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If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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APB RESOURCES BERHAD

(Company No: 564838-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- **PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY APB OF ITS OWN ORDINARY SHARES ON BURSA SECURITIES OF NOT MORE THAN TEN PER CENTUM (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF APB**
- **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF APB**

AND

**IN CONJUNCTION WITH THE SPECIAL BUSINESS
AT THE SIXTH ANNUAL GENERAL MEETING**

Prepared by



HWANGDBS INVESTMENT BANK BERHAD (14389-U)
(formerly known as Hwang-DBS Investment Bank Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the Sixth (6th) Annual General Meeting ("AGM") to be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Tuesday, 25 March 2008 at times stated below or at any adjournment thereof together with the Form of Proxy are enclosed in the 2007 Annual Report.

The Form of Proxy should be completed and lodged at the Registered Office of the Company at D12, Tingkat 1, Plaza Pekeliling, No. 2 Jalan Tun Razak, 50400 Kuala Lumpur on or before the time and date indicated below should you be unable to attend the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 23 March 2008 at 10.00 a.m.
Date and time of AGM : Tuesday, 25 March 2008 at 10.00 a.m.

This Circular is dated 3 March 2008

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

AGM	Annual general meeting
AMC	Amalgamated Metal Corporation (M) Sdn Bhd (80429-P)
APB or the Company	APB Resources Berhad (564838-V)
APB Group	APB and its subsidiary companies
APB Share(s) or Share(s)	Ordinary share(s) of RM1.00 each in APB
Audit Committee	The audit committee established and appointed by the Board pursuant to Chapter 15, Part C of the Listing Requirements
Benmarl	Benmarl Sdn Bhd (155905-A)
Board	The Board of Directors of APB
Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
Code	The Malaysian Code on Take-overs and Mergers, 1998
Companies Act or Act	The Companies Act, 1965 as may be amended from time to time and any re-enactment thereof
EJ	Era Julung Sdn Bhd (561466-K)
EPS	Earnings per share
Finned Tubes	Finned Tubes Malaysia Sdn Bhd
HwangDBS	HwangDBS Investment Bank Berhad (<i>formerly known as Hwang-DBS Investment Bank Berhad</i>) (14389-U)
ICPS	5.5% irredeemable convertible preference shares 2004/2009 of RM1.00 each in APB
Ikram Pintas	Ikram Pintas Sdn Bhd (542766-K)
Listing Requirements	Listing Requirements of Bursa Malaysia Securities Berhad
Landas Fikir	Landas Fikir Sdn Bhd
NA	Net assets
NDT	Non-destructive testing
NTA	Net tangible assets
Peng Fah Engineering	Peng Fah Engineering Sdn Bhd (54784-P)
Persons Connected	Persons deemed to be connected with a Director or major shareholder pursuant to Section 122A of the Companies Act
Proposals	Proposed RRPT Renewal, Proposed Share Buy-Back Renewal and Proposed Amendments

DEFINITIONS (Cont'd)

Proposed Amendments	Proposed amendments to the Articles of Association of APB
Proposed RRPT Renewal	Proposed renewal of shareholders' mandate for the APB Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operation and are in the ordinary course of business of the APB Group
Proposed Share Buy-back Renewal	Proposed renewal of shareholders' mandate for the Company to purchase its own ordinary shares on Bursa Securities of not more than ten percent (10%) of the issued and paid-up share capital
Prescan	Prescan Sdn Bhd (169056-V)
RRPT	Recurrent Related Party Transactions
Related Party(ies)	A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, "director" and "major shareholder" shall have the meanings given in paragraph 10.02 of the Listing Requirements
RM and sen	Ringgit Malaysia and sen respectively
SC	Securities Commission
Transacting Parties	The company or companies transacting with the APB Group for which the Proposed RRPT Renewal is sought
Technical Resources	Technical Resources Sdn Bhd (139712-T)
TTS Engineering	TTS Engineering Sdn Bhd (141028-U)
TTS Enterprise	TTS Enterprise Sdn Bhd (105289-V)
TTS Insu-Write	TTS Insu-Write Services Sdn Bhd (214986-M)
TTS Resources	TTS Resources Sdn Bhd (242504-W)
TTS Transport	TTS Transport Sdn Bhd (36620-K)
TTS Teknik	TTS Teknik Sdn Bhd (233572-H)
Validity Period	The period commencing from the conclusion of the Company's forthcoming AGM to the date of the next AGM to be held in 2009

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APB RESOURCES BERHAD
(Company No. 564838-V)
(Incorporated in Malaysia)

Registered Office:

D12, Tingkat 1,
Plaza Pekeliling
No. 2 Jalan Tun Razak
50400 Kuala Lumpur

3 March 2008

Directors :

Yap Kow @ Yap Kim Fah (Chairman/Managing Director)
Tan Teng Khuan (Chief Operating Officer/Executive Director)
Gan Chin Boon (Executive Director)
Lim Lye Hock (Executive Director)
Yap Kau @ Yap Yeow Ho (Non-Independent Non-Executive Director)
Johari Low bin Abdullah @ Low Han Hing (Non-Independent Non-Executive Director)
Mak Fong Ching (Independent Non-Executive Director)
Chua Eng Seng (Independent Non-Executive Director)
Muhayuddin bin Musa (Independent Non-Executive Director)

To the Shareholders of APB Resources Berhad

Dear Sir/Madam,

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- **PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY APB OF ITS OWN ORDINARY SHARES ON BURSA SECURITIES OF NOT MORE THAN TEN PER CENTUM (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF APB**
- **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF APB**

1. INTRODUCTION

At the Fifth AGM of the Company held on 27 March 2007, the shareholders approved the mandate on RRPT of the Group and to purchase APB Shares on Bursa Securities of not more than ten per centum (10%) of the issued and paid-up share capital of the Company, which will expire at the conclusion of the forthcoming Sixth AGM of the Company scheduled to be held on 25 March 2008.

The Board had on 19 February 2008 announced its intention to seek shareholders' approval for the following proposals at the forthcoming Sixth AGM:

- (a) renewal of shareholders' mandate for the APB Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operation and are in the ordinary course of business of the APB Group;
- (b) renewal of shareholders' mandate for the Company to purchase its own ordinary shares on Bursa Securities of not more than ten percent (10%) of the issued and paid-up share capital; and
- (c) amendments to the Articles of Association of APB.

The purpose of this Circular is to provide shareholders with details pertaining to the Proposals and to seek your approval for the resolutions to be tabled at the forthcoming AGM of the Company. The Notice of the AGM and the Form of Proxy are enclosed in the 2007 Annual Report.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSALS

2.1 PROPOSED RRPT RENEWAL

2.1.1 Paragraph 10.09 of the Listing Requirements

Under Paragraph 10.09 of the Listing Requirements, APB may seek a shareholders' mandate from its shareholders for RRPT which are necessary for its day-to-day operations of the Company and its subsidiaries subject to the following:

- (a) The transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under Paragraph 2.1 of Practice Note No. 12/2001; and
- (c) In a meeting to obtain shareholders' mandate, the interested Director, interested major shareholder or Persons Connected, and where it involves the interest of Persons Connected, such Director or major shareholder must not vote on the resolution approving the transactions. An interested Director or interested major shareholder must ensure that the Persons Connected abstain from voting on the resolution approving the transactions.

The prescribed threshold under Paragraph 2.1 of Practice Note No. 12/2001 in relation to a listed company with issued and paid-up capital of RM60 million and above are as follows:

- (a) The consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
- (b) The percentage ratios of such aggregated transactions is equal to or exceeds 1%,

whichever is higher.

2.1.2 Principal activities of the APB Group

APB is an investment holding company, while the principal activities of its subsidiary companies are in fabrication of specially design engineering equipment for the oil, gas, oleochemical, petrochemical, and power industries, provision of mechanical and electrical services and a contractor for industrial air-conditioning, provision of NDT services and other related services which include ultrasonic flaw detection, pipeline radiographic inspection utilising remote control crawlers, positive material identification and magnetic particle inspection.

The subsidiary companies of APB and their respective principal activities as at 11 February 2008 are as follows:

Name of company	Date and place of incorporation	Issued and paid-up share capital RM	Effective interest (%)	Principal activities
<i>Subsidiaries of APB</i>				
EJ	12.10.2001 Malaysia	45,638,085	100	Investment holding
Landas Fikir	03.08.2006 Malaysia	2	100	Inactive
<i>Subsidiaries of EJ</i>				
AMC	28.01.1982 Malaysia	3,000,000	100	Fabrication of specially design engineering equipment
Benmarl	10.09.1986 Malaysia	500,000	100	Provision of mechanical and electrical services and a contractor for air-conditioning
Prescan	10.03.1988 Malaysia	1,600,000	100	Provision of NDT services and other related services
<i>Subsidiary of AMC</i>				
Finned Tubes	15.09.2006 Malaysia	3	100	Inactive

APB is seeking approval from its shareholders for the Proposed RRPT Renewal, which will allow the APB Group, in its ordinary course of business, to enter into RRPT referred to in Sections 2.1.3 and 2.1.4 below provided such transactions, if any, are in the opinion of your Directors made at arms length, on the APB Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public. The review procedures for the RRPT are set out in Section 2.1.6 of this Circular.

The Proposed RRPT Renewal will take effect from the date of the passing of the Ordinary Resolution proposed at the forthcoming AGM and shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by resolution passed by the shareholders of APB in general meeting,

whichever is the earlier.

2.1.3 Class of Related Parties

The Proposed RRPT Renewal shall apply to transactions as set out in Section 2.1.4 hereafter with the following Related Parties:

Transacting Parties	Principal Activity	Date of incorporation	Issued and paid-up capital RM	Period of business relationship with the APB Group
* Peng Fah Engineering	Manufacturing, welding and engineering works	05.02.1980	500,000	> than 10 years

Transacting Parties	Principal Activity	Date of incorporation	Issued and paid-up capital RM	Period of business relationship with the APB Group
* Technical Resources	Trading in electrodes, welding machinery, apparatus and tools	14.05.1985	250,002	> than 10 years
** TTS Transport	Provision of transportation	15.12.1977	2,000,000	> than 10 years
** TTS Insu-Write	Insurance agent	02.04.1991	100,002	> than 10 years
** TTS Engineering	Provision of fabrication works	13.06.1985	1,200,002	> than 10 years
** TTS Enterprise	Trading, servicing and repairing of vehicle parts and accessories	13.08.1983	200,000	> than 10 years
** TTS Teknik	Provision of mechanical engineering	30.01.1992	50,003	> than 10 years

Notes:

- * Mr. Yap Kow @ Yap Kim Fah is the major shareholder.
- ** These are subsidiary companies of TTS Resources, a shareholder of APB, which is controlled by Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho.

The interests of Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho as at 11 February 2008 in the Transacting Parties, are as follows:

	Yap Kow @ Yap Kim Fah	Yap Kau @ Yap Yeow Ho
Peng Fah Engineering	55.80%	-
Technical Resources	50.00%	-
TTS Resources	67.34%	32.66%

The interested Related Parties and their direct and indirect interest in APB as at 11 February 2008, are as follows:

Interested Related Parties	Shareholding in APB				Nature of Interest
	Direct		Indirect		
Yap Kow @ Yap Kim Fah	8,241,381	9.57%	21,828,257	25.35%	Major shareholder and Director of APB. Deemed interested by virtue of his major shareholding and directorship in both Ikram Pintas and TTS Resources.
Yap Kau @ Yap Yeow Ho	33,000	0.04%	3,472,257	4.03%	Director of APB. Deemed interested by virtue of his major shareholding in TTS Resources.
TTS Resources	3,452,257	4.01%	-	-	Shareholder of APB.

Interested Related Parties	Shareholding in APB				Nature of Interest
	Direct		Indirect		
Ikram Pintas	18,376,000	21.34%	-	-	Major shareholder of APB. Deemed interested as Yap Kow @ Yap Kim Fah is the major shareholder of Ikram Pintas.

2.1.4 Nature of the RRPT

The RRPT, which are the subject of the Proposed RRPT Renewal, are transactions by the APB Group relating to the provision of, or the obtaining from, the Related Parties, services which are in the normal course of business of the APB Group, are as follows:

Companies within the APB Group transacting with the Transacting Parties	Nature of transaction	Transacting Parties	Interested Related Party	Estimated value of transactions from the date of AGM to the date of next AGM (RM)
Renewal of Shareholders' Mandate for RRPT				
AMC	Rental of factory premise - Payable at RM25,000 per month for 87,120 sq feet factory premise at No. 46 (Lot 539), Jalan TUDM, Kampung Baru Subang, Sek U6, 40150 Shah Alam. - Rental is payable on a monthly basis. - Tenure of the agreement is for a period of 1 year.	Peng Fah Engineering	• Yap Kow @ Yap Kim Fah	300,000
AMC	Purchase of equipments and maintenance of equipment	Technical Resources	• Yap Kow @ Yap Kim Fah	3,000,000
AMC	Provision of transportation services for inbound and outbound forwarding	TTS Transport	• Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources	1,500,000
AMC	Provision of insurance coverage for all types: general, all risk, fire, burglary, public liability, workmen compensation, marine and cargo	TTS Insu-Write	• Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources	500,000
AMC	Rental of factory premises - Payable at RM25,000 per month for 82,750 sq feet factory premise at Lot 3485, Batu 3 ½ Jalan Gambang, 25150 Kuantan, Pahang. - Rental is payable on a monthly basis. - Tenure of the agreement is for a period of 1 year.	TTS Engineering	• Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources	300,000

Companies within the APB Group transacting with the Transacting Parties	Nature of transaction	Transacting Parties	Interested Related Party	Estimated value of transactions from the date of AGM to the date of next AGM ^(*) RM
AMC	Provision of minor fabrication works	TTS Engineering	<ul style="list-style-type: none"> • Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources 	500,000
AMC	Provision of maintenance on lorries and welding machines	TTS Enterprise	<ul style="list-style-type: none"> • Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources 	100,000
AMC	Provision of machining and processing works	TTS Teknik	<ul style="list-style-type: none"> • Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources 	50,000
AMC	Rental of factory premises - Payable at RM9,000 per month for 8,081 sq metre factory premise at No. 90, Lot 198, Jalan TUDM, Kampung Baru Subang, Sek U6, 40150 Shah Alam. - Rental is payable on a monthly basis. - Tenure of the agreement is for a period of 1 year.	Peng Fah Engineering	<ul style="list-style-type: none"> • Yap Kow @ Yap Kim Fah 	108,000

Note:

- * *The estimated values of RRPT from the date of forthcoming AGM to the date of next AGM are based on historical records and/or management estimates. Due to the nature of transactions, the actual may vary from the estimated values disclosed.*

2.1.5 Benefits of the Proposed RRPT Renewal

The APB Group has a long-standing business relationship with the Transacting Parties. The Related Parties are reliable suppliers of goods and services required by the APB Group for its business. The goods and services provided by the Transacting Parties are in the view of your Directors and Audit Committee priced competitively and all transactions between APB Group and the Transacting Parties are carried out on an arms-length basis.

Although the APB Group also sources from third parties, the APB Group proposes to seek shareholders' mandate as the close co-operation with the Transacting Parties is in the view of your Directors expected to continue to be of benefit to the APB Group.

2.1.6 Review Procedures for the Recurrent Transactions

The following review and approval procedures are in place to ensure that RRPT are undertaken on an arm's length basis and on commercial terms consistent with the APB Group's usual business practices and policies, which are no more favourable to the Related Parties than those extended to third parties/public and, are not detrimental to APB's minority shareholders:

- (a) All companies within the Group have been informed of the definition of Related Party and the review procedures applicable to all RRPT with Related Parties;

- (b) All companies within the Group shall only enter into RRPT after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards. Any RRPT entered into shall be treated and processed on normal commercial terms consistent with the Company's usual business practices and policies and will not be detrimental to the minority shareholders;
- (c) All companies within the Group are guided by a set of rules and policies with regard to new RRPT to be entered into. The main rules and policies include, among others, the following:
 - (i) Certain documentations such as quotations from several sources other than the Related Party must be obtained prior to Related Party's products and/or services are rendered to or from the Group. This is to ensure that the transactions are based on prices which are competitive in comparison with the prevailing market prices, and on rental, the tenure and renewal of rental and maintenance services provided that are similar to the commercial terms for transaction with the public, which depend on the demand and supply of the products and services;
 - (ii) Where a Related Party is engaged for its services, proper documentation shall be prepared such as agreement, contract and letter of engagement to govern the services, which would be reviewed from time to time (normally within 2 years); and
 - (iii) An interested director and/or shareholder is required to abstain from negotiations and from deliberating and voting on a proposal to enter into a Recurrent Transaction;
- (d) A list of RRPT will be circulated to the Audit Committee for review to ensure that the transactions entered into are on arms length basis, based on commercial terms and are not more favourable to the related party than those generally available to the public and, are not detrimental to APB's minority shareholders;
- (e) The Audit Committee will also review conflict of interest situations that may arise within the APB Group as a result of the RRPT;
- (f) Such reviews will be conducted on a quarterly basis together with the review of quarterly results, or such other frequency as the Audit Committee may consider appropriate;
- (g) If a member of the Audit Committee has an interest in the RRPT, he will abstain from any decision making by the Audit Committee in respect of such transactions;
- (h) The annual internal audit plan will incorporate a review of all RRPT in its corporate governance audit to ensure that the review procedures in respect of such transactions are adhered to; and
- (i) The Audit Committee will report its review of all RRPT to the Board.

2.1.7 Statement from the Audit Committee

The Audit Committee has seen and reviewed the procedures mentioned in Section 2.1.6 above and is of the view that the said procedures are sufficient to ensure that the RRPT 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.

2.2 PROPOSED SHARE BUY-BACK RENEWAL

2.2.1 Details of the Proposed Share Buy-back Renewal

As the authority for the Company to purchase its own shares will expire upon the forthcoming AGM of the Company, the Company wishes to seek a renewal of mandate from its shareholders for the Company to purchase up to 10% of its issued and paid up share capital of the Company at any point in time. The purchase of APB's own shares will be carried out through Bursa Securities via stockbroker(s) to be appointed by APB.

As at 11 February 2008, the issued and paid-up share capital of the Company was RM88,146,507 comprising 88,146,507 APB Shares. On even date, there were 24,728,495 outstanding ICPS that are convertible into 24,728,495 new APB Shares. The Proposed Share Buy-back Renewal will allow APB

to purchase or hold any of its own shares as treasury shares in aggregate not more than ten per centum (10%) of the issued and paid-up share capital, as follows:

	No. of Shares
Based on the assumption that there will be no conversion of outstanding ICPS as at 11 February 2008 and no resale or distribution of 2,030,200 treasury shares prior to the implementation of the Proposed Share Buy-back Renewal	6,784,450
Based on the assumption of full conversion of outstanding ICPS as at 11 February 2008 and no resale or distribution of 2,030,200 treasury shares prior to the implementation of the Proposed Share Buy-back Renewal	9,257,300

The Listing Requirements stipulate that a listed issuer must ensure that the proposed purchase of its own shares is made wholly out of retained profits and/or the share premium account of the listed company.

The maximum amount of funds to be utilised by the Company for the Proposed Share Buy-back Renewal will not exceed the Company's retained profits and/or share premium. Based on the Company's latest available audited financial statements as at 30 September 2007 and unaudited quarterly results as at 31 December 2007, the retained profits stood at RM5,390,518 and RM4,895,061 respectively and there was no share premium reserve at both dates.

Any APB Shares to be bought by APB pursuant to the Proposed Share Buy-back Renewal will be first funded from internally generated funds and/or funded by external borrowings, if so required. At the moment, the Company does not have any external borrowings for such purpose. In the event that the Company intends to purchase its own shares using external borrowings, the Board shall ensure that the Company shall have sufficient funds to repay the external borrowings and interest expense and that the repayment would not have any material effect on the cashflow of the Company.

The actual amount of internal funds and/or external borrowings to be utilised will depend on, amongst others, the available internally generated funds, actual number of APB Shares to be purchased and other relevant cost factors at the time of purchase(s).

Subsection (3A) of Section 67A of the Act allows APB to cancel the purchased APB Shares, to hold the purchased APB Shares as treasury shares or a combination of both. The purchased APB Shares held as treasury shares may be distributed to the shareholders of APB as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities, subsequently cancelled or any combination of the three. The Company may have the opportunity to realise capital gains if these shares, held as treasury shares, are resold on Bursa Securities at a price higher than the purchase price. The decision whether to retain the purchased APB Shares as treasury shares, or to cancel the APB Shares purchased or a combination of both, will be made by the Board at the appropriate time.

Pursuant to Section 67A (3C) of the Act, while the purchased APB Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution or otherwise are suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

The shareholders' mandate for the Proposed Share Buy-back Renewal will be effective upon the passing of the ordinary resolution for the Proposed Share Buy-back Renewal at the forthcoming AGM until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM is required by law to be held; or

- (c) revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,

whichever occurs first.

Pursuant to Paragraph 12.18 of the Listing Requirements, APB may only purchase its own shares at a price which is not more than fifteen per centum (15%) above the weighted average market price for APB Shares for the five (5) market days immediately preceding the date of purchase(s).

In the case of a resale of treasury shares, if any, the Company may resell the treasury shares on the Bursa Securities at:

- (a) a price not less than the weighted average market price for the APB Shares for the five (5) market days immediately prior to the resale; or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price for the APB Shares for the five (5) market days immediately prior to the resale provided that:
- (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and
- (ii) the resale price is not less than the cost of purchase of the APB Shares being resold.

As at 11 February 2008, the public shareholding spread of APB stood at 39,071,195 APB Shares representing 45.37% in the hands of 2,763 public shareholders holding not less than 100 APB Shares each. The public shareholding spread of APB will reduce as a result of the Proposed Share Buyback Renewal, assuming all purchased APB Shares are purchased from the market from public shareholders, as follows:

	Before the Proposed Share Buy-back Renewal	After the Proposed Share Buy-back Renewal
Assuming no ICPS are converted and no resale or distribution of 2,030,200 treasury shares prior to the implementation of the Proposed Share Buy-back Renewal	45.37%	40.70%
Assuming full conversion of 24,728,495 outstanding ICPS and no resale or distribution of 2,030,200 treasury shares prior to the implementation of the Proposed Share Buy-back Renewal	37.04%	31.31%

Pursuant to Paragraph 12.14 of the Listing Requirements, APB must not purchase its own shares on the Bursa Securities if that purchase(s) will result in the Company being in breach the 25% public shareholding spread.

In view of the above, APB will take necessary measures to ensure that the aforesaid public shareholding spread is met and maintained at all times (including, among others, only purchasing such number of APB Shares under the Proposed Share Buy-Back Renewal to maintain at least 25% public shareholding spread).

2.2.2 Implication of the Code

The Proposed Share Buy-back Renewal may result in substantial shareholder(s) and/or parties acting in concert with it incurring a mandatory take-over offer under the Code. Therefore, should APB wish to purchase its own shares which would result in substantial shareholder(s) and/or parties acting in concert with it incurring a mandatory take-over offer obligation under the Code, an exemption under Practice Note 2.9.10 of the Code would be sought from the SC, subject to certain conditions as set out in the Practice Note being met, since the increase in their shareholding is inadvertent and is a result of the action that is outside their direct participation.

Based on the current shareholding as at 11 February 2008, Ikram Pintas by itself holds 18,376,000 APB Shares representing 21.34% of the issued and paid-up share capital of APB. Further, Ikram Pintas, together with parties acting in concert with it (namely Yap Kow @ Yap Kim Fah, Gan Chin Boon, TTS Resources, Tan Teng Khuan, Lim Hong Liang and Lim Lye Hock), collectively own 37,002,286 APB Shares representing 42.97% of the issued and paid-up share capital of APB. In view of the above, Ikram Pintas, either by itself or together with parties acting in concert with it, will be required to make a mandatory take-over offer should APB purchases its own shares pursuant to the Proposed Share Buy-back Renewal such that Ikram Pintas and parties acting in concert with it increases their total shareholdings in APB by more than 2% in a six (6)-month period unless an exemption under Practice Note 2.9.10 has been granted beforehand by the SC.

As at the date of this statement, the said exemption has not been sought from the SC. Nevertheless, in the event the Company purchases its own shares which would result in the substantial shareholders and/or parties acting in concert with them triggering a mandatory offer obligation under the Code, approval would be sought from the SC for exemption under Practice Note 2.9.10 of the Code before the purchase is made.

2.2.3 Potential Advantages and Disadvantages of the Proposed Share Buy-back Renewal

The potential advantages of the Proposed Share Buy-back Renewal to the Company and its shareholders are:

- (a) if the purchased APB Shares are cancelled, the EPS of APB Group will be enhanced and shareholders are likely to enjoy an increase in the value of their investment in the Company;
- (b) the Company's share capital base will be reduced pursuant to the Proposed Share Buy-back Renewal, which may increase the likelihood of a higher dividend rate being declared in the future; and
- (c) if the purchased APB Shares are retained as treasury shares, it will provide the Board with an option to sell the purchased APB Shares at a higher price and therefore make an exceptional gain for the Company. Alternatively, the purchased APB Shares can be distributed as share dividends to shareholders and provide a reward to the shareholders of the Company.

The potential disadvantages of the Proposed Share Buy-back Renewal to the Company and its shareholders are:

- (a) as the Proposed Share Buy-back Renewal can only be made out of retained profits and the share premium reserves, it may reduce the financial resources available for distribution to the shareholders of the Company in the foreseeable future;
- (b) resultant opportunity costs for the Company as better investment opportunities may be foregone in the future with the reduction in financial resources of APB Group available upon implementation of the Proposed Share Buy-back Renewal; and
- (c) deprive the Group of interest income that can be derived from the funds utilised for the Proposed Share Buy-back Renewal. Further, if the Proposed Share Buy-back Renewal is financed via bank borrowings, the Group shall have to service interest obligations.

The Proposed Share Buy-back Renewal, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of APB which need to be balanced against investment opportunities and other proposals that can enhance value for its shareholders. The Board in exercising any decision on the Proposed Share Buy-back Renewal will be mindful of the interest of the Company and of its shareholders.

2.2.4 Purchase of APB Shares and Resale of Treasury Shares Made in the Previous Twelve (12) Months

For the financial year ended 30 September 2007, the Company had acquired 2,030,200 ordinary shares for a total consideration of RM3,322,462 and these shares are being held as treasury shares. The details of the purchases made are as follows:

Date of Purchase	Highest Price paid per Share	Lowest Price paid per Share	Average Price paid per Share	Total consideration
	RM	RM	RM	RM
5 March 2007	1.35	1.34	1.35	6,749.88
27 March 2007	1.55	1.51	1.54	142,348.87
28 March 2007	1.55	1.52	1.55	111,428.19
29 March 2007	1.53	1.51	1.52	298,882.08
30 March 2007	1.55	1.53	1.54	51,909.78
2 April 2007	1.56	1.55	1.56	107,420.63
3 April 2007	1.57	1.55	1.57	70,619.64
4 April 2007	1.66	1.62	1.65	399,976.63
5 April 2007	1.66	1.65	1.66	111,438.23
6 April 2007	1.67	1.64	1.66	363,375.62
9 April 2007	1.70	1.66	1.69	294,310.59
10 April 2007	1.71	1.67	1.70	346,204.43
28 May 2007	1.66	1.65	1.66	223,707.35
29 May 2007	1.67	1.66	1.67	593,335.83
30 May 2007	1.66	1.65	1.66	200,754.58

The Company has not resold, cancelled and/or distributed any treasury shares as dividends in the previous twelve (12) months preceding the date of this Circular.

2.3 PROPOSED AMENDMENTS

The details of the Proposed Amendments are set out in Appendix I of this Circular.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed RRPT Renewal

The RRPT entered or to be entered into by the APB Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of the same may render it impractical to seek shareholders' approval on a case by case basis before entering into such related party transactions.

As such, APB is seeking a shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements for the RRPT described in Sections 2.1.3 and 2.1.4 above to allow the APB Group to enter into such RRPT on an arm's length basis and on normal commercial terms and which are not prejudicial to the interests of APB's shareholders. By obtaining the Proposed RRPT Renewal on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur, would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the APB Group or adversely affecting the business opportunities available to the APB Group.

3.2 Proposed Share Buy-Back Renewal

The Proposed Share Buy-back Renewal would enable the Company to purchase its own shares from the open market to capitalise on market inefficiencies and to act in the best interest of the Company. The Proposed Share Buy-back Renewal, if implemented, may stabilise the supply and demand of APB Shares, which may subsequently have a favourable effect on the market price for APB Shares.

Any shares purchased under the Proposed Share Buy-back Renewal, whether to be held as treasury shares or subsequently cancelled, will effectively reduce the number of APB Shares carrying voting and participation rights. Therefore, the shareholders of the Company may enjoy an increase in the value of their investment in APB due to the increase in its earnings per share.

The purchased APB Shares could be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

3.3 Proposed Amendments

The Proposed Amendments are to ensure that the Articles of Association of the Company are in compliance with the amendments of the Listing Requirements.

4. FINANCIAL EFFECTS

The Proposed RRPT Renewal and Proposed Amendments will not have any financial effect on the earnings, share capital, net assets, shareholding structure, shareholdings of substantial shareholders, dividends and gearing ratio of the APB Group.

The financial effects of the Proposed Share Buy-back Renewal shown below are based on the assumption that APB will have adequate retained earnings and / or share premium account to undertake the Proposed Share Buy-back Renewal up to the maximum of ten per centum (10%) of its issued and paid-up share capital. The actual quantum of shares purchased under the Proposed Share Buy-back Renewal may be limited to the availability of the above-mentioned reserves.

The proforma effects of the Proposed Share Buy-back Renewal based on the following scenarios, are set out below:

Scenario 1: Assuming no ICPS are converted and no resale or distribution of 2,030,200 treasury shares.

Scenario 2: Assuming full conversion of 24,728,495 outstanding ICPS and no resale or distribution of 2,030,200 treasury shares prior to the implementation of the Proposed Share Buy-back Renewal.

4.1 Share Capital

The Proposed Share Buyback Renewal will have no effect on the issued and paid-up capital of APB if the purchased APB Shares are retained in full as treasury shares, resold or distributed as dividends to shareholders.

However, in the event the purchased APB Shares are cancelled, the issued and paid-up share capital will decrease by the number of shares cancelled. For illustrative purposes only, assuming that the maximum number of APB Shares are purchased and cancelled under the Proposed Share Buy-back Renewal, the effect on the issued and paid-up share capital of the Company is set out below.

The actual quantum of shares purchased under the Proposed Share Buy-back Renewal may be limited to the availability of the retained earnings and / or share premium account of APB.

	Scenario 1	Scenario 2
	No. of APB Shares	No. of APB Shares
Issued and paid-up share capital as at 11 February 2008	88,146,507	88,146,507
Assuming full conversion of 24,728,495 outstanding ICPS	-	24,728,495
Less : Maximum number of shares purchased pursuant to the Proposed Share Buy-back Renewal *	88,146,507 (6,784,450) ¹	112,875,002 (9,257,300) ²
Resultant issued and paid-up share capital	81,362,057	103,617,702

Notes:

* Assuming cancellation of all the APB Shares purchased.

¹ 10% of the issued and paid-up share capital less treasury shares of 2,030,200.

² 10% of the issued and paid-up share capital after full conversion of the outstanding ICPS less treasury shares of 2,030,200.

4.2 NA

The effect of the Proposed Share Buy-back Renewal on the NA per share of the Group is dependent on the number of APB Shares purchased, the purchase price(s) of the APB Shares purchased, the effective cost of funding and the treatment of the APB Shares purchased.

The Proposed Share Buy-back Renewal will reduce the NA per share when the purchase price exceeds the NA per share at the time of purchase. On the contrary, the NA per share will increase when the purchase price is less than the NA per share at the time of purchase.

4.3 Gearing

The Proposed Share Buy-back Renewal is not expected to have any material effect on the Company's gearing.

4.4 Working Capital

The Proposed Share Buy-back Renewal will reduce funds available for working capital purposes of the Company, the quantum of which depends on the purchase price of the APB Shares, the actual number of purchased APB Shares and any associated costs incurred in making the purchase.

4.5 Earnings and EPS

The effects of the Proposed Share Buy-back Renewal on the earnings of the APB Group would depend on the purchase price and the number of APB Shares purchased. The effective reduction in the issued and paid-up share capital of the Company pursuant to the Proposed Share Buy-back Renewal will, generally, all else being equal, have a positive impact on the consolidated EPS of the Company.

4.6 Dividend

The Company declared and paid an interim dividend of 3.5% less tax and recommended a final dividend of 3.0% less tax in respect of the financial year ended 30 September 2007. The Proposed Share Buy-back Renewal is not expected to have any material impact on the policy of the Board in recommending dividends for the financial year ending 30 September 2008, which would depend on, amongst others, the profitability and cashflow position of the Company.

On the other hand, the purchased APB Shares may be distributed as dividends to the shareholders of the Company, if the Board so decides.

4.7 Directors' and Substantial Shareholders' Shareholding

The effects on the Directors' and substantial shareholders' shareholding based on the Company's Register of Directors and Register of Substantial Shareholders as at 11 February 2008 are as follows:

Scenario 1

	(I)				(II)			
	As at 11 February 2008				After the Proposed Share Buy-back Renewal ^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%@	No. of Shares	%@	No. of Shares	%@	No. of Shares	%@
Directors								
Yap Kow @ Yap Kim Fah	8,241,381	9.57	¹ 21,828,257	25.35	8,241,381	10.39	¹ 21,828,257	27.52
Tan Teng Khuan	1,993	*	-	-	1,993	*	-	-
Gan Chin Boon	624,144	0.72	-	-	624,144	0.79	-	-
Lim Lye Hock	12,566	0.02	-	-	12,566	0.02	-	-
Yap Kau @ Yap Yeow Ho	33,000	0.04	² 3,472,257	4.03	33,000	0.04	² 3,472,257	4.38

	(I)				(II)			
	As at 11 February 2008				After the Proposed Share Buy-back Renewal ^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% [@]	No. of Shares	% [@]	No. of Shares	% [@]	No. of Shares	% [@]
Johari Low bin Abdullah @ Low Han Hing	20,522	0.02	-	-	20,522	0.03	-	-
Mak Fong Ching	-	-	-	-	-	-	-	-
Chua Eng Seng	-	-	-	-	-	-	-	-
Muhayuddin bin Musa	1	*	-	-	1	*	-	-
<u>Substantial shareholders</u>								
Ikram Pintas	18,376,000	21.34	-	-	18,376,000	23.16	-	-
Lim Hong Liang	6,293,945	7.31	³ 18,791,959	21.82	6,293,945	7.93	³ 18,791,959	23.69
Rosley Bin Abdul Rahman	-	-	⁴ 18,376,448	21.34	-	-	⁴ 18,376,448	23.16
Rosnah Binti Abdul Rahman	-	-	⁴ 18,376,448	21.34	-	-	⁴ 18,376,448	23.16
Danau Restu Sdn Bhd	448	*	⁵ 18,376,000	21.34	448	*	⁵ 18,376,000	23.16
Yap Kow @ Yap Kim Fah	8,241,381	9.57	¹ 21,828,257	25.35	8,241,381	10.39	¹ 21,828,257	27.52
Lembaga Tabung Haji	8,850,300	10.28	-	-	8,850,300	11.16	-	-

Notes:

@ Excluding treasury shares of 2,030,200

* Negligible

^ Based on the maximum number of APB Shares that may be purchased

¹ Deemed interest by virtue of his shareholdings in TTS Resources and Ikram Pintas

² Deemed interest by virtue of his shareholdings in TTS Resources

³ Deemed interest by virtue of his shareholdings in Ikram Pintas and Rare Prestige Sdn Bhd

⁴ Deemed interest by virtue of his shareholdings in Ikram Pintas and Danau Restu Sdn Bhd

⁵ Deemed interest by virtue of its shareholdings in Ikram Pintas

Scenario 2

	(I)				(II)				(III)			
	As at 11 February 2008				Assuming full conversion of 24,728,495 outstanding ICPS				After (II) and Proposed Share Buy-back Renewal ^			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
No. of Shares	% [@]	No. of Shares	% [@]	No. of Shares	% [@]	No. of Shares	% [@]	No. of Shares	% [@]	No. of Shares	% [@]	
<u>Directors</u>												
Yap Kow @ Yap Kim Fah	8,241,381	9.57	¹ 21,828,257	25.35	12,216,404	11.02	¹ 35,993,215	32.47	12,216,404	12.03	¹ 35,993,215	35.43
Tan Teng Khuan	1,993	*	-	-	244,095	0.22	-	-	244,095	0.24	-	-
Gan Chin Boon	624,144	0.72	-	-	925,157	0.83	-	-	925,157	0.91	-	-
Lim Lye Hock	12,566	0.02	-	-	383,445	0.35	-	-	383,445	0.38	-	-
Yap Kau @ Yap Yeow Ho	33,000	0.04	² 3,472,257	4.03	33,000	0.03	² 3,472,257	3.13	33,000	0.03	² 3,472,257	3.42
Johari Low bin Abdullah @ Low Han Hing	20,522	0.02	-	-	20,522	0.02	-	-	20,522	0.02	-	-
Mak Fong Ching	-	-	-	-	-	-	-	-	-	-	-	-
Chua Eng Seng	-	-	-	-	-	-	-	-	-	-	-	-
Muhayuddin bin Musa	1	*	-	-	1	*	-	-	1	*	-	-
<u>Substantial shareholders</u>												
Ikram Pintas	18,376,000	21.34	-	-	30,876,000	27.86	-	-	30,876,000	30.39	-	-
Lim Hong Liang	6,293,945	7.31	³ 18,791,959	21.82	9,476,345	8.55	³ 31,492,569	28.41	9,476,345	9.33	³ 31,492,569	31.00
Rosley Bin Abdul Rahman	-	-	⁴ 18,376,448	21.34	-	-	⁴ 30,876,629	27.86	-	-	⁴ 30,876,629	30.39
Rosnah Binti Abdul Rahman	-	-	⁴ 18,376,448	21.34	-	-	⁴ 30,876,629	27.86	-	-	⁴ 30,876,629	30.39
Danau Restu Sdn Bhd	448	*	⁵ 18,376,000	21.34	629	*	⁵ 30,876,000	27.86	629	*	⁵ 30,876,000	30.39
Yap Kow @ Yap Kim Fah	8,241,381	9.57	¹ 21,828,257	25.35	12,216,404	11.02	¹ 35,993,215	32.47	12,216,404	12.03	¹ 35,993,215	35.43
Lembaga Tabung Haji	8,850,300	10.28	-	-	8,850,300	7.98	-	-	8,850,300	8.71	-	-

Notes:

- @ Excluding treasury shares of 2,030,200
* Negligible
^ Based on the maximum number of APB Shares that may be purchased
1 Deemed interest by virtue of his shareholdings in TTS Resources and Ikram Pintas
2 Deemed interest by virtue of his shareholdings in TTS Resources
3 Deemed interest by virtue of his shareholdings in Ikram Pintas and Rare Prestige Sdn Bhd
4 Deemed interest by virtue of his shareholdings in Ikram Pintas and Danau Restu Sdn Bhd
5 Deemed interest by virtue of its shareholdings in Ikram Pintas

5. CONDITIONS OF THE PROPOSALS

The Proposals are conditional upon the approval of the shareholders of APB being obtained at the forthcoming AGM.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

6.1 Proposed RRPT Renewal

Save as disclosed below, none of the other Directors and major shareholders of APB or Persons Connected has any interest, direct or indirect, in the Proposed RRPT Renewal:

	Existing as at 11 February 2008			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
Interested Directors				
Yap Kow @ Yap Kim Fah	8,241,381	9.57	21,828,257	25.35
Yap Kau @ Yap Yeow Ho	33,000	0.04	3,472,257	4.03
Interested major shareholders				
Yap Kow @ Yap Kim Fah	8,241,381	9.57	21,828,257	25.35
Ikram Pintas	18,376,000	21.34	-	-
Interested shareholder				
TTS Resources	3,452,257	4.01	-	-

The interested director and major shareholder namely Yap Kow @ Yap Kim Fah, and interested director and shareholder namely Yap Kau @ Yap Yeow Ho, have abstained and will continue to abstain from all Board deliberations and voting in respect of the RRPT in which they have an interest as detailed in Section 2.1.3 of this Circular. Such interested directors and/or major shareholder will also abstain from voting in respect of their shareholdings on the resolution approving the Proposed RRPT Renewal at the forthcoming AGM.

The interested major shareholder namely Ikram Pintas and the interested shareholder namely TTS Resources, will abstain from voting in respect of their shareholdings on the resolution approving the Proposed RRPT Renewal at the forthcoming AGM.

Where applicable, the above interested Directors and/or major shareholders have also undertaken to ensure that the persons connected to them will abstain from voting in respect of their shareholdings on the resolution pertaining to the Proposed RRPT Renewal at the forthcoming AGM.

6.2 Proposed Share Buy-Back Renewal and Proposed Amendments

None of the Directors and major shareholders of APB or Persons Connected has any interest, direct or indirect, in the Proposed Share Buy-Back Renewal, Proposed Amendments or resale of treasury shares (if any in the future).

7. DIRECTORS' RECOMMENDATION

Having considered the Proposals, the Board of Directors (with the exception of Yap Kow @ Yap Kim Fah and Yap Kau @ Yap Yeow Ho, who are deemed interested in the Proposed RRPT Renewal and have abstained from giving any opinion in respect of the Proposed RRPT Renewal) is of the opinion that the Proposals are fair, reasonable and in the best interest of the Company.

Accordingly, the Directors, with the exception of Yap Kow @ Yap Kim Fah and Yap Kau @ Yap Yeow Ho, who have abstained from making a recommendation on the Proposed RRPT Renewal, recommend that you vote in favour of the resolutions on the Proposals to be tabled at the forthcoming AGM.

8. AGM

The Sixth AGM of APB, the notice and an extract of the resolutions in relation to the Proposals are set out in the 2007 Annual Report, will be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Tuesday, 25 March 2008 at 10.00 a.m. or adjournment (as the case may be) thereof for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposals contained herein. If you are unable to attend and vote in person at the AGM, you should complete and return the Form of Proxy in accordance with the instructions therein to the Registered Office of the Company at D12, Tingkat 1, Plaza Pekeliling, No. 2 Jalan Tun Razak, 50400 Kuala Lumpur, as soon as possible and in any event not later than 48 hours before the time fixed for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix II for further information.

Yours faithfully,
For and on behalf of the Board of Directors
APB Resources Berhad

Mak Fong Ching
Independent Non-Executive Director

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The amendments (for which the differences are highlighted in bold) to be made are as follows:

Existing Articles of Association	Proposed Amendments to the Articles of Association
<p>Article 2</p> <p>Approved Market Place means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No.2) Order 1998.</p> <p>Central Depository means Malaysian Central Depository Sdn. Bhd. (Company No. 165570-W)</p> <p>Depositor means a holder of a securities account as defined in the Central Depositories Act.</p> <p>Depository security means a security in the Company standing to the credit of a securities account of a Depositor subject to the provisions of the Central Depositories Act and the Rules.</p> <p>Exchange means Malaysia Securities Exchange Berhad and/or any other Exchange on which the Company is listed.</p> <p>New</p>	<p>Article 2</p> <p>Deleted</p> <p>Central Depository means Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W)</p> <p>Depositor means a holder of a securities account established by Central Depository.</p> <p>Depository Security shall have the meaning given in Section 2 of the Securities Industry (Central Depositories) Act 1991.</p> <p>Exchange means Bursa Malaysia Securities Berhad or such other name(s) as may be adopted from time to time and such other stock exchange, if any, upon which the shares of the Company may be listed and quoted.</p> <p>Securities shall have the meaning assigned to it in Section 2 of the Capital Market and Services Act, 2007.</p>
<p>Article 5(2)</p> <p>Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or during the winding up of the Company, or on a proposal for the disposal of the whole of the Company' s property, business and undertaking, or where any resolution to be submitted to the meeting directly affects their rights and privileges attached to the shares, or when the dividend or part</p>	<p>Article 5(2)</p> <p>Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or during the winding up of the Company, or on a proposal for the disposal of the whole of the Company' s property, business and undertaking, or where any resolution to be submitted to the meeting directly affects their rights and privileges attached to the shares, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.</p>

Existing Articles of Association	Proposed Amendments to the Articles of Association
of the dividend on the preference shares is in arrears for more than six (6) months.	
<p>Article 35</p> <p>In the event that:-</p> <p>(a) the securities of the Company are listed on an Approved Market Place; and</p> <p>(b) the Company is exempted from compliance with section 14 of the Central Depositories Act or section 29 of the Securities Industry (Central Depositories) (Amendment)(No.2) Act, 1998, as the case may be, under the Rules in respect of such securities,</p> <p>the Company shall, upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in ownership of such securities.</p>	<p>Article 35</p> <p>Where:-</p> <p>(a) the securities of the Company are listed on another stock exchange; and</p> <p>(b) the Company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Depository in respect of such securities,</p> <p>the Company shall, upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the other stock exchange to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in ownership of such securities.</p>
<p>Article 36</p> <p>The Company shall not allow any transmission of securities from the Malaysian Register to the Foreign Register.</p>	<p>Article 36</p> <p>Deleted</p>
<p>Article 58</p> <p>The notices convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days notice or twenty-one (21) days notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to each stock exchange upon which the Company is listed.</p>	<p>Article 58</p> <p>The notices convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days notice or twenty-one (21) days notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>

Existing Articles of Association	Proposed Amendments to the Articles of Association
<p>Article 60</p> <p>The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors, as at a date not less than three (3) market days before the general meeting (hereinafter referred to as the General Meeting Record of Depositors).</p>	<p>Article 60</p> <p>The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the general meeting (hereinafter referred to as the General Meeting Record of Depositors).</p>
<p>New provision</p>	<p>Article 112A</p> <p>Directors or members of a committee of Directors (as the case may be) shall be deemed to be present in person at a meeting of Directors or committee if he participates by telephone, audio, audio visual or such other electronic means and all Directors or members of committee participating in the meeting are able to hear and/or see each other. Such participation in a meeting shall constitute presence in person at such meeting. For the purpose of recording attendance, the Chairman or Secretary shall mark on the attendance sheet that the Director or member of committee was present and participating by telephone, video-conferencing or other electronic means. Any such meeting shall be deemed held at the registered office.</p>
<p>Article 128</p> <p>A resolution in writing signed or approved by a majority of the Directors who may at the time be present in Malaysia and not being less than two Directors to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book. Any such resolution may consist of several documents in like form (prepared and circulated by telefax, telex, telegram with copy sent by courier or registered post), each signed by one (1) or more Director or their alternates. An approval by letter or other written means of a proposed resolution in writing (which has been prepared and circulated as aforesaid) signed by a Director and sent by him by telefax, telex or telegram (with copy sent by courier or registered post) shall be deemed to be a document signed by him for the purposes of the</p>	<p>Article 128</p> <p>A resolution in writing signed or approved by a majority of the Directors who may at the time be present in Malaysia and not being less than two Directors to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book. Any such resolution may consist of several documents in like form (prepared and circulated by telefax, telex, telegram or other electronic or digital written message with copy sent by courier or post), each signed by one (1) or more Director or their alternates. An approval by letter or other written means of a proposed resolution in writing (which has been prepared and circulated as aforesaid) signed by a Director and sent by him to the Secretary by telefax, telex or telegram or other electronic or digital written message (with</p>

Existing Articles of Association	Proposed Amendments to the Articles of Association
foregoing provisions.	copy sent by courier or post) shall be deemed to be a document signed by him for the purposes of the foregoing provisions.
<p data-bbox="194 459 335 488">Article 138</p> <p data-bbox="194 517 794 1279">The Directors shall from time to time in accordance with section 169 of the Act cause to be prepared and laid before the Company in general meeting, such profit and loss accounts, balance sheets and reports as are referred to in the section. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors and auditors reports shall not exceed four (4) months. A copy of each such document shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article 156), be sent to every Member of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange upon which the Company's shares may be listed, shall at the same time be likewise sent to the Exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Company's Office.</p>	<p data-bbox="798 459 938 488">Article 138</p> <p data-bbox="798 517 1396 1585">The Directors shall from time to time in accordance with section 169 of the Act cause to be prepared and laid before the Company in general meeting, such profit and loss accounts, balance sheets and reports as are referred to in the section. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors and auditors reports shall not exceed four (4) months. A copy of each such document in printed form or in CD-ROM form or such other form of electronic media shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article 156), be sent to every Member of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange upon which the Company's shares may be listed, shall at the same time be likewise sent to the Exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Company's Office. In the event that these documents are sent in CD-ROM form or in such other form of electronic media and a member requires a printed form of such documents, the Company shall send such documents to the member within such number of days as the Exchange may determine from time to time, from the date of receipt of the member's request.</p>

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of APB and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. CONSENT

HwangDBS has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its names and all references thereto (where applicable) in the form and context in which they so appear in this Circular. As at the date of this Circular, HwangDBS is not aware of any existing or potential interest or any circumstances which would give rise to a conflict of interest in their capacity as the preparer to APB in relation to the Proposals.

3. MATERIAL CONTRACTS

There are no other material contracts (not being contracts entered into in the ordinary course of business) that has been entered by APB and/or its subsidiaries during the two (2) years immediately preceding the date of this Circular.

4. MATERIAL LITIGATION

Save as disclosed below, neither APB nor its subsidiary companies are involved in any material litigation, claims or arbitration, either as plaintiff, defendant, appellant or respondent, and at the date of this Circular, the Directors of APB do not have any knowledge of any proceedings, pending or threatened, against APB or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the APB Group:

- (i) On 24 May 2002, AMC was sued by Loh Tuck Loong, for a sum of RM851,451 as medical compensation for an accident that occurred at the workplace. The case has been adjourned for hearing on 29 April 2008. AMC's solicitors are of the opinion that Loh Tuck Loong does not have a good case against AMC as Loh Tuck Loong was never an employee of AMC and therefore no legal nexus exists between Loh Tuck Loong and AMC;
- (ii) By a Put and Call Option Agreement dated 10 October 2000 made between AMC and Tan Sri Lim Geok Chan @ Lim Yock Ching ("Tan Sri Lim"), where at the request of Tan Sri Lim, AMC has subscribed for 2,000,000 ordinary shares in Nusantara Steel Group Sdn Bhd and Tan Sri Lim agreed to grant a put option in favour of AMC to purchase all of the said shares within twelve (12) months after the lapse of twelve (12) months from the date of the subscription of the shares agreement for a sum of RM2,000,000. Tan Sri Lim has failed to honour the said Put and Call Option Agreement. AMC has instructed its solicitors to initiate legal action against Tan Sri Lim to recover the said RM2,000,000. The solicitors have obtained the sealed Order of Substituted Service and now liaising with the Court Registry for the extraction of the sealed Order for Extension of Bankruptcy Notice which was filed on 23 August 2004. AMC's petition was fixed for hearing on 8 November 2006. However, the petition was unable to be served as the judgement debtor has passed away. AMC's solicitors are of the opinion that AMC is able to enforce its rights under the said Put and Call Option Agreement and recover the said RM2,000,000. Options are being looked into to claim the said RM2,000,000; and
- (iii) On 30 April 1999, Benmarl was sued by Cheang Pow Lin ("CPL"), a former manager of Benmarl for the sum of RM389,777, purportedly being sums due to him as commission/remuneration. Benmarl denies the debt and has counter-claimed for RM83,948.40 being over-payments made to him. CPL's application for summary judgment was dismissed with cost. On 28 October 2003, the Court granted CPL's application to amend his Statement of Claim. The matter is adjourned for further case clarification on 11 June 2008. Benmarl's solicitors are of the view that CPL will not succeed in his claim against Benmarl.

5. HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest market prices of APB Shares for the past twelve (12) months from February 2007 to January 2008 as transacted on Bursa Securities:

	High RM	Low RM
2007		
February	1.83	1.45
March	1.60	1.30
April	1.71	1.55
May	1.74	1.61
June	1.93	1.72
July	2.43	1.81
August	2.24	1.47
September	1.86	1.75
October	1.82	1.67
November	1.80	1.62
December	1.79	1.61
2008		
January	1.77	1.36

Last transacted market price on 14 February 2008 (*being the last trading day prior to the announcement of the Proposals*) RM1.40

Last transacted market price on 26 February 2008
(*being the latest practicable date prior to the printing of this Circular*) RM1.31

(Source: Bloomberg)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at D12, Tingkat 1, Plaza Pekeliling, No. 2 Jalan Tun Razak, 50400 Kuala Lumpur, during normal business hours from Mondays to Fridays but excluding public holidays for the period commencing from the date of this Circular to the date of the forthcoming AGM:

- (a) Memorandum and Articles of Association of APB;
- (b) The audited accounts of the Company and its subsidiaries for the past two (2) financial years ended 30 September 2007 and the latest unaudited quarterly results for the financial period ended 31 December 2007;
- (c) The letter of consent referred to in Section 2 above; and
- (d) The writs of summon and relevant cause papers in relation to the material litigation, claims and arbitration referred to in Section 4 above.