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corporate information

Board of Directors

Yap Kow @ Yap Kim Fah
Chairman/ Managing Director

Tan Teng Khuan
Executive Director/ Chief Operating Officer

Lim Lye Hock
Executive Director

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

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

Mak Fong Ching
Independent Non-Executive Director

Muhayuddin bin Musa
Independent Non-Executive Director

Chua Eng Seng
Independent Non-Executive Director

Audit Committee

Mak Fong Ching
Chairperson

Muhayuddin bin Musa
Chua Eng Seng
Johari Low bin Abdullah @
Low Han Hing

Remuneration Committee

Muhayuddin bin Musa
Chairman

Yap Kow @ Yap Kim Fah
Tan Teng Khuan
Mak Fong Ching
Chua Eng Seng

Nomination Committee

Chua Eng Seng
Chairman

Muhayuddin bin Musa
Mak Fong Ching

Company Secretary

Cheok Kim Chee (LS000012)

Auditors

KPMG (AF0758)
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur
Tel No. : 03 - 2095 3388

Share Registrar

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

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

Affin Bank Berhad
Ambank Berhad
CIMB Bank Berhad
Citibank Berhad
HSBC Bank Malaysia Berhad
UOB Berhad

Stock Exchange Listing

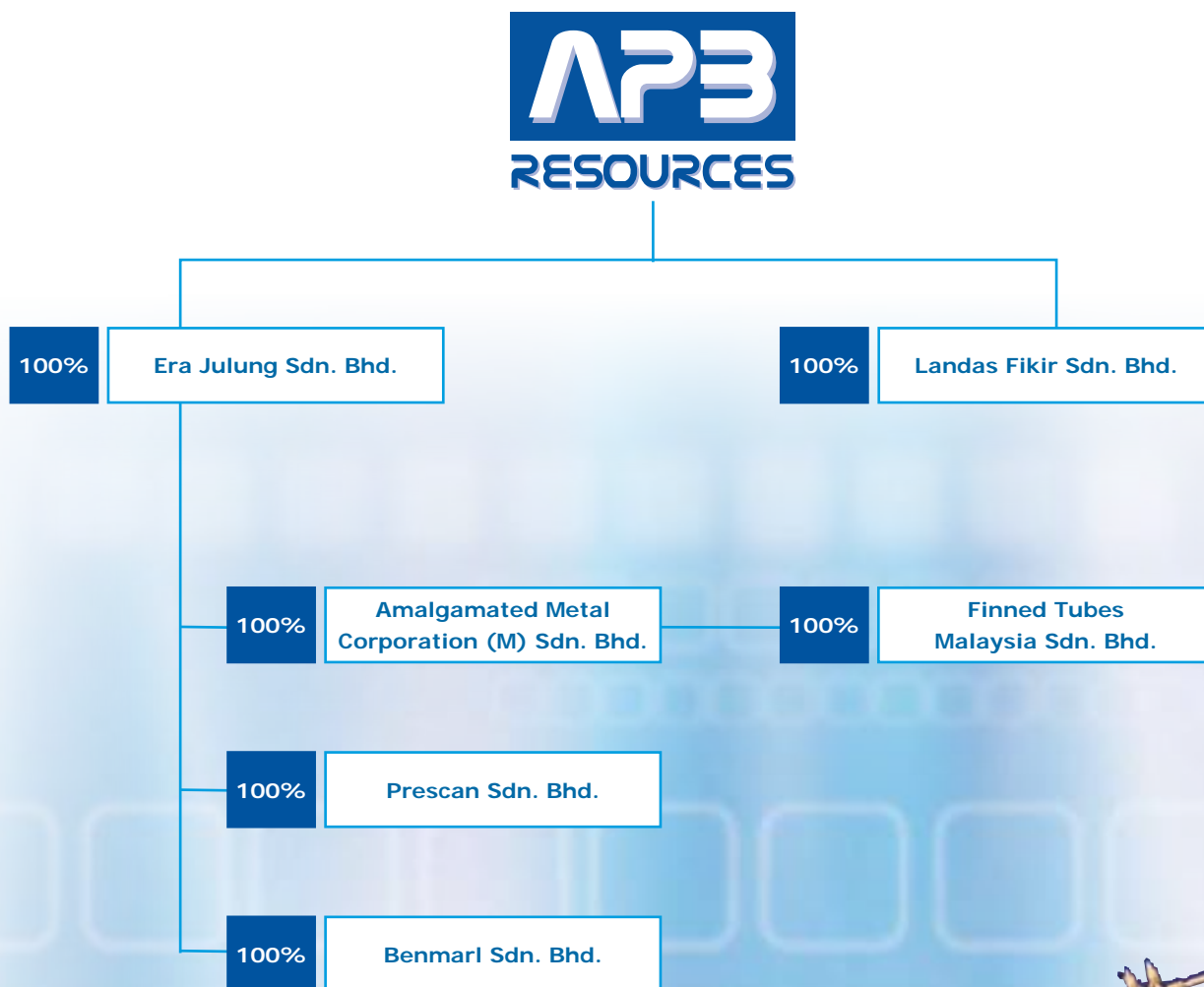
Main Board of the Bursa
Malaysia Securities Berhad

Stock Code – 5568



corporate structure

The corporate structure of the APB Group is set out below:



directors' profile

Yap Kow @ Yap Kim Fah

62 years of age, Malaysian

Chairman / Managing Director

Member of the Remuneration Committee

Mr. Yap was appointed to the Board on 30 March 2004. He is the founder and Managing Director of Amalgamated Metal Corporation (M) Sdn. Bhd. (AMC). His working career started in 1968 as a welder at Brown & Root / McDermott Ltd, one of the largest engineering, construction and maintenance companies in the world. He left Brown & Root in 1974 and joined Industrial Boiler Allied Equipment Sdn. Bhd., a company dealing in the manufacture 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 in the fabrication, welding and provision of engineering services. With his vast experience and technical expertise in the manufacture of process equipment in the oil and gas industry, Mr. Yap set up AMC in 1989 and was instrumental in the growth of the company from its early years, providing strategic directions and leadership for the company, thus establishing the company as one of the major players in the industry. He is also a Director of several other private companies. His current responsibilities include providing strategic directions and leadership for the Group.

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

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

Tan Teng Khuan

51 years of age, Malaysian

Chief Operating Officer / Executive Director

Member of the Remuneration Committee

Mr. Tan was appointed to the Board on 30 March 2004. His current responsibilities include overseeing all corporate, strategic, financial, personnel and investment matters of the Group. He is also one of the key personnel dealing with the corporate affairs and investment relation of the Group. Mr. Tan has over twenty (20) years of experience in banking, equity research and the corporate sector. He received an Honours Degree in Bachelor of Technology in Industrial Engineering & Management and Master of Business Studies in Business Administration & Finance in New Zealand. He later obtained a Diploma in Banking from the New Zealand Bankers Institute and the Diploma in Management from the New Zealand Institute of Management. His working career began in 1979 as a Development Engineer at 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, he worked as Credit & Marketing Officer at Lee Wah Bank Limited, Malaysia and subsequently promoted to Senior Credit Officer in 1987 and Deputy Manager in 1988 at the same establishment. He left the bank in 1988 and joined Asia Commercial Finance (M) Berhad as Loans Supervision Manager and in 1990, he was with Metroplex Berhad as Senior Corporate Investment and Planning Manager. Mr. Tan moved from the corporate sector to equity market in 1992 as a Senior Investment Analyst with GK Goh Research Pte Ltd where he undertook equity research on the 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 the research team and was responsible for strategy equity research on the banking and finance sectors and macro research on Malaysia. He was subsequently promoted to Chief Representative for Malaysia in 1997. In 1999, he was the Senior Vice President, Business Development at Hwang-DBS Securities Berhad and in 2001, he was with SJ Asset Management Sdn. Bhd. as Senior Vice-President, Private Equity and also became the Managing Partner at SJAM Capital Partners Sdn. Bhd. that same year.

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

directors' profile (cont'd)

Lim Lye Hock

51 years of age, Malaysian

Executive Director

Mr. Lim was appointed to the Board on 30 March 2004. He is the founder and Project Director of Benmarl. His involvement in air conditioning industry started in 1983 and in subsequent years Benmarl expanded its contracting business by undertaking work packages in mechanical & electrical (M&E) services. During late 1990s, Benmarl completed two (2) M&E hotel projects in Cambodia and Sudan. He has been the Managing Director of Benmarl since its establishment in September 1986 and has been responsible for the overall management of the company. Mr. Lim attended product and technical training with air-condition equipment manufacturers including Daikin (Japan), Trane (USA) and York (Malaysia) on equipment and design applications. He also attended seminars conducted by Flanders Precision Aire (USA) and FARR Company (USA) on clean room air filtration systems. Other seminars and courses attended by Mr. Lim were on Indoor Air Quality (IAQ), building management system, home automation & security systems, renewable energy, hydrology and sustainable development. He is also a Director of several private companies.

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

His brother, Mr. Lim Hong Liang, is a substantial shareholder of the Company.

Johari Low Bin Abdullah @ Low Han Hing

57 years of age, Malaysian

Non-Independent Non-Executive Director

Member of the Audit Committee

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

He currently runs his own consultancy practices and serve as Chairman of the Rockwills International Group. He also sits on the Board of Nam Fatt Corporation Bhd, Kumpulan Powernet Berhad and Global Carriers Berhad.

Yap Kau @ Yap Yeow Ho

64 years of age, Malaysian

Non-Independent Non-Executive Director

Mr. Yap was appointed to the Board on 30 March 2004. He started his career in the transportation sector and served as an Operation Manager at TTS Transport Sdn Bhd from 1977 to 1984. He has been a Director of TTS Transport Sdn Bhd since 1984. He had been conferred the titles of Pingat Jasa Khidmat, Ahli Mahkota Pahang and Setia Mahkota Pahang by Duli Yang Maha Mulia Sultan Pahang in year 1990, 1996 and 1999 respectively.

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

His brother, Mr. Yap Kow @ Yap Kim Fah, is the Chairman and Managing Director of the Company.

directors' profile (cont'd)

Mak Fong Ching

51 years of age, Malaysian

Independent Non-Executive Director

Chairperson of the Audit Committee/ Member of the Remuneration Committee/ Member of the Nomination Committee

Miss Mak was appointed to the Board on 27 January 2004. She is a member of the Australian Certified Public Accountant and the Malaysian Institute of Certified Public Accountants (MICPA). Ms Mak started her career in the government service, in the Inland Revenue Department, as a Tax Examiner from 1977 to 1980. She then went on to further her education in the University of Malaya where she graduated with an Honours Degree (Second Class Upper) in Bachelor of Accounting in 1984. Ms Mak joined a top five (5) accounting firm in Kuala Lumpur as a Tax/Audit Senior from 1984 to 1987. She worked in a local bank as an officer and subsequently as an Assistant Manager in the Loans Recovery Division of another financial institution before pursuing her studies in Australia in 1991. She joined JB Were & Sons, Australia from 1993 to 1995 as an Assistant to the Group Management Accountant. From 1995 to 1998, she was an Investment Analyst in Deutsche Securities specialised in the banking, finance, insurance and stockbroking sectors. Thereafter, she worked briefly as a Group Accountant in a housing construction group before attaching to Danaharta Urus Sdn Bhd in 1999 to undertake a role in loan rehabilitation and recovery. Subsequently, she worked for more than six years in a research role for the investment department of SJ Asset Management Sdn. Bhd. before her current role as a fund manager in a local investment management company.

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

Muhayuddin Bin Musa

45 years of age, Malaysian

Independent Non-Executive Director

Chairman of Remuneration Committee/ Member of Audit Committee/ Member of Nomination Committee

Encik Muhayuddin, was appointed to the Board since 10 December 2001. He holds a Bachelor of Commerce (Honours) degree from Carleton University, Ottawa, Canada.

He began his career as a Financial Officer at Lembaga Letrik Negara (LLN). Thereafter he joined the banking industry marking his tenure in the private sector. He held various positions in both local and foreign banks. Subsequently he joined Federal Furniture Holdings (M) Bhd as Corporate Affairs Manager and also as Managing Director of one of the Group subsidiaries.

Encik Muhayuddin is presently the Chief Executive Officer of Computer Forms (Malaysia) Berhad.

Currently, he also sits on the Board of Malpac Holdings Berhad, Computer Forms (Malaysia) Berhad and its subsidiary companies.

Chua Eng Seng

62 years of age, Malaysian

Independent Non-Executive Director

Chairman of the Nomination Committee/ Member of the Audit Committee/ Member of the Remuneration Committee

Mr. Chua was appointed to the Board on 30 January 2004. He graduated with a Bachelor of Mechanical Engineering (Honours) from the University of Malaya. He served with the Malaysian Industrial Development Authority ("MIDA") from 1971 to 2000, during which time, he 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. His last position before retirement from Government was Deputy Director General of MIDA.

Mr. Chua presently sits on the Board of several private companies.

He is also the Independent Non-Executive Director of Hirotako Holdings Berhad.

Note:

- None of the directors other than Mr. Yap Kow @ Yap Kim Fah, Mr. Yap Kau @ Yap Yeow Ho and Mr. Lim Lye Hock, have any family relationship with any director and/or major shareholders of the Company.
- The Group has entered into recurrent related party transactions with parties in which the directors of the Company, namely Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho have direct and/or indirect interest in Note 21 in the accompanying financial statements. Save as disclosed above, none of the other directors have any conflict of interest with the Group.
- None of the directors have been convicted of any offences within the past ten (10) years other than traffic offences, if any.

chairman statement

Dear Valued Shareholders

On behalf of the Board of Directors, I have the pleasure of presenting the annual report and financial statements of APB Resources Berhad and its subsidiary companies ("Group") for the financial year ended 30th September 2006.

FINANCIAL REVIEW

The operating environment for the financial year 2006 was rather volatile. Although demand was very strong and the fabrication sector was experiencing capacity shortage, fabricators themselves were facing raw material shortages and price volatility, coupled with transportation bottlenecks. Given such an operating environment, the Group's performance for the financial year ended 30th September 2006 became mediocre. While performance at the revenue level was commendable, profitability was eroded by late delivery charges and some cost overrun on a few projects.

Revenue rose 55% year-on-year (yoy) from RM130 million to RM202 million vis-à-vis the preceding year, driven by strong demand for process equipment in the oil & gas, petrochemical and oleo-chemical sectors. However, capacity and certain raw material supply constraints at the Group's fabrication division resulted in late delivery charges and cost overrun for a few projects. These charges together with a one-off charge of RM 1.0 million in another division were largely responsible for the decline in pre-tax profit of 22% from RM17.4 million to RM13.5 million over the period. However, the impact was reduced by higher tax incentives (reinvestment allowance), which resulted in a lower effective tax expense. Overall, the after-tax profit declined 4% to RM12.0 million for the financial year ended 30th September 2006.

The Fabrication division, the principal revenue and profit contributor to the Group, accounted for 93% and 94% of the year's revenue and pretax profit respectively. Fabrication revenue rose 33% over the period mainly from buoyant overseas demand while the domestic market was rather quiet. Continued capital spending for both upstream production and downstream petrochemical facilities particularly in the Middle-East was a major source of demand. The second half of FY2006 also saw sharp demand for process equipment for the oleo-chemical industry in Indonesia. Global demand from the power/energy sector was strong throughout the year.



Yap Kow @ Yap Kim Fah
Chairman / Managing Director



chairman statement (cont'd)

Notwithstanding the strong demand, the fabrication sector went through a very volatile period on the supply side. Prices of principal raw materials such as steel plates shot up by a few hundred per cent during the year. While the Group generally managed to hedge against the price hike and passed the increase to customers, the biggest problem was the severe supply shortage of certain composite steel plates. Despite normal commitment from suppliers to deliver within the stipulated time, actual delivery was many months behind schedule. As there are only a few global suppliers for such materials, it was essentially a 'suppliers market' where the only recourse for late delivery was canceling the orders. Given the tight supply situation, other buyers were most willing to take up any cancellations despite the high prices. It was unfortunate that the Group secured a few projects under such circumstances that resulted in late delivery penalty charges by the customers. Arising from these instances, the Group has adopted appropriate policies and strategies to prevent future recurrence. For certain specialized material equipments, the Group would request for either longer contract periods or the contract period to commence upon arrival of materials or the customers to supply such materials.

During the financial year, the fabrication division was also experiencing capacity constraints. The raw materials supply and transportation bottleneck which disrupted production schedules, exacerbated the tight capacity situation. As a result, production costs for a few projects overshot the budget. These cost overruns had also shaved overall margins. However, the capacity situation has somewhat been mitigated by the addition of some new capacity at both the Subang and the Kuantan factories.

The Group's Non-destructive Testing division recorded a commendable increase in after-tax profit of 71% yoy to RM0.8 million, benefiting from the buoyant fabrication sector. It accounted for 6% of the Group's after-tax profit.

Although the operating environment continued to be very difficult for the Group's Mechanical, Electrical and Industrial Air-conditioning division (MEIA), its performance improved and was operationally in the black. However, the division made a one-off charge of RM1.0 million for expenditure incurred to develop mini hydro power projects and other write-off.

Given its relatively strong cash position, the Group was able to finance its capital expenditure and dividends through internally-generated funds. Its financial position remains healthy with a cash balance of RM18 million or cash per share of 20.4 sen as at 30th September 2006.

PROSPECTS

The current strong momentum of the fabrication division is expected to continue into 2007 and remain the dominant driver of the Group's earnings. Steady profit growth can also be expected from the Non-destructive Testing division while the MEIA unit will hold its own, barring unforeseen circumstances.

Global demand outlook for metal fabrication remains very favourable at least for the next three to four years given the huge capital expenditure allocation for oil & gas production, petro-chemical, oleo-chemical and energy projects that have been planned and/or are at various stages of implementation. These sectors are the mainstay of the metal fabrication industry. Current huge capital spending in both upstream and downstream activities of the oil, gas and petro-chemical sectors in the Middle-East and various parts of Asia, should continue for a number of years given that crude oil prices are still at relatively high levels, albeit they are off the peaks. At such levels, global oil production remains highly profitable, creating an impetus for continued sizeable capital expenditure. On the domestic front, we anticipate capital expenditure to pick up in the oil and gas sector after a few years of lull, as Petronas has planned to boost its oil & gas output and export level over the next five years.

Economic recovery in the major developed countries and rapid economic expansion in highly populated countries such as China and India, and emerging economies like Vietnam and Indonesia are creating greater demand for energy. We should see continued huge capital spending for additional capacity in the power sector for many years to come. Rising energy costs are forcing utility companies in developed countries to upgrade old inefficient power plants. The anticipated spending will continue to drive the power sector demand for process equipment.

Local fabricators should start to enjoy a moderate pick up in domestic demand for process equipment arising from increasing activities of the oil & gas sector and the oleo-chemical industry. Rapid expansion in oil palm acreage in the past few years in East Malaysia has raised production levels of crude palm oil, thereby necessitating higher capital

chairman statement (cont'd)

expenditure for downstream oleo-chemical processing capacity and also bio-diesel facilities. This augurs well for the process equipment suppliers going forward. However, the continued excess capacity situation in the local power sector will persist, resulting in low capital spending.

Our neighbour, Indonesia, has been and will continue to be hungry for process equipment. Its oil and gas, and power sectors are expected to attract massive capital investment while the oleo-chemical industry has gathered momentum in recent months and this should remain for some years after recent announcements of huge foreign participation in the country's bio-fuel sector.

Recently, the Group observed some encouraging signs in the global steel and logistics situation. Price volatility has subsided somewhat while the supply situation is gradually normalizing. Should such a trend continue, we foresee a more conducive operating environment ahead, however the strengthening of Ringgit vis-a-vis US Dollar may have slight impact on margin.

In the light of the favourable outlook for the fabrication sector, the Group is encouraged to continue with its effort in exploring opportunities for expansion. Rest assured, the Group will maintain its cautious and prudent stance in all its investments.

DIVIDEND

The Board has recommended a final dividend of 2.5% less 28% tax per ordinary share for the year ended 30th September 2006. This dividend (upon approval by shareholders at the forthcoming Fifth Annual General Meeting) together with the interim dividend of 3.5% paid earlier, will bring the total dividend for the financial year to 6.0% (5.5% for 2005).

ACKNOWLEDGEMENT

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

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

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



statement on corporate governance

The Board of Directors of APB Resources Berhad (the Board) is committed to the standard of corporate governance as prescribed in the Malaysian Code on Corporate Governance (the Code). The Board is committed to ensure that the highest standards of corporate governance are practiced throughout the Group to protect and enhance shareholder value and the financial performance of the Group.

1 THE BOARD OF DIRECTORS

1.1 The Board

The Group is controlled and led by a Board of Directors which has the overall responsibility for the corporate governance, the strategic direction, major capital expenditure, investment and the consideration of significant financial matters. The Board comprises members from diverse professional backgrounds with vast experience of a mixture of technical, entrepreneurial and financial skills.

During the financial year, the Board met five (5) times. The number of meetings attended by each director is as follows:

Name of Directors	No. of Meetings Held	No. of Meetings Attended
Yap Kow @ Yap Kim Fah (<i>Chairman/Managing Director</i>)	5	5
Tan Teng Khuan (<i>Chief Operating Officer/Executive Director</i>)	5	5
Lim Lye Hock (<i>Executive Director</i>)	5	4
Cheong Boon Yu (<i>Executive Director</i>)-Retired on 24 March 2006	3	2
Johari Low bin Abdullah @ Low Han Hing (<i>Non-Independent Non-Executive Director</i>)	5	4
Yap Kau @ Yap Yeow Ho (<i>Non-Independent Non-Executive Director</i>)	5	4
Mak Fong Ching (<i>Independent Non-Executive Director</i>)	5	5
Muhayuddin bin Musa (<i>Independent Non-Executive Director</i>)	5	4
Chua Eng Seng (<i>Independent Non-Executive Director</i>)	5	5

1.2 Board Balance

The Board is well balanced with Executive and Non-Executive Directors to meet the requirement of the Group. There are currently eight (8) members on the Board, comprising three (3) Executive Directors, two (2) Non-Independent Non-Executive and three (3) Independent Non-Executive Directors.

The roles of the Chairman and the Managing Director are combined as he possesses the intimate knowledge and experience in the core business activities of the Group. Notwithstanding this, the functionality of the Board is not compromised as the five Non-Executive Directors on the Board are respected professionals in their own rights who have demonstrated their continued professionalism in the discharge of their duties.

1.3 Supply of Information

Meetings are scheduled in advance for sufficient notice to be given and information to be prepared and circulated in a timely manner. Members have unrestricted access to timely and accurate information, which is not confined to quantitative but also other qualitative information as required. All Board members in discharging their respective duties, exercise balanced and independent judgements when deliberating on matters concerning strategies, operations, financials and investments in relation to the Group.

1.4 Re-election of Directors

In accordance with the Articles of Association of the Company, at least one-third of the Directors will retire by rotation at each Annual General Meeting and all the Directors will retire from office at least once every three years. Directors scheduled for retirement shall be eligible for re-election.

statement on corporate governance (cont'd)

1.5 Directors' Training

All the Board members have attended and completed the Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad. The directors are encouraged to attend continuous programmes and seminars to keep abreast with laws and regulations, development in the market place and the best practices. During the financial year, the Directors attended a one day seminar covering the new Financial Reporting Standards.

1.6 Sub-Committees

To ensure the most effective and professional discharge of duties, three (3) sub-committees were formed to focus on specific areas, namely, the Audit Committee, Nomination Committee and Remuneration Committee, each operating within clearly defined terms of references. The details of these committees are set below. These committees are empowered to examine specific issues under their respective purview and to henceforth, make recommendations to the Board accordingly. However, the ultimate responsibilities and final decisions rest with the Board.

a) Audit Committee

The Audit Committee assists the Board to meet its responsibilities regarding financial reporting and strengthens the independence of external auditors through the ability to communicate with Non-Executive Directors. Its role also includes monitoring the works of the internal audit unit.

The Audit Committee comprises of three (3) Independent Non-Executive directors and one (1) Non-Independent Non-Executive director. The composition of the Committee is as follows:

Mak Fong Ching (Miss) – Chairperson (Independent Non-Executive Director)
Muhayuddin bin Musa - (Independent Non-Executive Director)
Chua Eng Seng - (Independent Non-Executive Director)
Johari Low bin Abdullah @ Low Han Hing – (Non-Independent Non-Executive Director)

The Report of the Audit Committee for the financial year is set out on pages 14-16.

b) Nomination Committee

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

Chua Eng Seng – Chairman
Muhayuddin bin Musa
Mak Fong Ching

The Nomination Committee's roles are as follows:

- assessment and recommendation of new directors to the Board and Board Committees;
- annual assessment on the effectiveness of the Board, the various Board Committees and the contribution of individual Board members; and
- annual review on the composition of skills, experience and balance of Board members, in particular, the composition of non-executive directors, to ensure the effectiveness of the Board as a whole.

statement on corporate governance (cont'd)

c) Remuneration Committee

The Remuneration Committee is made up of five (5) members of the Board, comprising three (3) Independent Non-Executive Directors and two (2) Executive Directors. The composition of the Committee is as follows:

Muhayuddin bin Musa - Chairman
Chua Eng Seng
Mak Fong Ching
Yap Kow @ Yap Kim Fah
Tan Teng Khuan

The main roles of the Remuneration Committee are as follows:

- to make the necessary recommendations to the Board in regard to executive remuneration, in particular, remuneration packages pertaining to the Executive Directors; and
- to review and recommend the annual salary increments of the Executive Directors to ensure that the remunerations commensurate to performance and market rates.

However, the Board ultimately determines the remuneration packages of the Executive and the Non-Executive Directors and members are required to abstain from participating in any deliberations regarding their own remuneration.

2 DIRECTORS' REMUNERATION

The aggregate of the Directors' remuneration received and/or receivable for the full twelve (12) months during the financial year ended 30 September 2006 are as follows:

	Executive RM	Non-Executive RM
Salaries and bonuses	637,644	-
Directors' fees	20,000	85,000
	657,644	85,000

Number of Directors whose remuneration falls within the respective bands is as follows:

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

3 SHAREHOLDER

3.1 Communication and Investor Relations

The Board recognises the need and importance for the shareholders to be adequately informed of all material business matters pertaining to the company. It values regular communication with the shareholders. Various regular and timely announcements were made throughout the year, including quarterly results and Annual Report which will provide an overview of the Group business operations and financial performance. The Group will also use the Company's Annual General Meeting as a forum to further communicate to the shareholders, where such issues like the group's strategies, goals, business and financial performances and major developments within the Group can be discussed. Additionally, the Group's Corporate & Finance Division will be available to meet institutional investors and investment analysts from time to time to explain and provide information pertaining to the Group's direction and performance.

statement on corporate governance (cont'd)

Mr. Tan Teng Khuan, the Executive Director/Chief Operating Officer has been designated as the Group's principal investor relations officer. Investors can direct their queries to him. Shareholders and members of the public can also obtain information of the Company through Bursa Malaysia's website at www.bursamalaysia.com. All announcements, including full versions of its quarterly results announcement and Annual Report, are published and accessible.

3.2 Annual General Meeting

The Board recognises that the Annual General Meeting (AGM) is an important forum for the shareholders, regardless of their stature, to keep abreast of the Group's performance and direction. The Company will hold its Fifth AGM on 27 March 2007 at 10.00 a.m.

At the AGM, the Board will present the progress and performance of the Group's businesses as contained in the annual report and provide opportunity for shareholders to raise questions pertaining to the business activities of the Group. All Directors are available to respond to shareholders' questions during the meeting.

4 ACCOUNTABILITY & AUDIT

4.1 Financial Reporting

The Group's financial statements were prepared in accordance to the Companies Act, 1965 with the approved accounting standards so as to give a true and fair view of the state of affairs of the Group at the end of the financial year. In preparation of the financial statements, the Directors aim to present a balanced and accurate assessment of the Group's financial position and prospects. The Group's financial statements and quarterly announcements are reviewed and deliberated by the Audit Committee in the presence of senior staff members of the Corporate and Finance Division and the external auditors and internal auditors are encouraged to attend whenever possible.

All financial statements and quarterly announcements have to be adopted by the Audit Committee first before recommending them for adoption by the Board of Directors. The Audit Committee Chairman will brief the Board of any significant matters including material changes that need to be made to the financial statements and quarterly announcements.

4.2 Internal Control

The Board has the overall responsibility for monitoring a sound system of internal control to safeguard shareholders' investment and the Group's assets by identifying principal risks and ensuring the implementation of appropriate systems to manage these risks. The Board working together with the management is committed to the continuous process of enhancing the Group's system of internal controls, which takes into account the changes in the external and internal environment of the Group.

The Group's Internal Control Statement is set out on page 17.

4.3 Relationship with the auditors

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

The role of the Audit Committee in relation to the external and internal auditors is stated on pages 14-16.

This Corporate Governance Statement has been approved and signed by the Board of Directors in accordance with the resolution dated 23 January 2007.

audit committee report

1. Membership and Meetings

The Audit Committee comprises of four (4) members. Three (3) members of the Committee are independent non-executive directors and one (1) is a non-independent non-executive director.

The members of the Committee are:-

- Ms. Mak Fong Ching - Chairperson (Independent Non-Executive Director)
- En. Muhayuddin bin Musa (Independent Non-Executive Director)
- Mr. Chua Eng Seng (Independent Non-Executive Director)
- En. Johari Low bin Abdullah @ Low Han Hing (Non-Independent Non-Executive Director)

Five meetings were held during the financial year and the record of attendance for each member of the Audit Committee is as follow:-

Name of Directors	No. of Meetings Held	No. of Meetings Attended
Mak Fong Ching	5	5
Muhayuddin bin Musa	5	4
Chua Eng Seng	5	5
Johari Low bin Abdullah @ Low Han Hing	5	4

2. TERMS OF REFERENCE

COMPOSITION

The Audit Committee shall consists of not less than three (3) members, the majority of whom shall comprise independent directors, one of whom shall be in compliance with Part C – 15.10 (c) of the Bursa Malaysia Berhad's Listing Requirement. The Chairman of the Committee shall be an independent director.

MEETINGS

Meetings shall be held not less than four (4) times a year. The external auditor may request a meeting if he considers that one is necessary to discuss matters which he believes should be brought to the attention of the Committee.

The external auditor shall appear before the Committee when required to do so. The external auditor shall have the right to appear and be heard at any meeting of the Committee. At least once a year, the Committee shall meet with the external auditor without any executive Board member present.

The Company Secretary shall be the Secretary of the Committee.

QUORUM

The quorum for each meeting shall be a majority of members who are independent directors.

audit committee report (cont'd)

OBJECTIVES

The primary objectives of the Audit Committee are:

- a) to act as a committee of the full Board to assist in discharging the Board's responsibilities as they relate to the Company's management and internal controls, accounting policies and financial reporting;
- b) to provide, by way of regular meetings, a line of communication between the Board and the auditors;
- c) to enhance the perceptions held by other interested parties (such as shareholders, regulators and creditors) of the credibility and objectivity of financial reports.

AUTHORITY

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

The Committee is authorised by the Board to obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

RESPONSIBILITIES

The Audit Committee shall have the following responsibilities:

- 1 to review with the external auditors:
 - the audit plan;
 - their evaluation of the system of internal controls;
 - the audit report on the financial statements; and
 - the assistance given by the Company's officers to the auditors;
- 2 to review the quarterly and year-end financial statements with management and the auditors prior to them being approved by the full Board;
- 3 to review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- 4 to review any letter of resignation from the external auditors;
- 5 to nominate external auditors for the Company;
- 6 to review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- 7 to review the internal audit programme, processes, and the results of the internal audit programme, processes or investigation undertaken and whether management has taken appropriate actions;
- 8 to review the effectiveness of management information and other systems of control within the Company;
- 9 to review arrangements established by management for compliance with any regulatory or other external reporting requirements;
- 10 to review the accounting policies adopted, any changes in accounting principles or practices, and level of prudence applied in areas requiring judgment;

audit committee report (cont'd)

- 11 to review interim financial information and press releases relating to financial matters of importance;
- 12 to review any significant transactions which are not a normal part of the Company's business;
- 13 to review the co-ordination of audit approach between the external and internal auditors;
- 14 to confirm that management has placed no restrictions on the scope of audits; and
- 15 to perform such other functions as may be agreed to by the Audit Committee and the Board of Directors.

3. SUMMARY OF ACTIVITIES

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

In line with the term of reference of the Committee, the following activities were carried out during the year:-

- review of the internal auditors' appointment, scope of work and their audit plan;
- review with the external auditors without the presence of executive directors and management;
- review with the external and internal auditors, the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of audit;
- review of the related party transactions entered into by the Group and the disclosure of such transactions in the annual report;
- review of the quarterly unaudited financial results announcements and annual financial statements prior to recommending the same for the approval of the Board;
- review of the Company's compliance with the Listing Requirements, the applicable approved accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.

4. INTERNAL AUDIT FUNCTION

During the first nine months of the financial year, the Company outsourced its Internal Audit Function to an independent professional firm and subsequently appointed an in-house internal auditor who has since resigned. Consequently, the Group has again decided to outsource the internal audit function and is therefore in the midst of identifying a suitable consulting firm to undertake the function.

The internal audit function focused on reviewing the effectiveness of existing controls and procedures in core risk areas. After each audit, the findings and recommendations for improvement were communicated to the management for their responses and corrective actions, if necessary. The internal audit reports with the management responses were submitted to the Audit Committee for their review and subsequently recommending to the Board for strengthening the internal controls and corporate governance of the Group.

statement of internal control

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and Group's assets. Bursa Malaysia Securities Berhad's Listing Requirements require directors of the listed companies to include, in annual reports, a statement on the state of their internal controls.

RESPONSIBILITY

The Board is aware of its responsibility for maintaining a sound system of internal control that would provide reasonable assurance in monitoring the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Board also recognises that reviewing the adequacy of the Group's system of internal control is a concerted and continuous process, and the systems put in place are designed to manage rather than to eliminate risks. Therefore, internal controls can only provide reasonable but not absolute assurance against material misstatement, losses or failure to achieve management's objectives.

KEY PROCESSES OF INTERNAL CONTROL

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

1. A clearly defined delegation of responsibilities, organization structure and appropriate authorization levels have been established by the Board for the Committee of the Board and to the management of the key operating companies in the Group.
2. The Board meets quarterly to deliberate on the Group's financial performance, business development, management and corporate issues.
3. An Executive Committee (EXCO) was established comprising key members of senior management. The EXCO's principal role is to deliberate on strategic matters, capital expenditures, investment matters, remuneration and other major corporate and operational issues. Issues deliberated at the EXCO are subsequently tabled to the Board for final approval.
4. The Environment, Safety and Health (ESH) Committee at a major subsidiary comprising representatives from various departments meet periodically to deliberate on staff safety and health issues to ensure compliance with the ESH Policy.
5. Internal audits were conducted to review the adequacy of the internal control system and the effectiveness of 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.

During the first nine months of the financial year, the Company outsourced its Internal Audit Function to an independent professional firm and subsequently appointed an in-house internal auditor who has since resigned. Consequently, the Group has again decided to outsource the internal audit function and is therefore in the midst of identifying a suitable consulting firm to undertake the function.

CONCLUSION

During the year under review, a number of internal control weaknesses were identified and all of which have been, or are being addressed. Some of these weaknesses have resulted in losses as disclosed in the Chairman's Statement.

The Board confirms that there is an ongoing process of identification, assessment and management of significant business issues and risks facing the Group.

The Board, working together with the management, is committed to the continuous process of enhancing the Group's system of internal controls, which takes into account the changes in the external and internal environment of the Group.

This statement is made in accordance with a resolution of the Board dated 23 January 2007.

disclosure requirements pursuant to the listing requirements of the bursa malaysia securities berhad

REMUNERATION OF DIRECTOR

The details of remuneration of directors are stated on Page 12.

UTILISATION OF PROCEEDS

The gross proceeds amounted to RM21.002 million arising from the listing of the Company on 6th May 2004, have been fully utilised by the Company over three (3) financial years ended 30 September 2006.

SHARE BUY-BACK

The Company has not undertaken any share buy-back exercise for the financial year ended 30 September 2006.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, the Company did not issue any options, warrants or convertible securities.

AMERICAN DEPOSITORY RECEIPT (ADR) / GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMMES

The Company did not sponsor any ADR or GDR programmes during the financial year.

IMPOSITION OF SANCTIONS / PENALTIES

There were no public imposition of sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies during the financial year.

NON-AUDIT FEES

There were no non-audit fees paid by the Group to external auditors, KPMG for the financial year ended 30 September 2006.

disclosure requirements pursuant to the listing requirements of the bursa malaysia securities berhad (cont'd)

PROFIT ESTIMATE, FORECAST OR PROJECTION

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

PROFIT GUARANTEE

The Company did not give any profit guarantee to any parties during the financial year.

MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

There were no material contracts of the Company and subsidiary companies involving directors and substantial shareholders.

There were no contracts relating to loan entered into by the Company and its subsidiaries which involve the Directors' and major shareholders' interests since the previous financial year ended 30 September 2005.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

At the forthcoming Annual General Meeting, the Company intends to seek its shareholders' approval to renew the related party transactions and secure a new shareholders' mandate for recurrent related party transactions of a revenue or trading nature. The details of the shareholders' mandate to be sought will be furnished in the Circular to Shareholders dated 1 March 2007 attached to this Annual Report.

The details of related party transactions are stated in Note 21 to the Financial Statements.

REVALUATION POLICY ON LANDED PROPERTIES

The Group does not adopt a policy on regular revaluation of its landed properties.

statement of directors' responsibility for preparing the financial statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgement and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared the financial statement on a going concern basis.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company and which enable them to ensure that financial statements comply with the Companies Act, 1965 and applicable approved accounting standards.

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

The Statement of Directors pursuant to Section 169(15) of the Companies Act, 1965 is set out on Page 26.

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Financial Statements



directors' report

for the year ended 30 September 2006

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 September 2006.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of its subsidiaries are stated in Note 22 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
Net profit for the year	12,021,681	20,392,274

RESERVES AND PROVISIONS

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

DIVIDENDS

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

- i) a final dividend of 2.0% per share less 28% tax totalling RM1,268,240 in respect of the year ended 30 September 2005 on 17 April 2006.
- ii) an interim dividend of 3.5% per share less 28% tax totalling RM2,219,420 in respect of the year ended 30 September 2006 on 3 July 2006.

The final dividend recommended by the Directors in respect of the year ended 30 September 2006 is 2.5% per share less 28% tax totalling RM1,585,300 which is subject to shareholders' approval at the forthcoming Annual General Meeting.

DIRECTORS OF THE COMPANY

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

Muhayuddin Bin Musa
Mak Fong Ching
Yap Kow @ Yap Kim Fah
Yap Kau @ Yap Yeow Ho
Lim Lye Hock
Tan Teng Khuan
Johari Low Bin Abdullah @ Low Han Hing
Chua Eng Seng
Cheong Boon Yu (retired on 24 March 2006)

directors' report (cont'd)

for the year ended 30 September 2006



DIRECTORS OF THE COMPANY (CONT'D)

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

	Number of ordinary shares of RM1.00 each			
	At 1.10.2005	Bought	Sold	At 30.9.2006
Direct interest in the Company				
Muhayuddin Bin Musa	1	-	-	1
Yap Kow @ Yap Kim Fah	10,441,381	-	-	10,441,381
Yap Kau @ Yap Yeow Ho	33,000	-	-	33,000
Tan Teng Khuan	1,993	-	-	1,993
Lim Lye Hock	1,326,566	-	(114,000)	1,212,566
Johari Low Bin Abdullah	20,522	-	-	20,522

Indirect interest in the Company

Yap Kow @ Yap Kim Fah	29,372,257	1,517,000	(2,100,000)	28,789,257
Yap Kau @ Yap Yeow Ho	3,452,257	-	-	3,452,257
Tan Teng Khuan	25,920,000	1,517,000	(2,100,000)	25,337,000
Lim Lye Hock	25,920,000	1,517,000	(2,100,000)	25,337,000

	Number of irredeemable convertible preference shares of RM1.00 each			
	At 1.10.2005	Bought	Sold	At 30.9.2006
Direct interest in the Company				
Yap Kow @ Yap Kim Fah	3,975,023	-	-	3,975,023
Tan Teng Khuan	242,102	-	-	242,102
Lim Lye Hock	745,879	-	(375,000)	370,879
Johari Low Bin Abdullah	468,063	-	(468,063)	-

Indirect interest in the Company

Yap Kow @ Yap Kim Fah	14,164,958	-	-	14,164,958
Yap Kau @ Yap Yeow Ho	1,664,958	-	-	1,664,958
Tan Teng Khuan	12,500,000	-	-	12,500,000
Lim Lye Hock	12,500,000	-	-	12,500,000

By virtue of their interest in the Company, the above Directors are also deemed interested in the shares of all its wholly owned subsidiaries during the financial year to the extent that APB Resources Berhad has an interest.

None of the other Directors holding office at 30 September 2006 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.



directors' report (cont'd)

for the year ended 30 September 2006

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of related companies) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who may be deemed to derive a benefit by virtue of trading transactions in the ordinary course of business between the Company or its related corporations and companies in which the Directors have interests as disclosed in Note 21 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES OR DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

directors' report (cont'd)

for the year ended 30 September 2006



OTHER STATUTORY INFORMATION (CONT'D)

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 September 2006 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

Yap Kow @ Yap Kim Fah

Tan Teng Khuan

Kuala Lumpur,

Date: 23 January 2007



statement by directors

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

In the opinion of the Directors, the financial statements set out on pages 28 to 60 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 September 2006 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

Yap Kow @ Yap Kim Fah

Tan Teng Khuan

Kuala Lumpur,
Date: 23 January 2007



statutory declaration

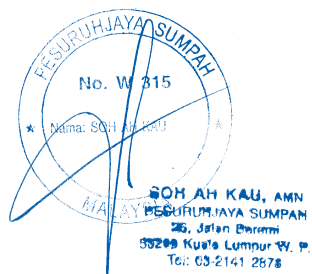
pursuant to Section 169(16) of the Companies Act, 1965

I, Ng Le Leng, the officer primarily responsible for the financial management of APB Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 28 to 60 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 23 January 2007.

Ng Le Leng

Before me:



auditors' report

to the members of APB Resources Berhad



We have audited the financial statements set out on pages 28 to 60. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 30 September 2006 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Peter Ho Kok Wai
Partner
Approval Number: 1745/12/07(J)

Kuala Lumpur,
Date: 23 January 2007



balance sheets

as at 30 September 2006

	Note	Group 2006 RM	2005 RM	Company 2006 RM	2005 RM
Property, plant and equipment	2	51,055,043	43,230,577	-	-
Investments in subsidiaries	3	-	-	76,837,002	76,837,000
Other investments	4	125,885	129,585	-	-
Goodwill on consolidation	5	15,209,905	15,209,905	-	-
		66,390,833	58,570,067	76,837,002	76,837,000
Current assets					
Inventories	6	11,348,886	5,032,672	-	-
Trade and other receivables	7	86,038,535	53,382,639	41,095,241	18,554,068
Tax recoverable		269,637	-	31,761	-
Cash and cash equivalents	8	17,832,157	27,305,399	1,498,791	7,954,636
		115,489,215	85,720,710	42,625,793	26,508,704
Current liabilities					
Trade and other payables	9	42,258,082	22,043,192	5,757,214	6,094,741
Borrowings (secured)	10	21,114,421	8,481,974	-	-
Taxation		175,744	2,729,689	-	251,176
		63,548,247	33,254,855	5,757,214	6,345,917
Net current assets		51,940,968	52,465,855	36,868,579	20,162,787
		118,331,801	111,035,922	113,705,581	96,999,787

balance sheets (cont'd)

as at 30 September 2006



	Note	Group 2006 RM	2005 RM	Company 2006 RM	2005 RM
Financed by:					
Capital and reserves					
Share capital	11	110,663,878	108,730,978	110,663,878	108,730,978
Retained profits/(Accumulated losses)		2,401,987	(5,933,214)	830,579	(15,875,215)
Shareholders' funds		113,065,865	102,797,764	111,494,457	92,855,763
Long term and deferred liabilities					
Borrowings (secured)	10	80,454	242,134	-	-
Deferred tax liabilities	13	2,974,358	3,852,000	-	-
Irredeemable Convertible Preference Shares	11	2,211,124	4,144,024	2,211,124	4,144,024
		5,265,936	8,238,158	2,211,124	4,144,024
		118,331,801	111,035,922	113,705,581	96,999,787

The financial statements were approved and authorised for issue by the Board of Directors on 23 January 2007.

The notes set out on pages 35 to 60 form an integral part of, and should be read in conjunction with, these financial statements.



Income statements

for the year ended 30 September 2006

			Group		Company
	Note	2006	Restated	2006	Restated
		RM	2005	RM	2005
			RM		RM
Revenue	14	202,299,803	130,467,748	29,390,926	9,081,979
Cost of sales		(175,573,043)	(101,989,796)	-	-
Gross profit		26,726,760	28,477,952	29,390,926	9,081,979
Other operating income		1,338,585	1,439,791	139,351	235,704
Administration expenses		(12,499,474)	(10,815,109)	(696,101)	(611,734)
Other operating expenses		(385,772)	-	-	-
Operating profit	14	15,180,099	19,102,634	28,834,176	8,705,949
Finance costs	16	(1,641,323)	(1,687,247)	(208,908)	(360,348)
Profit before taxation		13,538,776	17,415,387	28,625,268	8,345,601
Tax expense	17	(1,517,095)	(4,923,134)	(8,232,994)	(2,508,215)
Net profit for the year		12,021,681	12,492,253	20,392,274	5,837,386
Dividend per ordinary share					
- net (sen)	18	3.96	2.52		
Basic earnings per ordinary share (sen)	19	12.77	13.04		
Diluted earnings per ordinary share (sen)	19	10.84	11.39		

The notes set out on pages 35 to 60 form an integral part of, and should be read in conjunction with, these financial statements.

statement of changes in equity

for the year ended 30 September 2006



Group	Note	Ordinary share capital RM	Irredeemable convertible preference shares - equity component RM	Retained profits/ (Accumulated losses) RM	Total RM
At 1 October 2004		88,072,209	19,654,963	(15,202,241)	92,524,931
ICPS					
- capitalisation of liability component on dividend	18	-	1,003,806	-	1,003,806
Net profit for the year		-	-	12,492,253	12,492,253
Dividend on ICPS					
- equity component		-	-	(1,003,806)	(1,003,806)
Dividend - 2005 interim	18	-	-	(2,219,420)	(2,219,420)
At 30 September 2005		88,072,209	20,658,769	(5,933,214)	102,797,764
ICPS					
- capitalisation of liability component on dividend	18	-	773,283	-	773,283
- reclassification between equity and liability portion of ICPS		-	1,159,617	574,463	1,734,080
Net profit for the year		-	-	12,021,681	12,021,681
Dividend on ICPS					
- equity component		-	-	(773,283)	(773,283)
Dividend - 2005 final	18	-	-	(1,268,240)	(1,268,240)
Dividend - 2006 interim	18	-	-	(2,219,420)	(2,219,420)
At 30 September 2006		88,072,209	22,591,669	2,401,987	113,065,865
		Note 11	Note 11		

The notes set out on pages 35 to 60 form an integral part of, and should be read in conjunction with, these financial statements.



statement of changes in equity (cont'd)

for the year ended 30 September 2006

Company	Note	Ordinary share capital RM	Irredeemable convertible preference shares - equity component RM	Retained profits/ (Accumulated losses) RM	Total RM
At 1 October 2004		88,072,209	19,654,963	(18,489,375)	89,237,797
ICPS					
- capitalisation of liability component on dividend	18	-	1,003,806	-	1,003,806
Net profit for the year		-	-	5,837,386	5,837,386
Dividend on ICPS					
- equity component		-	-	(1,003,806)	(1,003,806)
Dividend - 2005 interim	18	-	-	(2,219,420)	(2,219,420)
At 30 September 2005		88,072,209	20,658,769	(15,875,215)	92,855,763
ICPS					
- capitalisation of liability component on dividend	18	-	773,283	-	773,283
- reclassification between equity and liability portion of ICPS		-	1,159,617	574,463	1,734,080
Net profit for the year		-	-	20,392,274	20,392,274
Dividend on ICPS					
- equity component		-	-	(773,283)	(773,283)
Dividend - 2005 final	18	-	-	(1,268,240)	(1,268,240)
Dividend - 2006 interim	18	-	-	(2,219,420)	(2,219,420)
At 30 September 2006		88,072,209	22,591,669	830,579	111,494,457
		Note 11	Note 11	Note 12	

The notes set out on pages 35 to 60 form an integral part of, and should be read in conjunction with, these financial statements.

cash flow statements

for the year ended 30 September 2006



	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Cash flows from operating activities				
Profit before taxation	13,538,776	17,415,387	28,625,268	8,345,601
Adjustments for:				
Depreciation	3,877,998	4,123,598	-	-
Dividend on ICPS	208,908	360,348	208,908	360,348
Dividend income	-	-	(29,390,926)	(9,081,979)
Gain on disposal of property, plant and equipment	(37,663)	(174,139)	-	-
Interest expense	548,239	930,782	-	-
Interest income	(324,243)	(539,349)	(139,351)	(235,704)
Loss on disposal of investment in quoted shares	2,900	-	-	-
Unrealised loss on foreign exchange	184,322	96,375	-	-
Property, plant and equipment written off	31,500	-	-	-
Operating profit/(loss) before working capital changes	18,030,737	22,213,002	(696,101)	(611,734)
Changes in working capital:				
Inventories	(6,316,214)	(2,124,762)	-	-
Trade and other receivables	(32,840,218)	(11,726,946)	(8,444,481)	(7,642,584)
Trade and other payables	20,502,881	5,350,385	(49,536)	(696,392)
Cash (used in)/generated from operations	(622,814)	13,711,679	(9,190,118)	(8,950,710)
Income taxes paid	(4,931,847)	(3,659,391)	-	(22,557)
Interest paid	(47)	(745)	-	-
Interest received	324,243	539,349	139,351	235,704
Net cash (used in)/generated from operating activities	(5,230,465)	10,590,892	(9,050,767)	(8,737,563)
Cash flows from investing activities				
Purchase of property, plant and equipment	(11,850,520)	(3,830,316)	-	-
Proceeds from disposal of property, plant and equipment	154,219	192,000	-	-
Proceeds from disposal of investment in quoted shares	800	-	-	-
Deposits withdrawn from/(pledged with) licensed banks	832,099	(454,966)	-	-
Investment in subsidiary	-	-	(2)	-
Dividend received from subsidiary	-	-	7,064,775	3,778,833
Net cash (used in)/generated from investing activities	(10,863,402)	(4,093,282)	7,064,773	3,778,833



cash flow statements (cont'd)

for the year ended 30 September 2006

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Cash flows from financing activities				
Drawdown of trade financing facilities	12,987,318	3,683,540	-	-
Interest paid on trust receipts and bankers' acceptances	(521,322)	(738,071)	-	-
Repayment of term loans	-	(6,054,318)	-	-
Interest paid on term loans	-	(119,201)	-	-
Repayment of hire purchase and finance leases	(254,296)	(781,189)	-	-
Interest paid on hire purchase and finance leases	(26,870)	(72,765)	-	-
Dividend paid	(4,469,851)	(2,219,420)	(4,469,851)	(2,219,420)
Net cash generated from/(used in) financing activities	7,714,979	(6,301,424)	(4,469,851)	(2,219,420)
Net (decrease)/increase in cash and cash equivalents	(8,378,888)	196,186	(6,455,845)	(7,178,150)
Cash and cash equivalents at beginning of year	24,224,983	24,028,797	7,954,636	15,132,786
Cash and cash equivalents at end of year	15,846,095	24,224,983	1,498,791	7,954,636

Cash and cash equivalents

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

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Cash and bank balances	6,662,455	16,346,900	1,498,791	7,954,636
Deposits with licensed banks (net of pledged deposits)	9,183,640	8,140,338	-	-
Bank overdrafts	-	(262,255)	-	-
	15,846,095	24,224,983	1,498,791	7,954,636

The notes set out on pages 35 to 60 form an integral part of, and should be read in conjunction with, these financial statements.

notes to the financial statements



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The Group revalues its properties comprising land and buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to the date of valuation are stated at cost until the next revaluation exercise.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment loss, if any.



notes to the financial statements (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (cont'd)

Depreciation

Long-term leasehold land and buildings are amortised in equal instalments over the respective lease periods ranging from 57 to 90 years while freehold buildings are depreciated on a straight line basis over 50 years. The straight-line method is used to write off the cost of the other property, plant and equipment over the term of their estimated useful lives at the following principal annual rates:

Furniture, fittings, office equipment and renovation	10% - 20%
Motor vehicles	20%
Plant and machinery and testing equipment	10% - 20%

(d) Goodwill

Goodwill on consolidation represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated impairment losses.

Goodwill is not amortised.

(e) Impairment

The carrying amount of assets, other than inventories, deferred tax assets, amount due from contract customers and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

notes to the financial statements (cont'd)



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments

Long term investments other than investments in subsidiaries are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Long term investments in subsidiaries are stated at cost in the Company, less impairment loss, where applicable.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value with first-in-first-out (FIFO) being the main basis for cost. The cost of inventories consists of cost of purchase and incidental costs of bringing the inventories to their present location and condition.

(h) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

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

Amount due from/(to) contract customers on fixed price contracts is stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct contract costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in trade and other payables as amount due to contract customers.

(j) Cash and cash equivalents

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

(k) Liabilities

Borrowings and trade and other payables are stated at cost.

(l) Finance lease

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

(m) Hire purchase liabilities

Property, plant and equipment acquired under hire purchase arrangements are capitalised at the purchase costs and are depreciated on the same basis as owned assets. The corresponding obligation relating to the remaining capital payments are treated as a liability. The interest element of the hire purchase arrangements is amortised over the period of the hire purchase on the sum of digits method.



notes to the financial statements (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Irredeemable Convertible Preference Shares

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

(o) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(p) Foreign currency transactions

Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rates used in the translation of foreign currency monetary assets and liabilities are as follows:

	2006	2005
USD1.00	RM3.66	RM3.78
SGD1.00	RM2.30	RM2.25
GBP1.00	RM6.99	RM7.14
EURO1.00	RM4.73	RM4.66

(q) Revenue recognition

i) Fixed price contract

Revenue from fixed price contracts is recognised on the percentage of completion method, measured by reference to the proportion that contract costs incurred for contract work performed to date that reflect work performed bear to the total estimated contract costs.

notes to the financial statements (cont'd)



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Revenue recognition (cont'd)

i) Fixed price contract (cont'd)

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statement.

ii) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

iii) Dividend income

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

(r) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(s) Finance costs

All interest and other costs incurred in connection with borrowings are expensed as incurred. The interest component of finance lease payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

(t) Employee benefits

(i) Short term employee benefits

Wages, salaries and bonuses are recognised as an expense in the year in which the associated services are rendered by the employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

(ii) Defined contribution plans

Obligations for contributions to Employees Provident Fund are recognised as an expense in the income statement as incurred.



notes to the financial statements (cont'd)

2. PROPERTY, PLANT AND EQUIPMENT

Group	Long term leasehold land RM	Freehold buildings RM	Leasehold buildings RM	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Plant and machinery and testing equipment RM	Total RM
Cost							
At 1 October 2005	9,373,000	1,770,000	18,485,931	3,625,528	4,258,445	31,714,729	69,227,633
Additions	-	-	3,298,910	550,475	298,538	7,702,597	11,850,520
Disposals	-	-	-	(48,000)	(403,028)	-	(451,028)
Write off	-	-	-	-	-	(126,000)	(126,000)
At 30 September 2006	9,373,000	1,770,000	21,784,841	4,128,003	4,153,955	39,291,326	80,501,125
Accumulated Depreciation							
At 1 October 2005	563,215	132,750	905,636	2,266,978	3,396,423	18,732,054	25,997,056
Charge for the year	152,743	35,400	313,002	251,206	342,176	2,783,471	3,877,998
Disposals	-	-	-	(39,600)	(294,872)	-	(334,472)
Write off	-	-	-	-	-	(94,500)	(94,500)
At 30 September 2006	715,958	168,150	1,218,638	2,478,584	3,443,727	21,421,025	29,446,082
Net book value							
At 30 September 2006	8,657,042	1,601,850	20,566,203	1,649,419	710,228	17,870,301	51,055,043
At 30 September 2005	8,809,785	1,637,250	17,580,295	1,358,550	862,022	12,982,675	43,230,577
Depreciation charge for the year ended 30 September 2005	152,743	35,400	280,866	225,497	528,282	2,900,810	4,123,598

2.1 Security

- i) Land and buildings at cost charged to licensed banks as securities for borrowings (see Note 10) are as follows:

	Group 2006 RM	2005 RM
Long term leasehold land	9,373,000	9,373,000
Buildings	21,904,841	18,895,931
	31,277,841	28,268,931

During the year, the security over a freehold building of a subsidiary amounting to RM290,000 has been discharged.

- ii) In 2005, plant and machinery at net book value of RM2,557,500 of a subsidiary was charged to licensed banks as securities for credit facilities granted to the subsidiary. The security over the plant and machinery has been discharged during the year.

notes to the financial statements (cont'd)



2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2.2 Assets under hire purchase and leases

The net book value of plant and equipment acquired under hire purchase and finance lease arrangements included in the above are as follows:

	Group	
	2006 RM	2005 RM
Motor vehicles	268,726	485,432
Plant and machinery and testing equipment	-	90,417
	268,726	575,849

2.3 Titles

Included in buildings are properties at valuation of RM1,360,000 (2005 - RM1,360,000) for which the strata titles for the buildings have yet to be issued to the respective subsidiaries.

3. INVESTMENTS IN SUBSIDIARIES

	Company	
	2006 RM	2005 RM
Unquoted shares, at cost	76,837,002	76,837,000

Details of the subsidiaries are shown in Note 22.

4. OTHER INVESTMENTS

	Group	
	2006 RM	2005 RM
Other investments, at cost	210,000	210,000
Less: Allowance for diminution in value	(84,115)	(84,115)
	125,885	125,885
Quoted shares, at cost - Malaysia	-	3,700
	125,885	129,585
Market value of quoted shares	-	980



notes to the financial statements (cont'd)

5. GOODWILL ON CONSOLIDATION

	Group	
	2006 RM	2005 RM
At cost		
At 1 October / 30 September	15,209,905	15,209,905

6. INVENTORIES

	Group	
	2006 RM	2005 RM
At cost		
Raw materials and consumables	10,612,446	5,022,672
Merchandised inventories	736,440	10,000
	11,348,886	5,032,672

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Trade receivables	67,366,990	35,830,614	-	-
Less: Allowance for doubtful debts	(2,004,420)	(2,161,689)	-	-
	65,362,570	33,668,925	-	-
Amount due from contract customers	19,399,238	18,188,838	-	-
Amount due from a subsidiary	-	-	26,970,447	18,529,138
Other receivables, deposits and prepayments	1,860,936	1,524,876	28,102	24,930
Less: Allowance for doubtful debts	(584,209)	-	-	-
	1,276,727	1,524,876	28,102	24,930
Dividend receivable	-	-	14,096,692	-
	86,038,535	53,382,639	41,095,241	18,554,068

notes to the financial statements (cont'd)



7. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group 2006 RM	2005 RM
7.1 Amount due from a company in which the Directors have interest		
Included in trade receivables	3,471,851	-
7.2 Retention sums		
Retention sums included in trade receivables	2,296,899	2,337,187
7.3 Amount due from contract customers		
Aggregate costs incurred to date	94,467,610	37,236,731
Attributable profits (net of foreseeable losses)	14,737,059	6,644,776
	109,204,669	43,881,507
Less: Progress billings	(100,846,117)	(30,937,000)
	8,358,552	12,944,507
Amount due to contract customers (Note 9)	11,040,686	5,244,331
Amount due from contract customers	19,399,238	18,188,838

Additions to aggregate costs incurred during the year include:

	Group 2006 RM	2005 RM
Depreciation	2,352,156	2,520,793
Hire of machinery	126,330	101,380
Rental of factory	590,980	12,000
Rental of equipment	67,355	14,981
Provision for LAD	1,926,256	617,446

7.4 Amount due from a subsidiary

The amount due from a subsidiary is non-trade in nature, unsecured, interest free and repayable on demand.

7.5 Other receivables, deposits and prepayments

Included in other receivables, deposits and prepayments of the Group was advances to Renewable Hydro Resources Sdn. Bhd. ("RHRSB") amounting to RM584,209 (2005 - RM546,243) for working capital purposes to carry out preliminary works at their hydro power project site. Allowance for doubtful debts has been fully provided for the outstanding balance from RHRSB as at 30 September 2006.



notes to the financial statements (cont'd)

8. CASH AND CASH EQUIVALENTS

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Deposits with licensed banks	11,169,702	10,958,499	-	-
Cash and bank balances	6,662,455	16,346,900	1,498,791	7,954,636
	17,832,157	27,305,399	1,498,791	7,954,636

Deposits of the Group amounting to RM1,986,062 (2005 - RM2,818,161) are pledged to licensed banks for credit facilities granted to the subsidiaries (Note 10).

9. TRADE AND OTHER PAYABLES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Trade payables	23,143,675	13,551,347	-	-
Amount due to contract customers (Note 7.3)	11,040,686	5,244,331	-	-
Amount due to subsidiary	-	-	4,751,621	4,685,617
Other payables and accruals	7,333,173	2,218,975	265,045	380,585
Dividend payable	740,548	1,028,539	740,548	1,028,539
	42,258,082	22,043,192	5,757,214	6,094,741

9.1 Trade payables

Included in trade payables of the Group is an amount of RM1,006,233 (2005 - RM1,135,681) owing to companies in which certain Directors have interest.

9.2 Amount due to subsidiary

The amount due to subsidiary is non-trade in nature, unsecured, interest free and repayable on demand.

9.3 Other payables and accruals

Included in other payables and accruals of the Group is an amount of RM80,289 (2005 - RM52,655) owing to companies in which certain Directors have interest.

notes to the financial statements (cont'd)



10. BORROWINGS (SECURED)

	2006 RM	Group 2005 RM
Current:		
Bankers' acceptances	20,952,700	6,999,000
Bank overdrafts	-	262,255
Trust receipts	-	966,382
Hire purchase and finance lease liabilities	161,721	254,337
	21,114,421	8,481,974
Non-current:		
Hire purchase and finance lease liabilities	80,454	242,134
	80,454	242,134

10.1 Terms and debt repayment schedule

The bankers' acceptances are subject to fixed interest rates between 0% to 1.25% (2005 - 0% to 1.50%) above money market discount rate. The hire purchase liabilities are subject to interest rate fixed between 3.45% to 4.10% (2005 - 3.45% to 6.20%).

In 2005, the trust receipts and bank overdrafts were subject to interest rates varying between 1.00% to 1.50% per annum above the lenders' base lending rate.

The borrowings are secured by:

- i) fixed charge over certain land and buildings of a subsidiary (Note 2);
- ii) pledge over certain fixed deposits of the subsidiaries (Note 8);
- iii) joint and several guarantees by certain Directors of the Company; and
- iv) corporate guarantee by the Company.

10.2 Hire purchase and finance lease liabilities

Hire purchase and finance lease liabilities are payable as follows:

	2006			2005		
Group	Payments RM	Interest RM	Principal RM	Payments RM	Interest RM	Principal RM
Less than one year	172,308	(10,587)	161,721	281,207	(26,870)	254,337
Between one and five years	82,426	(1,972)	80,454	254,693	(12,559)	242,134
	254,734	(12,559)	242,175	535,900	(39,429)	496,471



notes to the financial statements (cont'd)

11. SHARE CAPITAL

	Group and Company	
	2006	2005
	RM	RM
Authorised		
Ordinary shares of RM1.00 each	175,000,000	175,000,000
5.5% Irredeemable Convertible Preference Shares 2005/2009 of RM1.00 each	25,000,000	25,000,000
Total	200,000,000	200,000,000
Issued and paid up		
Ordinary shares of RM1.00 each	88,072,209	88,072,209
5.5% Irredeemable Convertible Preference Shares 2005/2009 of RM1.00 each:		
Gross balance	24,802,793	24,802,793
Classified as liability component	(2,211,124)	(4,144,024)
Net equity component	22,591,669	20,658,769
Total	110,663,878	108,730,978

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

- (i) issued for a period of five (5) years from the date of issuance and maturing upon the expiry of the five (5) year period being 30 March 2009;
- (ii) convertible into new ordinary shares of RM1.00 each in APB at any time throughout the remaining tenure during which the ICPS are outstanding at the rate of one (1) ICPS for one (1) APB ordinary share;
- (iii) not redeemable for cash. All outstanding ICPS will be mandatorily converted into new ordinary shares of RM1.00 each in APB on the maturity date at the conversion rate stated;
- (iv) The ICPS holders are entitled to receive a fixed cumulative dividend of 5.5% per annum and payable annually in arrears on 31 December each year during the five (5) year period the ICPS remain outstanding;
- (v) The 25,000,000 new ordinary shares to be issued upon conversion of the ICPS will upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company except that such shares will not be entitled to any dividends, rights, allotments and/or distributions, the entitlement date of which is prior to the allotment of the said shares;
- (vi) The ICPS is entitled to a return in capital in preference to holders of ordinary shares when APB is wound up but shall not be entitled to any further participation in profit or assets;
- (vii) The ICPS holders do not carry any rights to vote at any general meetings of the Company except in matters that would affect the rights and privileges of the ICPS holders.

notes to the financial statements (cont'd)



12. RETAINED PROFITS

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained profits at 30 September 2006 (2005 - No distributable profit) if paid out as dividends.

13. DEFERRED TAX LIABILITIES

	Group	
	2006	2005
	RM	RM
The recognised deferred tax liabilities are as follows:		
Property, plant and equipment		
- capital allowances in excess of depreciation	3,569,643	4,387,153
Provisions	(544,285)	(536,453)
Others	(51,000)	1,300
	2,974,358	3,852,000

Deferred tax assets have not been recognised for the following items:

	Group	
	2006	2005
	RM	RM
Other deductible temporary differences	(166,000)	(170,000)
Unabsorbed capital allowances	(130,000)	(50,000)
Unutilised tax losses	(1,274,000)	(448,000)
	(1,570,000)	(668,000)

The unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits.



notes to the financial statements (cont'd)

14. OPERATING PROFIT

	Group		Company	
	2006	2005	2006	Restated 2005
	RM	RM	RM	RM
Revenue - contract revenue	197,490,699	125,775,837	-	-
- sale of goods and services rendered	4,809,104	4,691,911	-	-
- dividend income	-	-	29,390,926	9,081,979
	202,299,803	130,467,748	29,390,926	9,081,979
Contract costs recognised as an expense	(172,998,034)	(99,415,653)	-	-
Cost of goods sold and services rendered	(2,575,009)	(2,574,143)	-	-
	(175,573,043)	(101,989,796)	-	-
Gross profit	26,726,760	28,477,952	29,390,926	9,081,979

Operating profit is arrived at after crediting:

Allowance for doubtful debts written back	298,145	80,674	-	-
Dividend income	-	-	29,390,926	9,081,979
Gain on disposal of property, plant and equipment	37,663	174,139	-	-
Interest income	324,243	539,349	139,351	235,704
Rental income	29,300	32,800	-	-
Realised gain on foreign exchange	840,268	604,386	-	-

and after charging:

Allowance for doubtful debts	725,085	291,537	-	-
Auditors' remuneration	60,000	52,500	15,000	12,500
Bad debts written off	391,207	-	-	-
Depreciation	3,877,998	4,123,598	-	-
Directors' fees	105,000	105,000	105,000	105,000
Directors' remuneration				
Directors of the Company	637,644	864,736	76,000	112,123
Other Directors	452,044	238,101	-	-
Hire of machinery	126,330	101,380	-	-
Loss on disposal of investment in quoted shares	2,900	-	-	-
Plant and equipment written off	31,500	-	-	-
Rental of hostel	91,348	65,923	-	-
Rental of land and building	-	48,320	-	-
Rental of equipment	166,557	48,261	-	-
Rental of factory	645,520	12,000	-	-
Rental of motor vehicle	33,184	22,402	-	-
Realised loss on foreign exchange	395,631	4,898	-	-
Unrealised loss on foreign exchange	184,322	96,375	-	-

notes to the financial statements (cont'd)



15. EMPLOYEE INFORMATION

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Staff costs	8,063,444	6,239,280	99,877	22,335

15.1 The number of employees of the Group and of the Company (including Directors) at the end of the year was 397 (2005 - 301) and 2 (2005 - 2) respectively.

15.2 Staff costs include contributions to Employees Provident Fund for the Group and the Company of RM596,950 (2005 - RM462,334) and RM14,497 (2005 - RM2,259) respectively.

16. FINANCE COSTS

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Interest payable on:				
Bank overdrafts	47	745	-	-
Trust receipts and bankers' acceptances	521,322	738,071	-	-
Term loans	-	119,201	-	-
Hire purchase and finance leases	26,870	72,765	-	-
	548,239	930,782	-	-
Dividend on ICPS	208,908	360,348	208,908	360,348
Other bank charges	884,176	396,117	-	-
	1,641,323	1,687,247	208,908	360,348

17. TAX EXPENSE

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Income tax expense				
- current year	1,893,686	4,909,703	8,229,459	2,507,658
- under/(over) provision in prior years	501,051	(174,069)	3,535	557
	2,394,737	4,735,634	8,232,994	2,508,215
Deferred tax expense				
- origination and reversal of temporary differences	769,861	206,500	-	-
- over provision in prior years	(1,647,503)	(19,000)	-	-
	(877,642)	187,500	-	-
	1,517,095	4,923,134	8,232,994	2,508,215



notes to the financial statements (cont'd)

17. TAX EXPENSE (CONT'D)

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Reconciliation of effective tax expense				
Profit before taxation	13,538,776	17,415,387	28,625,268	8,345,601
Income tax using Malaysian tax rate	3,790,857	4,876,308	8,015,075	2,336,769
Effect on changes in tax rate	(40,000)	(40,000)	-	-
Non-deductible expenses	486,027	715,247	253,402	234,086
Tax incentives	(1,786,879)	(514,155)	-	-
Non-taxable income	(39,018)	(63,197)	(39,018)	(63,197)
Effect of deferred tax asset not recognised	252,560	142,000	-	-
	2,663,547	5,116,203	8,299,459	2,507,658
(Over)/under provision in prior years	(1,146,452)	(193,069)	3,535	557
Tax expense	1,517,095	4,923,134	8,232,994	2,508,215

The Malaysian tax rate for the current year is based on 20% on chargeable income of up to RM500,000 (2005 - RM500,000) for small and medium scale companies with paid-up capital of RM2,500,000 and below. The Malaysian tax rate on chargeable income in excess of RM500,000 (2005 - RM500,000) remains at 28%.

18. DIVIDENDS

	Group and Company	
	2006 RM	2005 RM
Preference dividend:		
Current year	982,191	1,364,154
Less: Amount relating to liability component (Note 16)	(208,908)	(360,348)
Amount relating to equity component	773,283	1,003,806
Ordinary dividends:		
Final dividend paid:		
2.0% (2004 - Nil) per share less tax in respect of the year ended 30 September 2005	1,268,240	-
Interim dividend paid:		
3.5% (2005 - 3.5%) per share less tax	2,219,420	2,219,420
	3,487,660	2,219,420

notes to the financial statements (cont'd)



18. DIVIDENDS (CONT'D)

The net dividend per ordinary share as disclosed in the Income Statements takes into account the total final dividend paid in respect of the year ended 30 September 2005 and interim dividend paid for the year.

The final dividend recommended by the Directors to be approved by the shareholders at the forthcoming Annual General Meeting in respect of the year ended 30 September 2006 is 2.5% per share less tax totalling RM1,585,300.

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

19. EARNING PER ORDINARY SHARE - GROUP

19.1 Basic earnings per ordinary share

The basic earnings per ordinary share is calculated by dividing the Group's net profit attributable to ordinary shareholders of RM11,248,398 (2005 - RM11,488,447) by the weighted average number of ordinary shares outstanding during the year of 88,072,209 (2005 - 88,072,209).

The net profit attributable to ordinary shareholders is calculated as follows:

	2006 RM	2005 RM
Net profit for the year	12,021,681	12,492,253
Less: Dividends on ICPS - equity component	(773,283)	(1,003,806)
Net profit attributable to ordinary shareholders	11,248,398	11,488,447

19.2 Diluted earnings per ordinary share

The effect of dilution on the earnings per ordinary share arises from the assumption of full conversion of the ICPS and the saving of the 5.5% dividend thereon.

The calculation of diluted earnings per ordinary share is based on the net profit attributable to ordinary shareholders of RM12,230,589 (2005 - RM12,852,601) and the weighted average number of ordinary shares outstanding of 112,875,002 (2005 - 112,875,002).

The net profit attributable to ordinary shareholders (diluted) is calculated as follows:

	2006 RM	2005 RM
Net profit for the year	12,021,681	12,492,253
Add: Dividends on ICPS - liability component	208,908	360,348
Net profit attributable to ordinary shareholders (diluted)	12,230,589	12,852,601



notes to the financial statements (cont'd)

19. EARNING PER ORDINARY SHARE - GROUP (CONT'D)

19.2 Diluted earnings per ordinary share (cont'd)

The weighted average number of ordinary shares (diluted) is calculated as follows:

	2006	2005
Number of ordinary shares at 30 September	88,072,209	88,072,209
Effect of full conversion of ICPS	24,802,793	24,802,793
Weighted average number of ordinary shares (diluted)	112,875,002	112,875,002

20. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business segments

The Group comprises the following main business segments:

Fabrication	Fabrication of specialised design and manufacturing of engineering process equipment.
Mechanical and Electrical Services and Industrial Air-Conditioning	Provision of mechanical and electrical services and contractor for industrial air-conditioning.
Non-Destructive Testing	Provision of non-destructive testing services and other related services.

Geographical segments

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

notes to the financial statements (cont'd)



20. SEGMENTAL INFORMATION (CONT'D)

Business Segments 2006	Fabrication RM	Mechanical and Electrical Services and Industrial Air-Conditioning RM	Non- Destructive Testing RM	Elimination RM	Consolidation RM
Revenue from external customers	185,749,507	12,850,537	3,699,759	-	202,299,803
Inter-segment revenue	-	1,305	1,827,523	(1,828,828)	-
Total revenue	185,749,507	12,851,842	5,527,282	(1,828,828)	202,299,803
Segment results	15,559,762	(953,208)	960,089	-	15,566,643
Unallocated expenses					(710,787)
Interest income					324,243
Operating profit					15,180,099
Finance costs					(1,641,323)
Profit before tax					13,538,776
Tax expense					(1,517,095)
Net profit for the year					12,021,681
Segment assets	150,228,370	9,672,838	4,909,797	-	164,811,005
Unallocated assets					17,069,043
Total assets					181,880,048
Segment liabilities	35,936,881	4,640,181	673,427	-	41,250,489
Unallocated liabilities					27,563,694
Total liabilities					68,814,183
Capital expenditure	11,385,386	48,555	416,579	-	11,850,520
Depreciation	3,266,892	90,428	520,678	-	3,877,998
Non-cash expenses other than depreciation	173,558	1,009,150	95,884	-	1,278,592



notes to the financial statements (cont'd)

20. SEGMENTAL INFORMATION (CONT'D)

Business Segments 2005	Fabrication RM	Mechanical and Electrical Services and Industrial Air-Conditioning RM	Non- Destructive Testing RM	Elimination RM	Consolidation RM
Revenue from external customers	125,094,483	1,399,850	3,973,415	-	130,467,748
Inter-segment revenue	-	5,252	1,249,381	(1,254,633)	-
Total revenue	125,094,483	1,405,102	5,222,796	(1,254,633)	130,467,748
Segment results	19,482,229	(605,627)	606,522	-	19,483,124
Unallocated expenses					(919,839)
Interest income					539,349
Operating profit					19,102,634
Finance costs					(1,687,247)
Profit before tax					17,415,387
Tax expense					(4,923,134)
Net profit for the year					12,492,253
Segment assets	112,098,471	3,931,400	4,946,129	-	120,976,000
Unallocated assets					23,314,777
Total assets					144,290,777
Segment liabilities	19,460,197	624,871	547,004	-	20,632,072
Unallocated liabilities					20,860,941
Total liabilities					41,493,013
Capital expenditure	3,130,579	15,626	684,111	-	3,830,316
Depreciation	3,480,477	125,302	517,819	-	4,123,598
Non-cash expenses/(income) other than depreciation	(122,847)	(665)	256,611	-	133,099

notes to the financial statements (cont'd)



21. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

21.1 Controlling related party relationships are as follows:

- i) Its subsidiaries as disclosed in Note 22; and
- ii) Companies in which the Directors have interest.

21.2 Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	Company	
	2006	2005
	RM	RM
With a subsidiary		
Era Julung Sdn. Bhd.		
Dividend income	29,390,926	9,081,979
	Group	
	2006	2005
	RM	RM
With companies in which Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho, have interests		
Peng Fah Engineering Sdn. Bhd.		
Rental expenses	300,000	12,000
Technical Resources Sdn. Bhd.		
Purchases of welding consumables material	1,986,155	1,472,989
TTS Insu-Write Services Sdn. Bhd.		
General and marine cargo insurance	319,093	239,972
TTS Enterprise Sdn. Bhd.		
Maintenance of lorries & machines	9,117	11,110
TTS Transport Sdn. Bhd.		
Transportation services	1,140,091	925,598
Compensation received	(3,771,851)	-
TTS Engineering Sdn. Bhd.		
Minor fabrication works & rental expenses	569,086	23,934
TTS Teknik Sdn. Bhd.		
Machining and processing works	27,359	-



notes to the financial statements (cont'd)

21. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONT'D)

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been transacted at arms length, on the Group's normal commercial terms and on terms not more favourable to the related parties than those generally available to the public.

22. SUBSIDIARIES

The details of the subsidiaries are as follows:

Name	Principal activities	Effective ownership interest	
		2006 %	2005 %
Subsidiaries of APB Resources Berhad			
Era Julung Sdn. Bhd.	Investment holding	100	100
Landas Fikir Sdn. Bhd. *	Dormant	100	-
Subsidiaries of Era Julung Sdn. Bhd.			
Amalgamated Metal Corporation (M) Sdn. Bhd.	Fabrication of specialised design and manufacturing of engineering process equipment	100	100
and its subsidiary:			
Finned Tubes Malaysia Sdn. Bhd. †	Dormant	100	-
Benmarl Sdn. Bhd.	Provision of mechanical and electrical services and contractor for industrial air-conditioning	100	100
Prescan Sdn. Bhd.	Provision of non-destructive testing services and other related services	100	100

All the subsidiaries are incorporated in Malaysia.

* No audited financial statements available as the company has only been incorporated on 3 August 2006. The results of the company have been consolidated based on management accounts for the period from 3 August 2006 to 30 September 2006.

† No audited financial statements available as the company has only been incorporated on 15 September 2006. The results of the company have been consolidated based on managements accounts for the period from 15 September 2006 to 30 September 2006.

notes to the financial statements (cont'd)



23. ACQUISITION OF SUBSIDIARIES - GROUP

23.1 The acquisitions during the financial year ended 30 September 2006 were as follows:

- i. In September 2006, the Company acquired the entire equity interest in Landas Fikir Sdn. Bhd. comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00.
- ii. In September 2006, Amalgamated Metal Corporation (M) Sdn. Bhd., a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary, Finned Tubes Malaysia Sdn. Bhd. ("FTMSB") in Malaysia and subscribed to 3 ordinary shares of RM1.00 each at par.

All the acquisitions above were accounted for using the acquisition method of accounting.

23.2 The fair values of assets acquired and liabilities assumed in the acquisition of the subsidiary mentioned in Note 23.1(i) and its cash flow effects are as follows:

	At date of acquisition RM
Current asset/Net asset acquired	2
Purchase consideration	2
Cash balance of subsidiary	(2)
Cash flow on acquisition, net of cash acquired	-

23.3 The acquisition of the subsidiary mentioned in Note 23.1(i) had the following effect on the Group's operating results, assets and liabilities as at 30 September 2006:

	From date of acquisition to 30.9.2006 RM
Administrative expenses	(2,198)
Decrease in the Group's net profit attributable to shareholders	(2,198)
Loss after taxation	(2,198)
	30.9.2006 RM
Current asset/Net asset acquired	2
Increase in Group's net assets	2



notes to the financial statements (cont'd)

24. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Exposure to credit, currency, liquidity and interest rate risks, arise in the normal course of the Group's business. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

Management carries out a continuous review over the Group's exposure to credit risk, which is monitored on an ongoing basis. Fixed deposits are placed only with licensed banks.

At balance sheet date, concentrations of credit risk arose from the Group's trade receivables net carrying amounts of RM34,418,573 (2005 - RM15,506,090) due from certain major customers of the Group. The maximum exposure to credit risk for the Group is represented by the carrying amount of the financial assets.

Currency risk

Foreign currency risk arises on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is US Dollar, Singapore Dollar, Euro and Pound. The Group mitigate their foreign currency risk through utilisation of trade facilities such as bankers' acceptances, trust receipts and letter of credit, thereby limiting the foreign currency exposure during the tenure of the credit period given.

During the year under review, US Dollar transaction exposures are hedged with derivative financial instruments such as forward foreign exchange contracts when the government depegged US Dollar. As at the balance sheet date, there are no outstanding derivative financial instruments contracts entered into by the Group.

The Directors monitor the Group's exposure to foreign currency risk on an ongoing basis.

Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing repayments and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

notes to the financial statements (cont'd)



24. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

The Group's primary interest rate risk arises from interest-bearing borrowings. The effective interest rates at balance sheet date of interest-earning assets and interest-bearing liabilities, and the periods in which they reprice, are as follows:

	Effective interest rates %	Total RM	Within 1 year RM
2006			
Group			
Financial assets			
Deposits with licensed banks	3.26	11,169,702	11,169,702
Cash and bank balances	2.94	1,492,535	1,492,535
Financial liability			
Secured bankers' acceptances	5.30	20,952,700	20,952,700
Company			
Financial asset			
Cash and bank balances	2.94	1,492,535	1,492,535
2005			
Group			
Financial assets			
Deposits with licensed banks	2.69	10,958,499	10,958,499
Cash and bank balances	2.55	7,753,347	7,753,347
Financial liabilities			
Secured bankers' acceptances	3.99	6,999,000	6,999,000
Secured trust receipts	7.27	966,382	966,382
Secured bank overdrafts	7.50	262,255	262,255
Company			
Financial asset			
Cash and bank balances	2.55	7,753,347	7,753,347



notes to the financial statements (cont'd)

24. FINANCIAL INSTRUMENTS (CONT'D)

Fair values

Recognised financial instruments

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

The aggregate fair values of other financial assets and liabilities carried on the balance sheet as at the year end date are shown below:

Group	2006		2005	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial asset				
Other investments	125,885	125,885	129,585	126,865

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

25. CONTINGENT LIABILITIES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Corporate guarantee for credit facilities granted to subsidiaries	-	-	140,003,000	40,000,000

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

	Group		Company	
	As restated RM	As previously reported RM	As restated RM	As previously reported RM
Income statements				
Revenue	-	-	9,081,979	-
Other operating income	-	-	235,704	9,317,683
Distribution costs	-	613,535	-	-
Administrative expenses	10,815,109	10,201,574	-	-

list of properties

as at 30 September 2006



Property (Individual/ Master/Strata title no.)	Tenure	Description (approximate age of building) / Existing use	Land area / Built-up area (square metres) / Certificate of Fitness Date	NBV as at 30.9.2006	Open market value RM	Date of valuation
AMC						
1. No. 69, Jalan Kapal, Off Jalan Chain Ferry 12100 Butterworth (HS(D)7241, PT 290 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara)	Freehold	Intermediate double storey shoplot (22 years) / Tenanted	1,400 / 2,500 N/A.	199,100	220,000	17.06.02
2. No 167-04-03, Gurney Park, Persiaran Gurney, 10250 Penang. Master Title Nos.: GRN 60550 (formerly Geran 16514) (Lot 2641 Seksyen 1, Bandar Georgetown, Daerah Timor Laut, Pulau Pinang)	Freehold	Apartment (5 years) / Staff amenities	- / 856 N/A.	226,250	250,000	20.06.02
3. Lot No. 23-C Kawasan Perindustrian Gebeng, 26080 Kuantan (HS(D) 18127, PT 7533 Mukim Sungai Karang, Daerah Kuantan, Pahang Darul Makmur)	Leasehold 66 years expiring on 23 August 2064	Two (2) workshop (2 years) / Factory Operations	26,110 / 36,747 8.06.2003	8,416,435	2,800,000 (Land only)	10.06.02
4. Lot No. 109B Kawasan Perindustrian Gebeng, 26080 Kuantan (HS(D)17909, PT 7494 Mukim Sungai Karang, Daerah Kuantan, Pahang Darul Makmur)	Leasehold 66 years expiring on 26 May 2064	Factory and office (5 years) / Factory Operations	39,250 / 179,541.2 12.06.1995	13,892,663	14,000,000	10.06.02
5. Lot 540, Jalan Batu Tiga – TUDM, Subang New Village, 40150 Shah Alam, Selangor. (H.S.(D) 116988, Lot PT540, Mukim of Pekan Subang, District of Petaling, Selangor Darul Ehsan.)	Leasehold 60 years expiring on 13 January 2058	Workshop and 3-storey office (1 ½ years) / Factory and office operation	8,094 / 4,597 29.03.2004	6,823,648	2,373,000 (Land only)	17.06.02



list of properties (cont'd)

as at 30 September 2006

Property (Individual/ Master/Strata title no.)	Tenure	Description (approximate age of building) / Existing use	Land area / Built-up area (square metres) / Certificate of Fitness Date	NBV as at 30.9.2006	Open market value RM	Date of valuation
Benmarl						
1. Parcel No. 45-10-14 Forum Condominium Off Jalan Tun Razak Kuala Lumpur.(Strata Title No. : Geran 23892/ M1/11/170. Lot 1253, Section 67, Kuala Lumpur, Wilayah Persekutuan.)	Freehold	Condominium (11 years) / Tenanted	- / 1,238 11.08.1995	316,750	350,000	17.06.02
2. Wira Court Shoplots Lot No. 23 Level 1 Wira Court Shopping Complex, No. 35 Jalan Kuning, Taman Bukit Pasir, 83000 Batu Pahat, Johor (Master Title Nos.: H.S.(D) 16797 PTD 10039 Mukim Simpang Kanan, Daerah Batu Pahat, Johor Darul Takzim.)	Freehold	Shop lot unit (6 years) / Vacant	- / 354 27.12.1996	99,550	110,000	17.06.02
3. Wira Court Shoplots Lot No. 24 Level 1 Wira Court Shopping Complex, No. 35 Jalan Kuning, Taman Bukit Pasir, 83000 Batu Pahat, Johor. (Master Title Nos.: H.S.(D) 16797 PTD 10039 Mukim Simpang Kanan, Daerah Batu Pahat, Johor Darul Takzim.)	Freehold	Shop lot unit (6 years) / Vacant	- / 354 27.12.1996	99,550	110,000	17.06.02

list of properties (cont'd)

as at 30 September 2006



Property (Individual/ Master/Strata title no.)	Tenure	Description (approximate age of building) / Existing use	Land area / Built-up area (square metres) / Certificate of Fitness Date	NBV as at 30.9.2006	Open market value RM	Date of valuation
Benmarl						
4. Centre Point, Unit A7-6 Blok A, Centre Point Business Park, No. 5, Jalan Tanjung Keramat 26/35, 40400 Shah Alam, Selangor (Master Title Nos.: HS(D) 22212 & 22214, PT 5123 & 5117 Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan).	Freehold	Office unit (7 years) / Office operation	- / 1,287 19.12.1998	199,100	220,000	17.06.02
5. Centre Point, Unit A7-7, Blok A, Centre Point Business Park, 5 Jalan Tanjung Keramat 26/35, 40400 Shah Alam Selangor (Master Title Nos.: HS(D) 22212 & 22214, PT 5123 & 5117 Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan).	Freehold	Office unit (7 years) / Office operation	- / 1,287 19.12.1998	199,100	220,000	17.06.02
6. Sepang Utama Apartment Parcel No. B-3-12, 2nd Floor Block B. Taman Langat Utama Bukit Changgang 42700 Banting Selangor (Master Title Nos.: HS(M) 8117 PT 8741 Mukim Tanjung Dua Belas, Daerah Kuala Langat, Bukit Changgang, Selangor Darul Ehsan).	Leasehold 99 years expiring on 1.01.2095	Apartment (4 years) / Vacant	- / 997 30.12.1999	90,500	100,000	17.06.02



list of properties (cont'd)

as at 30 September 2006

Property (Individual/ Master/Strata title no.)	Tenure	Description (approximate age of building) / Existing use	Land area / Built-up area (square metres) / Certificate of Fitness Date	NBV as at 30.9.2006	Open market value RM	Date of valuation
Prescan						
1. No. 24 Jalan Tabla 33/21 Shah Alam Technology Park, Seksyen 3340400 Shah Alam Selangor. (Master Title Nos.: Geran 28189 Lot 22200, Geran 28185 Lot 22196 all at Mukim Klang, Daerah Klang, Selangor Darul Ehsan)	Freehold	Intermediate 1½ storey terrace factory (2 years) / Office operation	2,000 / 3,000 11.08.2000	262,450	290,000	17.06.02

analysis of shareholding

as at 25 January 2007



ORDINARY SHARES OF RM1.00 EACH

Authorised Share Capital : RM175,000,000
 Issued & Paid-up : RM88,146,507
 Voting Rights : One vote per ordinary shares

DISTRIBUTION OF SHAREHOLDING

Size of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1-99	2,142	40.95	82,135	0.09
100 – 1,000	1,707	32.64	740,802	0.84
1,001 – 10,000	1,011	19.33	4,411,543	5.00
10,001 – 100,000	306	5.85	9,791,373	11.11
100,001 – less than 5% of issued shares	60	1.15	40,303,273	45.73
5% and above of issued shares	4	0.08	32,817,381	37.23
	5,230	100.00	88,146,507	100.00

TOP 30 LARGEST SHAREHOLDERS FOR ORDINARY SHARES

No.	Name	No. of shares	% of shares
1	Ikram Pintas Sdn. Bhd.	13,876,000	15.74
2	AMSEC Nominees (Tempatan) Sdn. Bhd. Ambank (M) Berhad for Ikram Pintas Sdn. Bhd.	8,500,000	9.64
3	ABB Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Yap Kow @ Yap Kim Fah	5,800,000	6.58
4	Yap Kow @ Yap Kim Fah	4,641,381	5.27
5	Lembaga Tabung Haji	4,394,600	4.99
6	Aspirasi Jitu Sdn. Bhd.	3,775,788	4.28
7	Lim Hong Liang	3,573,045	4.05
8	TTS Resources Sdn. Bhd.	3,452,257	3.92
9	Mayban Nominees (Tempatan) Sdn. Bhd. Mayban Investment Management Sdn. Bhd. for Kumpulan Wang Simpanan Pekerja	2,150,000	2.44
10	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Yin Keen	2,008,700	2.28
11	BHLB Trustee Berhad Pacific Recovery Fund	1,890,600	2.14
12	ABB Nominees (Tempatan) Sdn. Bhd. Pledged securities Account for Lim Hong Liang	1,300,000	1.47
13	Muhamad Aloysius Heng	1,006,300	1.14
14	Mayban Nominees (Tempatan) Sdn. Bhd. Mayban Trustee Bhd for Amanah Saham Wanita	1,000,000	1.13



analysis of shareholding (cont'd)

as at 25 January 2007

No. Name	No. of shares	% of shares
15 Amanah Raya Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Bersama	850,000	0.96
16 Goh Siang Kuan	827,700	0.94
17 Lim Hong Liang	750,000	0.85
18 Cartaban Nominees (Tempatan) Sdn. Bhd. Exempt An for Amanah SSCM Nominees (Tempatan) Sdn. Bhd.	707,800	0.80
19 Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Farisha Binti Pawan Teh	650,000	0.74
20 Loh Siew Hooi	610,211	0.69
21 Chi Hoo @ Chu Chi Hoo	537,093	0.61
22 EB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pua Joo Teck	530,300	0.60
23 HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Wymin	520,000	0.59
24 Chew Yin Keen	517,000	0.59
25 ABB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Lye Hock	500,000	0.57
26 Muhammad Marzuki Bin A Samad	430,000	0.49
27 Cheong Boon Yu	424,144	0.48
28 Gan Chin Boon	424,144	0.48
29 Rare Prestige Sdn. Bhd.	415,959	0.47
30 Lim Guat Im	405,000	0.46
	66,468,022	75.39

analysis of shareholding (cont'd)

as at 25 January 2007



LIST OF DIRECTORS' SHAREHOLDINGS IN THE ORDINARY SHARES

Names of Directors	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Yap Kow @ Yap Kim Fah	10,441,381	11.85	⁽¹⁾ 25,828,257	29.30
Tan Teng Khuan	1,993	*	-	-
Lim Lye Hock	512,566	0.58	-	-
Muhayuddin Bin Musa	1	*	-	-
Johari Low bin Abdullah @ Low Han Hing	20,522	0.02	-	-
Yap Kau @ Yap Yeow Ho	33,000	0.04	⁽²⁾ 3,452,257	3.92
Mak Fong Ching	-	-	-	-
Chua Eng Seng	-	-	-	-

* Negligible

Notes:-

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

⁽²⁾ Deemed interest by virtue of his shareholdings in TTS Resources Sdn. Bhd.

LIST OF SUBSTANTIAL SHAREHOLDERS

Names of Shareholders	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Ikram Pintas Sdn. Bhd.	22,376,000	25.38	-	-
Yap Kow @ Yap Kim Fah	10,441,381	11.85	⁽¹⁾ 25,828,257	29.30
Lim Hong Liang	5,734,545	6.51	⁽²⁾ 22,791,959	25.86
Rosley Bin Abdul Rahman	-	-	⁽³⁾ 22,376,448	25.38
Rosnah Binti Abdul Rahman	-	-	⁽³⁾ 22,376,488	25.38
Danau Restu Sdn. Bhd.	448	*	⁽⁴⁾ 22,376,000	25.38

* Negligible

Notes:-

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

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

⁽³⁾ Deemed interest by virtue of his shareholdings in Ikram Pintas Sdn. Bhd. and Danau Restu Sdn. Bhd.

⁽⁴⁾ Deemed interest by virtue of its shareholdings in Ikram Pintas Sdn. Bhd.



analysis of shareholding (cont'd)

as at 25 January 2007

CUMULATIVE IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM1.00 EACH ("ICPS")

- Authorised Share Capital : RM25,000,000
 Issued & Paid-up : RM24,728,495
 Number of holders : 12
 Voting Rights : The ICPS does not carry any right to vote at any general meeting of the Company except for the right to vote either in person or by proxy at such meeting in each of the following circumstances: -
- i) When the dividend on the ICPS is in arrears or unpaid for more than six (6) months after the due date of the dividend; or
 - ii) On a proposal to reduce the Company's share capital; or
 - iii) On a proposal for disposal of the whole of the Company's property, business and undertaking; or
 - iv) On a proposal which abrogates or varies the special rights and privileges attaching to the ICPS; or
 - v) On a proposal to wind up the Company; and
 - vi) During the winding up of the Company.

ICPS OF RM1.00 EACH

Distribution of Shareholding

Size of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 – 99	-	-	-	-
100 – 1,000	1	8.33	181	*
1,001 – 10,000	-	-	-	-
10,001 – 100,000	-	-	-	-
100,001 – less than 5% of issued shares	6	50.00	1,536,714	6.22
5% and above of issued shares	5	41.67	23,191,600	93.78
	12	100.00	24,728,495	100.00

* Negligible

analysis of shareholding (cont'd)

as at 25 January 2007



TOP 30 LARGEST HOLDERS FOR ICPS

No. Name	No. of shares	% of shares
1 Ikram Pintas Sdn. Bhd.	12,500,000	50.55
2 Yap Kow @ Yap Kim Fah	3,975,023	16.07
3 Lim Hong Liang	3,182,400	12.87
4 Aspirasi Jitu Sdn. Bhd.	1,869,219	7.56
5 TTS Resources Sdn. Bhd	1,664,958	6.73
6 Lim Lye Hock	370,879	1.50
7 Cheong Boon Yu	301,013	1.22
8 Gan Chin Boon	301,013	1.22
9 Tan Teng Khuan	242,102	0.98
10 Rare Prestige Sdn. Bhd.	200,610	0.81
11 Chi Hoo @ Chu Chi Hoo	121,097	0.49
12 Danau Restu Sdn. Bhd.	181	-
	24,728,495	100.00

LIST OF DIRECTORS' SHAREHOLDINGS IN ICPS

Names of Directors	Direct Interest		Deemed Interest	
	No. of ICPS	%	No. of ICPS	%
Yap Kow @ Yap Kim Fah	3,975,023	16.07	⁽¹⁾ 14,164,958	57.28
Tan Teng Khuan	242,102	0.98	-	-
Lim Lye Hock	370,879	1.50	-	-
Johari Low bin Abdullah @ Low Han Hing	-	-	-	-
Yap Kau @ Yap Yeow Ho	-	-	⁽²⁾ 1,664,958	6.73
Mak Fong Ching	-	-	-	-
Muhayuddin bin Musa	-	-	-	-
Chua Eng Seng	-	-	-	-

Notes:-

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

⁽²⁾ Deemed interest by virtue of his substantial shareholdings in TTS Resources Sdn. Bhd.



notice of fifth annual general meeting

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of APB Resources Berhad will be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Tuesday, 27 March 2007 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

- 1 To table and receive the Audited Financial Statements of the Company for the year ended 30 September 2006 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
- 2 To declare a final dividend of 2.5% less 28% income tax in respect of the year ended 30 September 2006 as recommended by the Directors. **(Resolution 2)**
- 3 To approve payment of Directors' fees for the year ended 30 September 2006. **(Resolution 3)**
- 4 To re-elect the following Directors who retire by rotation in accordance with Article 84 of the Company's Articles of Association:

Tan Teng Khuan **(Resolution 4)**

Lim Lye Hock **(Resolution 5)**

Johari Low Bin Abdullah @ Low Han Hing **(Resolution 6)**
- 5 To appoint auditors and to authorize the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

- 6 Authority to Directors to Issue Shares **(Resolution 8)**

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

"THAT, subject always to the Articles of Association of the Company and the approvals of the relevant Regulatory Authorities, pursuant to Section 132D of the Companies Act 1965, the Directors of the Company be and are hereby authorized to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes and to such person or persons as the Directors of the Company may, in their absolute discretion deem fit, PROVIDED THAT the aggregate number of shares to be issued does not exceed ten (10) per centum of the issued share capital of the Company for the time being AND THAT the Directors of the Company are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."
- 7 Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for APB and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related party ("the Proposal") **(Resolution 9)**

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

notice of fifth annual general meeting (cont'd)



"THAT the mandate granted by the Shareholders of APB Resources Berhad ("APB") on 24 March 2006 pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, authorizing APB and its subsidiaries ("the APB Group") to enter into the recurrent transactions of a revenue or trading nature which are necessary for the APB Group's day-to-day operations as set out in the Circular to Shareholders dated 1 March 2007 with the related parties mentioned therein, be and is hereby renewed, AND THAT authority be further given to the APB Group as specified in the circular to shareholders to enter into new recurrent related party transactions of a revenue or trading nature subject to the following:

- (i) The transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public, and the transactions are undertaken on arm's length basis and are not to the detrimental of the minority shareholders;
- (ii) The Shareholders' Mandate is subject to annual renewal and this Shareholders' Mandate shall only continue to be in full force until:
 - (a) The conclusion of the next Annual General Meeting ("AGM") of the Company at which the Proposed Shareholders' Mandate will lapse, unless by resolution passed at the AGM the authority is renewed; or
 - (b) The expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(I) of the Companies Act, 1965 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
 - (c) Revoked or varied by resolution passed by the shareholders in a general meeting,whichever is earlier;
- (iii) The Directors of the Company and/or its subsidiaries be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate; and
- (iv) The disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the Shareholders' Mandate in the Annual Report, in which the Company must provide a breakdown of the aggregate value of the recurrent related party transactions made during the financial year, amongst others, based on the following information:
 - (a) the type of the recurrent related party transactions made; and
 - (b) the names of the related party involved in each type of recurrent related party transactions made and their relationship with the Company.

AND THAT, the estimates given of the Related Party Transactions specified in Section 4.2 of Part A of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorized to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 6 of Part A of the Circular. "



notice of fifth annual general meeting (cont'd)

8 Proposed Renewal of Share Buyback

(Resolution 10)

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

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

- (i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting

whichever occurs first."

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

(Resolution 11)

notice of fifth annual general meeting (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that subject to the approval of Members at the Annual General Meeting to be held on 27th March 2007, a dividend of 2.5% less 28% income tax in respect of the financial year ended 30th September 2006, will be paid on 12th April 2007 to Depositors whose names appear in the record of Depositors on 5th April 2007.

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

- a. Shares transferred into the Depositor's securities account before 4.00 p.m. on 5th April 2007 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

LS 000012

Company Secretary

Kuala Lumpur.

1 March 2007

Notes

- 1 A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and/or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar.
- 2 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorized.
- 3 The instrument appointing a proxy must be deposited at the Registered Office, D12, Tingkat 1, Plaza Pekeliling, No.2, Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- 4 Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Explanatory notes on Special Business:-

- 5 Authority to Directors to Issue Shares

The Proposed Ordinary Resolution 8, if passed, is to give the Directors of the Company flexibility to issue and allot shares upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority will expire at the next Annual General Meeting of the Company or at the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

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

The Ordinary Resolution 9, if passed, will allow the APB Group to enter into related party transactions provided that such transactions are in the ordinary course of business and undertaken at arm's length, on normal commercial terms of APB Group which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders ("Proposed Shareholders' Mandate").



notice of fifth annual general meeting (cont'd)

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

Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders of the Company which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2006.

7 Proposed Renewal of Share Buyback

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

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

- a) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at general meeting the authority is renewed either unconditionally or subject to conditions;
- b) the expiration of period within which the next General Meeting after that date is required by law to be held; or
- c) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting

whichever occurs first.

Further information on the Proposed Share Buyback is set out in the Circular to Shareholders of the Company which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2006.

statement accompanying

notice of annual general meeting



1 Directors who are standing for re-election are as follows:

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

(a) Tan Teng Khuan

(b) Lim Lye Hock

(c) Johari Low Bin Abdullah @ Low Han Hing

Details of the above Directors are set out in the Directors' Profiles appearing on page 4 to page 6 of the Annual Report.

2 Details of Attendance of Directors at the Board Meeting

A total of five (5) Board of Directors' Meetings were held at the Boardroom, No. 47 (Lot 540), Jalan TUDM, Kampung Baru Subang, Sek. U6, 40150 Shah Alam, Selangor Darul Ehsan during the financial year. Details of attendance of the Directors at the Board Meetings are set out in the Corporate Governance Statement on page 10 to page 13 of the Annual Report.

3 Details of date and time of the Board of Directors Meeting

Friday, 25 November 2005 at 11.55 a.m.

Wednesday, 18 January 2006 at 11.00 a.m.

Monday, 27 February 2006 at 11.30 a.m.

Monday, 29 May 2006 at 11.00 a.m.

Wednesday, 30 August 2006 at 11.00 a.m.



corporate directory

CORPORATE OFFICE

APB RESOURCES BERHAD

47 (Lot 540), Jalan TUDM, Kampung Baru Subang, Seksyen U6, Shah Alam, 40150 Selangor Darul Ehsan.

Tel : 603-78461389

Fax : 603-78463795

FABRICATION DIVISION

AMALGAMATED METAL CORPORATION (M) SDN. BHD.

Head Office - Shah Alam

47 (Lot 540), Jalan TUDM, Kampung Baru Subang, Seksyen U6, Shah Alam, 40150 Selangor Darul Ehsan.

Tel : 603-78461389

Fax : 603-78463795

E-mail : amcsubg@pd.jaring.my

Branch – Kuantan

Lot 109B, Kawasan Perindustrian Gebeng, Kuantan, 26080 Pahang Darul Makmur.

Tel : 609- 5858888

Fax : 609- 5858892

E-mail : ammetal@pd.jaring.my

M & E AND INDUSTRIAL AIR-CONDITIONING DIVISION

BENMARL SDN. BHD.

Unit A7-6 & A7-7, Block A, Level 6 & 7, Pusat Perdagangan Centre Point, No.5, Jalan Tanjung Keramat 26/35, Shah Alam, 40000 Selangor Darul Ehsan.

Tel : 603-51919588

Fax : 603-51919388

E-mail : benmarl@pd.jaring.my

NON-DESTRUCTIVE TESTING DIVISION

PRESCAN SDN. BHD.

Head Office – Shah Alam

No.24, Jalan Tabla 33/21, Shah Alam Technology Park, Shah Alam, 40640 Selangor Darul Ehsan.

Tel : 603-51215951

Fax : 603-51212906

E-mail : prescan@pd.jaring.my

Branch – Kuantan

A31, Tingkat 1, Jalan Gebeng 2/6, Kuantan, 26080 Pahang Darul Makmur.

Tel/Fax: 609-5834457

proxy form



* I/We _____ NRIC/Company No. _____

of _____

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

_____ NRIC No. _____

or failing him _____ NRIC No. _____

of _____

as *my/our proxy to vote for *me/us and on *my/our behalf at the Fifth Annual General Meeting of the Company, to be held on Tuesday, 27 March 2007 at 10.00 a.m. and at any adjournment thereof.

My/Our Proxy is to vote as indicated below (unless otherwise instructed, the proxy may vote as he thinks fit):

No.		For	Against
1	To table and receive the Audited Financial Statements of the Company for the year ended 30 September 2006 and the Reports of the Directors and Auditors thereon. (Resolution 1)		
2	To declare a final dividend of 2.5% less 28% income tax in respect of the year ended 30 September 2006. (Resolution 2)		
3	To approve payment of Directors' fees for the year ended 30 September 2006. (Resolution 3)		
4	To re-elect Tan Teng Khuan as Director (Resolution 4)		
5	To re-elect Lim Lye Hock as Director (Resolution 5)		
6	To re-elect Johari Low Bin Abdullah @ Low Han Hing as Director (Resolution 6)		
7	To appoint auditors and to authorize the Directors to fix their remuneration. (Resolution 7)		
8	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965. (Resolution 8)		
9	Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature. (Resolution 9)		
10	Proposed Renewal of Share Buyback (Resolution 10)		

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

Signed this _____ day of _____ 2007.

Signature of Member

No. of Shares Held

Notes

- 1 A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and/or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar.
- 2 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorized.
- 3 The instrument appointing a proxy must be deposited at the registered office, D12, Tingkat 1, Plaza Pekeliling, No.2, Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- 4 Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

The Company Secretary
APB Resources Berhad

(Company No. 564838-V)

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

Affix
Stamp