ordinary share is based on the profit/(loss) 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	
	2017 RM	2016 RM
Profit/(Loss) for the financial year attributable to owners of the Company	3,751,060	(7,126,652)
Weighted average number of ordinary shares outstanding during the financial year (adjusted for treasury shares)	110,844,802	110,844,802
Basic earnings/(loss) per ordinary share (sen)	3.38	(6.43)

21. EARNINGS/(LOSS) PER SHARE (continued)

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

The diluted earnings/(loss) per ordinary share of the Group for the financial years 2016 and 2017 are same as the basic earnings/(loss) per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

22. DIVIDENDS

	Group / Company	
	2017 RM	2016 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Single tier final dividend for the financial year ended 30 September 2016: 3.0 sen (2015: 3.0 sen) per ordinary share of RM1 each	3,325,344	3,325,344
- Single tier interim dividend for the financial year ended 30 September 2016: 3.5 sen per ordinary share of RM1 each	-	3,879,576
	3,325,344	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 2017, 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 2018.

23. FINANCIAL GUARANTEES (UNSECURED)

	Company	
	2017 RM	2016 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	107,500,000
	116,900,000	116,900,000

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		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Financial assets				
Loans and receivables				
- Receivables, net of prepayments and GST refundable	18,840,904	36,289,923	14,718,245	19,718,245-
- Cash and cash equivalents	59,374,792	50,833,232	1,479	2,610
	78,215,696	87,123,155	14,719,724	19,720,855
Available-for-sale				
- Golf club membership	35,000	35,000	-	-
Held for trading				
- fixed income funds	19,728,828	15,560,336	19,728,828	15,560,336
- money market funds	5,313,061	4,182,202	5,313,061	4,182,202
	25,041,889	19,742,538	25,041,889	19,742,538
Financial liabilities				
Other financial liabilities				
- Payables, net of amounts due to contract customers and GST payable	4,916,221	6,697,298	3,058,168	2,876,024
- Provision	251,278	5,512,585	-	-
	5,167,499	12,209,883	3,058,168	2,876,024

(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 rocedures.

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 olicy 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 2017, 48% (2016: 54%) of the trade receivables of the Group were owed by 3 major customers (2016: 4 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	
	2017 RM	**2016 RM**
Malaysia	8,023,166	13,978,855
Asia	154,790	2,355,695
Europe	202,564	633,862
America	115,241	81,629
Oceania	573,654	891,463
	9,069,415	17,941,504

Other financial assets

For other financial assets (including other investments and cash and cash equivalents), 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.

(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 iquidity 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.

Notes To The Financial Statements

[cont'd]

24. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

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).

There are no foreign exchange contracts outstanding as at 30 September 2017 and 30 September 2016.

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

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

	Group Profit/(Loss) for the financial year 2017 RM	 2016 RM
USD/RM - Strengthened by 10%	3,134,940	3,250,961
- Weakened by 10%	(3,134,940)	(3,250,961)
EURO/RM - Strengthened by 10%	108,585	22,684
- Weakened by 10%	(108,585)	(22,684)
SGD/RM - Strengthened by 10%	(870)	34,996
- Weakened by 10%	870	(34,996)

(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 funds 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.

24. FINANCIAL INSTRUMENTS (continued)

(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 funds is determined by reference to redemption price at the end of the reporting period.

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

During the financial year ended 30 September 2017, there was no transfer between fair value measurement hierarchy.

ii. Cash and cash equivalents, receivables, payables and provision.

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

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

	Fair value of financial instruments carried at fair value				
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
2017					
Financial assets					
Available-for-sale financial asset					
- Golf club membership	35,000	35,000	-	-	35,000
Held for trading financial assets					
- fixed income funds	19,728,828	19,728,828	-	-	19,728,828
- money market funds	5,313,061	5,313,061	-	-	5,313,061
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
Company					
2017					
Financial assets					
Held for trading financial assets					
- fixed income funds	19,728,828	19,728,828	-	-	19,728,828
- money market funds	5,313,061	5,313,061	-	-	5,313,061
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

25. CAPITAL COMMITMENT

The Group has made commitment for the following capital expenditures:

	Group	
	2017	2016
	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	
	2017	2016
	RM	RM
Companies where certain directors of the Company have substantial financial interest:		
Rental of factories	1,440,000	1,665,000
General and marine cargo insurance	233,979	284,668
Transportation services	364,419	521,160
Minor fabrication works	16,800	11,879
Maintenance of lorries and machinery	30,787	32,555

	Company	
	2017	2016
	RM	RM
Subsidiary		
Dividends received	3,422,856	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 2017 and 30 September 2016.

27. CAPITAL MANAGEMENT (continued)

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 3.17. 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.

Geographical segments

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

Notes To The Financial Statements

[cont'd]

28. SEGMENT INFORMATION (continued)

	Fabrication	Non-destructive testing	Others	Elimination	Consolidated
	RM	RM	RM	RM	RM
2017					
Total external revenue	54,717,612	4,635,470	-	-	59,353,082
Inter-segment revenue	-	849,422	7,022,856	(7,872,278)	-
Total segment revenue	54,717,612	5,484,892	7,022,856	(7,872,278)	59,353,082
Segment profit	3,787,672	538,278	6,373,738	(7,022,856)	3,676,832
Interest income	473,471	175,920	661,294	-	1,310,685
Finance costs	(69,556)	-	-	-	(69,556)
Profit before tax					4,917,961
Tax expense	(1,026,492)	(140,409)	-	-	1,166,901
Profit for the financial year					3,751,060
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)

28. SEGMENT INFORMATION (continued)

	Fabrication RM	Non-destructive testing RM	Others RM	Elimination RM
2017				
Segment assets	142,811,076	6,942,837	38,535,287	188,289,200
Segment liabilities	7,996,251	960,964	246,500	9,203,715
Other material non-cash items				
Depreciation of property, plant and equipment	4,090,715	161,769	-	4,252,484
Gain on disposal of property, plant and equipment	-	(230,082)	-	(230,082)
Net provision for project costs	(502,100)	-	-	(502,100)
Net (reversal of allowance)/ allowance for impairment loss on trade receivables	(137,121)	103,757	-	(33,364)
Net reversal of provision for liquidated and ascertained damages	(3,359,312)	-	-	(3,359,312)
Net unrealised gain on foreign exchange	(237,704)	-	-	(237,704)
Property, plant and equipment written off	5,654	-	-	5,654
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 material non-cash items				
Allowance for impairment loss on trade receivables	137,121	104,391	-	241,512
Deposit written 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)

Statement By Directors
Pursuant to Section 251(2) of the Companies Act 2016

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 set out on pages 38 to 81 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2017 and of their financial performance and cash flows for the financial year then ended.

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: 10 January 2018

Statutory Declaration
Pursuant to Section 251(1) of the Companies Act 2016

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 set out on pages 38 to 81 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 by the abovenamed at Kuala Lumpur in the Federal Territory on 10 January 2018.

Before me,

Independent Auditors' Report
To The Members Of APB Resources Berhad
(Incorporated In Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of APB Resources Berhad, which comprise the statements of financial position as at 30 September 2017 of the Group and of the Company, and the statements of 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 38 to 81.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2017, 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Group</u>

Goodwill (Note 4(a) and 8 to the financial statements)

Risk:

The Group has significant goodwill arising from the acquisition of Amalgamated Metal Corporation (M) Sdn. Bhd. and Prescan Sdn. Bhd.. The goodwill is tested for impairment annually. This assessment requires the exercise of significant judgement by the directors on the discount rate applied in the recoverable amount calculation and the assumptions supporting the underlying cash flow projections, including the forecast growth rates and gross profit margin.

Our response:

Our audit procedures focus on evaluating the cash flow projections and the Group's forecasting procedures which included, among others:

- assessing the recoverable amount valuation methodology adopted by the Group in accordance with the requirements of MFRS 136 Impairment of Assets;
- comparing the actual results with previous budget to assess the performance of the business and reliability of the forecasting process;
- comparing the Group's assumptions to externally derived data as well as our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions that are expected to be most sensitive to the recoverable amount.

Independent Auditors' Report

To The Members Of APB Resources Berhad
(Incorporated In Malaysia)

[cont'd]

Key Audit Matters (continued)

<u>Group</u> (continued)

Revenue recognition (Note 4(b) and 16 to the financial statements)

Risk:

We focused on this area because the amount of revenue recognised in the construction business requires the directors to apply significant judgement. The revenue is recognised based on the stage of completion. The stage of completion is determined by reference to costs incurred for work performed to date bear to the estimated total costs for each project. The estimated total revenue is affected by a variety of uncertainties that depend of the outcome of future events.

Our response:

Our audit procedures on a selected sample of major projects included, among others:
- evaluating the design and implementation of controls over the Group's process in recording project costs, preparing project budget and the calculation of the stage of completion;
- challenging the Group's major assumptions by comparing to contractual terms, historical margin and our understanding gathered from the analysis of changes in assumptions from previous year;
- discussing the progress of the projects and expected outcome with the respective project teams to obtain an understanding of the basis on which the estimates are made;
- assessing the reasonableness of computed stage of completion for identified projects against projects' progress report; and
- checking the mathematical computation of the revenue recognised during the financial year.

<u>Company</u>

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that 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 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report
To The Members Of APB Resources Berhad
(Incorporated In Malaysia)

[cont'd]

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

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Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2018 J
Chartered Accountant

Kuala Lumpur
Date: 10 January 2018

List of Properties
as at 30 September 2017

Property	Tenure	Description (Approximate Age of Building) / Existing Use	Land Area / Built-Up Area (Date for Certificate of Fitness /*Certificate of Completion and Compliance) (RM)	Carrying Amounts As At 30 Sept 2017
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)	13,211,391 (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)	9,087,798 (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)	7,956,403 (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)	27,768,492 (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	554,400 (Within Property, Plant and Equipment)

Analysis of Shareholdings
as at 3 January 2018

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100 shares	1,944	50.23	71,607	0.06
100 to 1,000 shares	946	24.44	396,042	0.36
1,001 to 10,000 shares	661	17.08	3,034,756	2.74
10,001 to 100,000 shares	258	6.67	8,227,031	7.42
100,001 to 5,542,239 (less than 5% of the issued shares)	58	1.50	38,366,357	34.61
5,542,240 and above (5% and above of issued shares)	3	0.08	60,749,009	54.81
Total	3,870	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 3.1.2018*

LIST OF THIRTY LARGEST SHAREHOLDERS

No	Name	No of Shares	%
1	Ikram Pintas Sdn. Bhd.	35,993,215	32.47
2	Yap Swee Sang	15,905,494	14.35
3	Lembaga Tabung Haji	8,850,300	7.98
4	Lim Hong Liang	4,258,500	3.84
5	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Lim Hong Liang	3,500,000	3.16
6	Tan Ming Sheng	2,728,600	2.46
7	Lim Hong Liang	2,161,500	1.95
8	Tan Ming Chieh	2,063,700	1.86
9	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An for DBS Bank Ltd.	1,969,700	1.78
10	Rosley Bin Abdul Rahman	1,487,007	1.34
11	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Yulina Binti Baharuddin	1,407,500	1.27
12	Enisah Binti Baharuddin	1,386,000	1.25
13	Teh Teck Tee	1,187,700	1.07
14	Lee Boon Imm	1,138,000	1.03
15	Yeo Seo Hwa	1,000,500	0.90

LIST OF THIRTY LARGEST SHAREHOLDERS (continued)

No	Name	No of Shares	%
16	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt An for OCBC Securities Pte. Ltd.	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 A/C for Teh Teck Tee	701,600	0.63
20	Affin Hwang Nominees (Asing) Sdn. Bhd. Exempt An for DBS Vickers Securities (Singapore) Pte. Ltd.	619,400	0.56
21	Rare Presitage Sdn. Bhd.	616,569	0.56
22	Wong Than Loy	572,200	0.52
23	Lim Pin Kong	500,000	0.45
24	Yap Nyok Leen	487,400	0.44
25	CIMSEC Nominees (Asing) Sdn. Bhd. Exempt an for CIMB Securities (Singapore) Pte. Ltd.	432,400	0.39
26	Goh Siang Kuan	423,496	0.38
27	Lim Kee	420,000	0.38
28	Public Invest Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd.	409,700	0.37
29	Kenanga Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd.	356,000	0.32
30	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities account for Yap Pict Lin	299,200	0.27

Analysis of Shareholdings
as at 3 January 2018

[cont'd]

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN SHARES OF APB
(The Directors' direct and indirect interests in shares of APB based on the Register of Directors' Shareholdings)

Ordinary Shares

Directors	**No. of Ordinary Shares Held**					
Name	**Direct**	**%**	**Indirect**	**%**	**Total**	**%**
Yap Kow @ Yap Kim Fah	0	0.00	51,898,709	46.82	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	15,905,494	14.35	35,993,215	32.47	51,898,709	46.82
Yap Puhui Lin	163,200	0.15	0	0.00	163,200	0.15
Chief Executive Officer						
Yap Swee Sang	15,905,494	14.35	35,993,215	32.47	51,898,709	46.82

Note: *Excluding a total of 2,030,200 ordinary shares bought-back by APB and retained as treasury shares as at 3.1.2018*

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		No. of Ordinary Shares Held					
Name	**Note**	**Direct**	**%**	**Indiret**	**%**	**Total**	**%**
Ikram Pintas Sdn. Bhd.		35,993,215	32.47	0	0.00	35,993,215	32.47
Yap Swee Sang	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
Lembaga Tabung Haji		8,850,300	7.98	0	0.00	8,850,300	7.98
Yap Kow @ Yap Kim Fah	3	0	0.00	51,898,709	46.82	51,898,709	46.82

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) Deemed interested by virtue of his son's direct and indirect shareholding in APB.
(4) Excluding a total of 2,030,200 ordinary shares bought-back by APB and retained as treasury shares as at 3.1.2018

Notice of Sixteenth [16th] Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixteenth 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 Wednesday, 28 February 2018 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 2017 together with the Reports of the Directors and Auditors thereon. Please refer to Explanatory Note 5	
2. To declare a single tier final dividend of 3% for the financial year ended 30 September 2017 as recommended by the Directors.	**Resolution 1**
3. To approve payment of Directors' fees for the year ended 30 September 2017.	**Resolution 2**
4. To re-appoint Datuk Yap Kau @ Yap Yeow Ho as a Director of the Company.	**Resolution 3**
5. To re-appoint Mr. Yap Kow @ Yap Kim Fah as a Director of the Company.	**Resolution 4**
6. To re-appoint Mr. Chua Eng Seng as a Director of the Company.	**Resolution 5**
7. To re-elect Mr. Tan Teng Khuan, the Director who retires in accordance with Article 84 of the Company's Constitution and, being eligible, has offered himself for re-election.	**Resolution 6**
8. To re-appoint Baker Tilly Monteiro Heng, 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 and Allot Shares Pursuant to Section 75 of the Companies Act 2016**	**Resolution 8**

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

"THAT, subject always to the Constitution of the Company and the approvals of the relevant Regulatory Authorities, pursuant to Section 75 of the Companies Act 2016, the Directors of the Company be and are hereby empowered to issue and allot shares in the capital of the Company at any time until the conclusion of the next Annual General Meeting of the Company and upon such terms and conditions and for such purposes and to such person or persons as the Directors of the Company, may in their absolute discretion deem fit, PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being AND THAT the Directors of the Company are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

10. **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions** **Resolution 9**

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

"THAT subject to the provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries (the "Group") to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.4, Part A of the Circular to Shareholders dated 30 January 2018 which transactions are necessary for the day-to-day operations and/or in the ordinary course of business of the Group on terms not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company AND THAT such approval shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which such mandate is passed at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or
b. the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
c. revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the transactions contemplated and/or authorized by this resolution."

11. **Proposed Renewal of Authority to the Company to Purchase its Own Shares** **Resolution 10**

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

"THAT subject to the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Company be and is hereby authorized to purchase such amount of ordinary shares in the Company as may be determined by the Directors of 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:

a. the aggregate number of ordinary shares in the Company (the "Company's Shares") which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any point of time;
b. the maximum funds to be allocated by the Company for the purpose of purchasing the Company's Shares shall not exceed the Company's audited retained profits and/or share premium accounts at any point of time;
c. the authority conferred by this resolution of the Company shall commence immediately upon passing of this resolution until
   i. the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which such mandate is passed at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or

ii. the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or **Resolution 10**

iii. revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier; and

upon completion of the purchase(s) of the Company's Shares by the Company, the Directors of the Company be and are hereby authorized to cancel the Company's Shares so purchased or to retain the Company's Shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on the Bursa Malaysia Securities Berhad and/or subsequently cancelled), or to retain part of the Company's Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Companies Act 2016, the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorized and empowered to do all acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to implement, finalize or to effect the purchase(s) of the Company's Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or 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 Practice 4.2 of the Malaysian Code on Corporate Governance 2017, 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 twelve (12) years be and is hereby retained as the Independent Non-Executive Director of the Company until the conclusion of th next Annual General Meeting."

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

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

"THAT pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017, 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 twelve (12) 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. To transact any other business of which due notice shall have been given.

Notice of Sixteenth [16th] Annual General Meeting

[cont'd]

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of Members at the Sixteenth Annual General Meeting to be held on Wednesday, 28 February 2018, a single tier final dividend of 3% for the financial year ended 30 September 2017, will be paid on 29 March 2018 to Depositors whose names appear in the record of Depositors on 16 March 2018.

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 16 March 2018 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
30 January 2018

Notes to the Notice of Sixteenth Annual General Meeting:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and/or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar. There shall be no restriction as the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, under the corporation's common seal or under the hand of an officer or attorney duly authorized.

3. The instrument appointing a proxy must be deposited at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, 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.

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.

5. **Agenda 1**

   Agenda 1 is to table the Audited Financial Statements pursuant to the provision of Section 340(1)(a) of the Companeis Act 2016 for discussion only. They do not require a formal approval and/or adoption by the shareholders of the Company and hence, will not put forward for voting.

6. **Proposed Ordinary Resolution 2**

   Proposed ordinary resolution 2 is to approve the Directors'fees. Section 230(1) of the Companies Act 2016 provides that the fees payable to the directors of a public company; or of a listed company and its subsidiaries shall be approved at a general meeting.

7. **Proposed Ordinary Resolution 3, 4 and 5**

   With the coming into force of the Companies Act 2016 on 31 January 2017, there is no age limit for the directors.

   At the Fifteenth Annual General Meeting held on 14 February 2017 Datuk Yap Kau @ Yap Yeow Ho, Mr. Yap Kow @ Yap Kim Fah and Mr.Chua Eng Seng who are above the age of 70 were re-appointed pursuant to Section 129 of the Companies Act 1965 to hold office until conclusion of the Sixteenth Annual General Meeting. Thier term of office as Directors of the Company will end at the conclusion of the Sixteenth Annual General Meeting and they have offered themselves for re-appointment.

   The proposed ordinary resolutions, if passed, will enable Datuk Yap Kau @ Yap Yeow Ho, Mr. Yap Kow @ Yap Kim Fah and Mr. Chua Eng Seng to continue to act as Directors of the Company and they shall subject to retirement by rotation at a later date.

   The Nominating Committee of the Company has assessed the performance and contribution of Datuk Yap Kau @ Yap Yeow Ho, Mr. Yap Kow @ Yap Kim Fah and Mr. Chua Eng Seng and recommended for their re-appointment. The Board has endorsed the Nominating Committee's recommednation that they be re-appoint as Directors of the Company.

8. **Proposed Ordinary Resolution 6**

   The Nominating Committee of the Company has assessed the performance and contribution of Mr. Tan Teng Khuan and recommended for his re-appointment. The Board has endorsed the Nominating Committee's recommednation that he be re-appoint as Director of the Company.

9. **Proposed Ordinary Resolution 7**

   The Audit Committee undertook an annual assessment of the suitability and independence of Baker Tilly Monteiro Heng, the Independent Auditors. In the assessment, the Audit Committee considered several factors including the following:

   (a) their performance and quality of work;
   (b) experience and competency of professional staff assigned to the audit;
   (c) adequacy of resources;
   (d) independence
   (e) level of non-audit services rendered to the Group

   The Audit Committee is satisfied with the suitability of Baker Tilly Monteiro Heng in term of quality of audit, performance, competency and sufficiency of resources and recommend to the Board to seek the approval of the shareholders at the forhtcoming Sixteenth Annual General Meeting. The Board approved the Audit Committee's recommendation.

Explanatory notes on Special Business:-

10. ***Ordinary Resolution 8 - Authority to Issue and Allot Shares Pursuant to Section 75 of the Companies Act 2016***

    The existing general mandate for the authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965, was approved by the shareholders of the Company at the Fifteenth Annual General Meeting held on 14 February 2017. The Company did not issue any new shares pursuant to this general mandate as at the date of this notice.

    The proposed Ordinary Resolution 8 is a renewal of the general mandate for the authority to issue and allot shares pursuant to Section 75 of the Companies Act 2016. The proposed Ordinary Resolution 8, if passed, will empower the Directors to issue and allot shares up to an amount not exceeding ten percent(10%) of the Company's total issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as the Directors of the Company in their absolute discretion consider to be in the best interest of the Company, without having to convene a general meeting. This authority will expire at the next Annual General Meeting of the Company or at the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked or varied by resolution passed by the shareholders in a general meeting whichever is earlier.

    At this juncture, there is no decision to issue and allot new shares. If there should be a decision to issue and allot new shares after the general mandate is approved by the shareholders at the forthcoming sixteenth Annual General Meeting, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

    In case of any strategic opportunities involving equity deals, which may require the Company to allot and issue new shares speedily, the Company may capitalize on its advantageous position if the Board considers it to be in the best interest of the Company. Any delay arising from and the cost involved in convening a general meeting to approve such issuance of shares would be eliminated.

11. **Ordinary Resolution 9 - Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions**

    Please refer to the Circular to Shareholders dated 30 January 2018.

12. **Ordinary Resolution 10 - Proposed Authority to the Company to Purchase its Own Shares**

    Please refer to the Circular to Shareholders dated 30 January 2018.

13. **Ordinary Resolution 11 and 12 - Retention of Independent Non-Executive Directors, 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.

    Practice 4.2 of the Malaysian Code on Corporate Governance 2017 ("MCCG 2017") 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 twelve (12) years to continue in office as an independent director.

    <u>The Company shall use the two-tier voting process in seeking shareholders' approval.</u>

    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 twelve (12) 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 Charpter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and is able to bring independent and objective judgement to the Board.

    ii. They have been with the Company for fourteenth (14) 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.

v. 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.

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

vii. 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.

Members Entitled to Attend Sixteenth Annual General Meeting

For the purpose of determining a member who shall be entitled to attend and vote at the forthcoming Sixteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 22 February 2018. Only a depositor whose name appears on the Record of Depostors as at 22 February 2018 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 2017

The Company issues to shareholders its Annual Repot 2017 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 2017 in printed form kindly send the duly completed form to the Company's Share Registrar at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

Voting

Voting at the forthcoming Sixteenth 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 registration.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the forthcoming Sixteenth 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, claims, demands, losses and damages as a result of member's breach of warranty.

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 Sixteenth 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 75 of the Companies Act 2016 are set out in the Explanatory Note 10 of the Notice of Sixteenth Annual General Meeting.

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

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 Sixteenth Annual General Meeting of the Company, to be held on 28 February 2018 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. Tan Teng Khuan 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		

Signed this__________day of______________________2018.

____
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, 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 Sixteenth 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 22 February 2018 (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 Sixteenth Annual General Meeting dated 30 January 2018

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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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