

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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.

If you have sold or transferred all your ordinary shares in **APB Resources Berhad** (“**APB**” or the “**Company**”), you should at once hand this Circular together with the accompanying Form of Proxies in the 2005 Annual Report and this Circular to the agent through whom the sale or transfer was contracted for onward transmission to the purchaser or transferee.

Bursa Malaysia Securities Berhad has not perused Part B of this Circular and takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



RESOURCES

APB RESOURCES BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PART A

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW
SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE**

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

PART B

**PROPOSED PURCHASE BY APB OF ITS OWN ORDINARY SHARES ON BURSA
MALAYSIA SECURITIES BERHAD OF NOT MORE THAN TEN PER CENTUM (10%) OF
THE ISSUED AND PAID-UP SHARE CAPITAL OF APB**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser for Part B



HWANG-DBS SECURITIES BERHAD

(Company No.: 14389-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notices of the Fourth (4th) Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”) to be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Friday, 24 March 2006 at times stated below or at any adjournment thereof together with the Form of Proxies are enclosed in the 2005 Annual Report and this Circular respectively.

The Form of Proxies 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 Proxies will not preclude you from attending and voting in person at the AGM and EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxies : Wednesday, 22 March 2006 at 10.00 a.m.
Date and time of AGM : Friday, 24 March 2006 at 10.00 a.m.
Date and time of EGM : Friday, 24 March 2006 at 10.30 a.m., or immediately following the conclusion or adjournment of the AGM, as the case may be

This Circular is dated 1 March 2006

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)	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
EGM	Extraordinary general meeting
EJ	Era Julung Sdn Bhd (561466-K)
EPS	Earnings per share
Hwang-DBS	Hwang-DBS Securities Berhad (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
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 substantial shareholder pursuant to Section 122A of the Companies Act
Proposal	Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate
Proposed Share Buy-back	Proposed purchase by the Company 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

DEFINITIONS *(Cont'd)*

Proposed Shareholders' Mandate	Proposed renewal of shareholders' mandate and proposed new shareholders' mandate for the APB Group to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of business of the APB Group, as set out in Section 4.2 of Part A of this Circular
Prescan	Prescan Sdn Bhd (169056-V)
Related Party(ies)	A director, substantial shareholder or person connected with such director or substantial shareholder. For the purpose of this definition, "director" and "substantial 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 Shareholders' Mandate 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 2007

CONTENTS

PART A: LETTER TO THE SHAREHOLDERS ON THE PROPOSAL CONTAINING:

	Page
1. INTRODUCTION	1
2. PARAGRAPH 10.09 OF THE LISTING REQUIREMENTS	2
3. PROPOSED SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS	2
4. CLASS AND NATURE OF RECURRENT RELATED PARTY TRANSACTIONS.....	3
5. BENEFITS	6
6. REVIEW PROCEDURES	6
7. FINANCIAL EFFECTS.....	7
8. STATEMENT FROM THE AUDIT COMMITTEE.....	7
9. RATIONALE FOR THE PROPOSAL	8
10. CONDITIONS OF THE PROPOSAL	8
11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	8
12. DIRECTORS' RECOMMENDATION.....	8
13. AGM	9
14. FURTHER INFORMATION.....	9

PART B: LETTER TO THE SHAREHOLDERS ON THE PROPOSED SHARE BUY-BACK CONTAINING:

1. INTRODUCTION	10
2. THE PROPOSED SHARE BUY-BACK.....	11
3. RATIONALE.....	14
4. FINANCIAL EFFECTS.....	14
5. HISTORICAL SHARE PRICES	18
6. APPROVALS REQUIRED	18
7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	18
8. DIRECTORS' RECOMMENDATION.....	18
9. EGM.....	19
10. FURTHER INFORMATION.....	19

APPENDIX

1. FURTHER INFORMATION.....	20
EXTRACT OF RESOLUTIONS TO BE TABLED AT THE 4TH AGM OF THE COMPANY	22
NOTICE OF EGM	23
FORM OF PROXY	ENCLOSED

PART A

**LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE
FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE**



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

1 March 2006

Directors :

Yap Kow @ Yap Kim Fah (Chairman/Managing Director)
Tan Teng Khuan (Chief Operating Officer/Executive Director)
Lim Lye Hock (Executive Director)
Cheong Boon Yu (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 AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the 3rd AGM of the Company held on 24 March 2005, the shareholders approved the mandate on Recurrent Related Party Transaction of the Group, which will expire at the conclusion of the 4th AGM of the Company scheduled to be held on 24 March 2006.

Accordingly, the Board had on 18 January 2006 announced its intention to seek shareholders' approval for the Proposal at the forthcoming 4th AGM, as set out in Section 4, Part A of this Circular.

The purpose of this Circular is to provide shareholders with details pertaining to the Proposed Shareholders' Mandate, and to seek your approval for the resolution to be tabled at the forthcoming AGM of the Company. The Notice of the AGM and the Form of Proxy are enclosed in the 2005 Annual Report.

2. 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:

- 2.1 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;
- 2.2 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 based on the following information:
 - 2.2.1 the type of Recurrent Related Party Transaction made;
 - 2.2.2 the names of the related parties involved in each type of the Recurrent Related Party Transaction made and their relationship with the company; and
- 2.3 The interested Directors, interested substantial shareholders or Persons Connected, and where it involves the interest of Persons Connected, such Director or substantial shareholder must not vote on the resolution approving the transactions. An interested Director or interested substantial shareholder must ensure that the Persons Connected abstain from voting on the resolution approving the transactions.

3. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

APB is an investment holding company, while the principal activities of its subsidiary companies are in fabrication of specialised design and manufacturing of engineering equipment for the oil, gas, oleochemical, petrochemical, and power industries, provision of mechanical and electrical services and 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 at the date of this Circular are as follows:

Name of company	Date and place of incorporation	Issued and paid-up share capital RM	Effective interest (%)	Principal activities
<i>Subsidiary of APB</i>				
EJ	12.10.2001 Malaysia	45,638,085	100	Investment holding
<i>Subsidiaries of EJ</i>				
AMC	28.01.1982 Malaysia	3,000,000	100	Design and fabrication of specialised engineering equipment
Benmarl	10.09.1986 Malaysia	400,004	100	Provision of mechanical and electrical services and contractor for air-conditioning
Prescan	10.03.1988 Malaysia	1,600,000	100	Provision of NDT services

APB is seeking approval from its shareholders for the Proposed Shareholders' Mandate, which will allow the APB Group, in its ordinary course of business, to enter into RRPT referred to in Section 4 of Part A 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 Recurrent Related Party Transactions are set out in Section 6 of Part A of this Circular.

The Proposed Shareholders' Mandate 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 –

- 3.1 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;
- 3.2 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
- 3.3 revoked or varied by resolution passed by the shareholders of APB in general meeting,

whichever is the earlier.

4. CLASS AND NATURE OF RECURRENT RELATED PARTY TRANSACTIONS

4.1 Class of Related Parties

The Proposed Shareholders' Mandate shall apply to transactions as set out in Section 4.2 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
* 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 controlling 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 interest of Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho as at 10 February 2006 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 10 February 2006, are as follows:

Interested Related Parties	Shareholding in APB				Nature of Interest
	Direct		Indirect		
Yap Kow @ Yap Kim Fah	10,441,381	11.86%	30,889,257	35.07%	Substantial shareholder. Deemed interested by virtue of his substantial shareholding and directorship in both Ikram Pintas and TTS Resources.
Yap Kau @ Yap Yeow Ho	33,000	0.04%	3,452,257	3.92%	Deemed interested by virtue of his substantial shareholding in TTS Resources.
TTS Resources	3,452,257	3.92%	-	-	Shareholder of APB.
Ikram Pintas	27,437,000	31.15%	-	-	Shareholder of APB. Deemed interested as Yap Kow @ Yap Kim Fah is the controlling shareholder.

4.2 Nature of the Recurrent Related Party Transactions

The Recurrent Related Party Transactions which are the subject of the Proposed Shareholders' Mandate 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 the 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
Part A: Renewal of Shareholders' Mandate for RRPT				
AMC	Rental of factory premise - Payable at RM5,000 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	60,000
AMC	Purchase of welding materials 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	Provision of minor fabrication works	TTS Engineering	• 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	• Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources	40,000
AMC	Provision of machining and processing works	TTS Teknik	• Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources	10,000

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
Part B: New Shareholders' Mandate for RRPT				
AMC	Rental of factory premises - Payable at RM25,000.00 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	<ul style="list-style-type: none"> • Yap Kow @ Yap Kim Fah • Yap Kau @ Yap Yeow Ho • TTS Resources 	300,000

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.*

5. BENEFITS

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.

6. REVIEW PROCEDURES

The following review and approval procedures are in place to ensure that Recurrent Related Party Transactions 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:

- 6.1 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;
- 6.2 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;

- 6.3 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:
- (a) 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.
 - (b) 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).
 - (c) 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.
- 6.4 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.
- 6.5 The Audit Committee will also review conflict of interest situations that may arise within the APB Group as a result of the RRPT.
- 6.6 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.
- 6.7 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.
- 6.8 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.
- 6.9 The Audit Committee will report its review of all RRPT to the Board.

7. FINANCIAL EFFECTS

Save as disclosed in Section 4, Part A of this Circular, the Proposed Shareholders' Mandate will not have any financial effect on the earnings, share capital, net assets and shareholding structure of the APB Group.

8. STATEMENT FROM THE AUDIT COMMITTEE

The Audit Committee has seen and reviewed the procedures mentioned in Section 6, Part A above and is of the view that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions 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.

9. RATIONALE FOR THE PROPOSAL

The Recurrent Related Party Transactions 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 Recurrent Related Party Transactions described in Section 4.2, Part A above to allow the APB Group to enter into such Recurrent Related Party Transactions 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 Shareholders' Mandate and the renewal of the same on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions 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.

10. CONDITIONS OF THE PROPOSAL

The Proposed Shareholders' Mandate is conditional upon the approval of the shareholders of APB being obtained at the forthcoming AGM.

11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save as disclosed in Section 4 of Part A of this Circular, none of the other Directors and substantial shareholders of APB or Persons Connected have any interest in the Proposed Shareholders' Mandate. The Interested Directors namely Yap Kow @ Yap Kim Fah and Yap Kau @ Yap Yeow Ho have abstained from Board deliberations of the Proposed Shareholders' Mandate. The interested Directors and substantial shareholders, namely Yap Kow @ Yap Kim Fah, Yap Kau @ Yap Yeow Ho, TTS Resources and Ikram Pintas, will abstain from voting on the resolutions at the AGM and undertake to ensure that Persons Connected will abstain from voting in respect of their direct and indirect shareholding on the resolution approving the Proposed Shareholders' Mandate in respect of the transactions in which they have an interest as in Section 4.2, Part A above.

12. DIRECTORS' RECOMMENDATION

Having considered the rationale for the Proposal, your 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 Shareholder's Mandate and have abstained from giving any opinion in respect of the Proposed Shareholders' Mandate is of the opinion that the Proposal is fair, reasonable and in the best interest of the Company.

Accordingly, your 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 Shareholders' Mandate, recommend that you vote in favour of the resolution on the Proposal to be tabled at the forthcoming AGM.

13. AGM

The Fourth AGM of APB, the notice of which is set out in the 2005 Annual Report and an extract of which in relation to the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate is also enclosed in this Circular, will be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Friday, 24 March 2006 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 Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate 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.

14. FURTHER INFORMATION

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

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

Mak Fong Ching
Audit Committee Chairman

PART B

LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED 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



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

1 March 2006

Directors:

Yap Kow @ Yap Kim Fah (*Chairman/Managing Director*)
Tan Teng Khuan (*Chief Operating Officer/Executive Director*)
Lim Lye Hock (*Executive Director*)
Cheong Boon Yu (*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: Shareholders of APB Resources Berhad

Dear Sir/Madam,

PROPOSED 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

1. INTRODUCTION

On 24 February 2006, Hwang-DBS, on behalf of the Board, announced that the Company proposed to seek approval from its shareholders 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 at the forthcoming EGM.

The purpose of this Circular is to provide you with information on the Proposed Share Buy-Back, to set out the recommendation of your Board and to seek your approval for the resolutions pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming EGM of the Company. The Notice of EGM, together with the Form of Proxy, is enclosed herewith in this Circular.

YOU ARE ADVISED TO READ THE CONTENTS AND APPENDIX I OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AT THE FORTHCOMING EGM OF THE COMPANY.

2. THE PROPOSED SHARE BUY-BACK

2.1 Details of the Proposed Share Buy-Back

The Board proposes to seek a mandate from the shareholders of APB to purchase and/or hold in aggregate not more than ten per centum (10%) of the issued and paid-up share capital of the Company at any point in time through Bursa Securities. The purchase of APB's own shares will be carried out through Bursa Securities via stockbroker(s) to be appointed by APB.

As at 10 February 2006, the issued and paid-up share capital of the Company was RM88,072,209 comprising 88,072,209 APB Shares. On even date, there were 24,802,793 outstanding ICPS that are convertible into 24,802,793 new APB Shares. The Proposed Share Buy-Back will allow APB to purchase not more than ten per centum (10%) of the issued and paid-up share capital, as follows:

	No. of APB Shares
Based on the assumption that there will be no conversion of outstanding ICPS as at 10 February 2006 prior to the implementation of the Proposed Share Buy-Back	8,807,220
Based on the assumption of full conversion of outstanding ICPS as at 10 February 2006 prior to the implementation of the Proposed Share Buy-Back	11,287,500

The Listing Requirements stipulates 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. Currently, the Company does not have any retained earnings or share premium reserves; therefore, the Proposed Share Buy-Back will only be implemented later, at such time when the Company has the requisite retained earnings and/or share premium account. Further, the quantum of shares purchased on the Proposed Share Buy-Back will be limited to the amount of available retained earnings and/or share premium account. Notwithstanding the above, APB is seeking shareholders' approval for the Proposed Share Buy-Back first, and the Directors of APB will ensure compliance of the Listing Requirements at all times.

The maximum amount of funds to be utilised by the Company for the Proposed Share Buy-Back 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 2005, the accumulated losses stood at RM15,875,215 and there was no share premium reserve. Based on the latest unaudited quarterly results of APB for the financial period ended 31 December 2005, the accumulated losses stood at RM9,292,102.

Any APB Shares to be bought by APB pursuant to the Proposed Share Buy-Back 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 will be effective upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming EGM 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 the 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 price which is:

- (a) 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) not less than five per centum (5%) below 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 10 February 2006, the public shareholding spread of APB stood at 39.24% in the hands of 2,689 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 Buy-Back, assuming all purchased APB Shares are purchased from the market from public shareholders, as follows:

	Before the Proposed Share Buy-Back %	After the Proposed Share Buy-Back %
Assuming no ICPS are converted prior to the implementation of the Proposed Share Buy-Back	39.24	32.49
Assuming full conversion of 24,802,793 outstanding ICPS prior to the implementation of the Proposed Share Buy-Back	30.61	22.91

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 Buy-Back to maintain at least 25% public shareholding spread).

2.2 Implication of the Code

The Proposed Share Buy-Back 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 10 February 2006, Ikram Pintas Sdn Bhd by itself holds 31.15% of the issued and paid-up share capital of APB. Further, Ikram Pintas Sdn Bhd, 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), own 54.99% of the issued and paid-up share capital of APB. In view of the above, Ikram Pintas Sdn Bhd, 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 such that Ikram Pintas Sdn Bhd increases its shareholding in APB to above 33% 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.

2.3 Potential Advantages and Disadvantages of the Proposed Share Buy-back

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

- (a) as the Proposed Share Buy-Back 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; and
- (c) deprive the Group of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back. Further, if the Proposed Share Buy-Back is financed via bank borrowings, the Group shall have to service interest obligations.

The Proposed Share Buy-Back, 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 will be mindful of the interest of the Company and of its shareholders.

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

The Company has not made any purchase of its own shares in the previous twelve (12) months preceding the date of this Circular. As such, the Company does not have any treasury shares and has not resold, cancelled and/or distributed any treasury shares as dividends in the same period.

3. RATIONALE

The Proposed Share Buy-Back 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, 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.

The Proposed Share Buy-Back, 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 EPS.

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.

4. FINANCIAL EFFECTS

The financial effects of the Proposed Share Buy-Back 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 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 may be limited to the availability of the above-mentioned reserves.

4.1 Share Capital

The Proposed Share Buy-Back 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, the effect on the issued and paid-up share capital of the Company is set out below.

The proforma effects of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company, based on the following scenarios, are set out below:

Scenario 1: Assuming no ICPS are converted.

Scenario 2: Assuming full conversion of 24,802,793 outstanding ICPS prior to the implementation of the Proposed Share Buy-Back.

	Scenario 1	Scenario 2
	No. of APB Shares	No. of APB Shares
Issued and paid-up share capital as at 10 February 2006	88,072,209	88,072,209
Assuming full conversion of 24,802,793 outstanding ICPS	-	24,802,793
	88,072,209	112,875,002
Less : Maximum number of shares purchased pursuant to the Proposed Share Buy-Back *	(8,807,220)	(11,287,500)
Resultant issued and paid-up share capital	79,264,989	101,587,502

Note:

* Assuming cancellation of all the APB Shares purchased.

The effects of the Proposed Share Buy-Back on the share capital of APB will depend on the intention of the Board with regards to the treatment of the purchased APB Shares. If the purchased APB Shares are cancelled, it will result in a reduction on the total issued and paid-up share capital of the Company as shown in the table above.

Conversely, if the purchased APB Shares are retained as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued and paid-up share capital of APB.

4.2 NTA

The effect of the Proposed Share Buy-Back on the NTA 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 will reduce the NTA per share when the purchase price exceeds the NTA per share at the time of purchase. On the contrary, the NTA per share will increase when the purchase price is less than the NTA per share at the time of purchase.

4.3 Working Capital

The Proposed Share Buy-Back 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.

4.4 Earnings and EPS

The effects of the Proposed Share Buy-Back 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 will, generally, all else being equal, have a positive impact on the consolidated EPS of the Company.

4.5 Dividend

The Company declared and paid an interim dividend of 3.5% less tax and recommended a final dividend of 2% less tax in respect of the financial year ended 30 September 2005.

The Proposed Share Buy-Back is not expected to have any material impact on the policy of the Board in recommending dividends for the financial year ending 30 September 2006, 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.

4.6 Directors' and Substantial Shareholders' Shareholding

The effects on the Directors' and substantial shareholders' shareholding based on the Register of Directors and Register of Substantial Shareholders of the Company as at 10 February 2006 are as follows:

Scenario 1

	(I)				(II)			
	As at 10 February 2006				After the Proposed Share Buy-Back [^]			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
<u>Directors</u>								
Yap Kow @ Yap Kim Fah	10,441,381	11.86	¹ 30,889,257	35.07	10,441,381	13.17	¹ 30,889,257	38.97
Tan Teng Khuan	1,993	*	-	-	1,993	*	-	-
Lim Lye Hock	1,236,566	1.41	-	-	1,236,566	1.56	-	-
Cheong Boon Yu	624,144	0.71	-	-	624,144	0.79	-	-
Yap Kau @ Yap Yeow Ho	33,000	0.04	² 3,452,257	3.92	33,000	0.04	² 3,452,257	4.36
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 Sdn Bhd	27,437,000	31.15	-	-	27,437,000	34.61	-	-
Lim Hong Liang	5,234,545	5.94	³ 27,852,959	31.62	5,234,545	6.60	³ 27,852,959	35.14
Rosley Bin Abdul Rahman	-	-	⁴ 27,437,448	31.15	-	-	⁴ 27,437,448	34.61
Rosnah Binti Abdul Rahman	-	-	⁴ 27,437,448	31.15	-	-	⁴ 27,437,448	34.61
Danau Restu Sdn Bhd	448	*	⁵ 27,437,000	31.15	448	*	⁵ 27,437,000	34.61
Yap Kow @ Yap Kim Fah	10,441,381	11.86	¹ 30,889,257	35.07	10,441,381	13.17	¹ 30,889,257	38.97

Notes:

* Negligible

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

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

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

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

⁵ Deemed interest by virtue of its shareholdings in Ikram Pintas Sdn Bhd

Scenario 2

	(I)				(II)				(III)			
	As at 10 February 2006				Assuming full conversion of 24,802,793 outstanding ICPS				After (II) and Proposed Share Buy-Back ^			
	Direct No. of shares	Indirect No. of shares	%		Direct No. of shares	Indirect No. of shares	%		Direct No. of shares	Indirect No. of shares	%	
<u>Directors</u>												
Yap Kow @ Yap Kim Fah	10,441,381	¹ 30,889,257	11.86	35.07	14,416,404	¹ 45,054,215	12.77	39.92	14,416,404	¹ 45,054,215	14.19	44.35
Tan Teng Khuan	1,993	-	*	-	244,095	-	0.22	-	244,095	-	0.24	-
Lim Lye Hock	1,236,566	-	1.41	-	1,982,445	-	1.76	-	1,982,445	-	1.95	-
Cheong Boon Yu	624,144	-	0.71	-	925,157	-	0.82	-	925,157	-	0.91	-
Yap Kau @ Yap Yeow Ho	33,000	² 3,452,257	0.04	3.92	33,000	² 5,117,215	0.03	4.53	33,000	² 5,117,215	0.03	5.04
Johari Low bin Abdullah @ Low Han Hing	20,522	-	0.02	-	488,585	-	0.43	-	488,585	-	1.48	-
Mak Fong Ching	-	-	-	-	-	-	-	-	-	-	-	-
Chua Eng Seng	-	-	-	-	-	-	-	-	-	-	-	-
Muhayuddin bin Musa	1	-	*	-	1	-	*	-	1	-	*	-
<u>Substantial shareholders</u>												
Ikram Pintas Sdn Bhd	27,437,000	-	31.15	-	39,937,000	-	35.38	-	39,937,000	-	39.91	-
Lim Hong Liang	5,234,545	³ 27,852,959	5.94	31.62	6,766,875	³ 40,553,569	6.00	35.93	6,766,875	³ 40,553,569	6.66	39.92
Rosley Bin Abdul Rahman	-	⁴ 27,437,448	-	31.15	-	⁴ 39,937,629	-	35.38	-	⁴ 39,937,629	-	39.31
Rosnah Binti Abdul Rahman	-	⁴ 27,437,448	-	31.15	-	⁴ 39,937,629	-	35.38	-	⁴ 39,937,629	-	39.31
Danau Restu Sdn Bhd	448	⁵ 27,437,000	*	31.15	629	⁵ 39,937,000	*	35.38	629	⁵ 39,937,000	*	39.31
Yap Kow @ Yap Kim Fah	10,441,381	¹ 30,889,257	11.86	35.07	14,416,404	¹ 45,054,215	12.77	39.92	14,416,404	¹ 45,054,215	14.19	44.35

Notes:

- * Negligible
- ^ Based on the maximum number of APB Shares that may be purchased
- 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
- ³ Deemed interest by virtue of his shareholdings in Ikram Pintas Sdn Bhd and Rare Prestige Sdn Bhd
- ⁴ Deemed interest by virtue of his shareholdings in Ikram Pintas Sdn Bhd and Danau Restu Sdn Bhd
- ⁵ Deemed interest by virtue of its shareholdings in Ikram Pintas Sdn Bhd

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 2005 to January 2006 as transacted on Bursa Securities:

	High RM	Low RM
2005		
February	1.03	0.98
March	1.00	0.93
April	1.00	0.855
May	0.92	0.80
June	0.895	0.77
July	0.89	0.775
August	0.86	0.805
September	0.86	0.79
October	0.82	0.775
November	0.82	0.765
December	0.79	0.73
2006		
January	0.83	0.73

Last transacted market price on 23 February 2006 **RM0.75**
(being the latest practicable date immediately prior to the announcement of the Proposed Share Buy-Back and printing of this Circular)

(Source: Bloomberg)

6. APPROVALS REQUIRED

The Proposed Share Buy-Back is subject to and conditional upon the approvals being obtained from:

- (i) the shareholders of the Company at the forthcoming EGM; and
- (ii) any other relevant regulatory authorities, where applicable.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors, substantial shareholders and/or person(s) connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back or resale of treasury shares (if any in the future).

8. DIRECTORS' RECOMMENDATION

After careful deliberation, the Board is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company. Accordingly, the Board recommends that the shareholders vote in favour of the resolution in relation to the Proposed Share Buy-Back to be tabled at the forthcoming EGM.

9. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Friday, 24 March 2006 at 10.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the AGM of the Company which will be held on the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Share Buy-Back.

If you are unable to attend and vote in person at the EGM, you should complete and return the Form of Proxy in accordance with the instructions printed 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 forty-eight (48) hours before the time fixed for the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for additional information.

Yours faithfully
For and on behalf of the Board of Directors
APB RESOURCES BERHAD

YAP KOW @ YAP KIM FAH
Chairman / Managing Director

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

This Circular has been 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

Hwang-DBS 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.

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 position or business of the APB Group.

APB

APB is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors of APB have no knowledge of any proceedings pending or threatened against APB or of any fact likely to give rise to any proceeding which might affect the position or business of APB.

EJ

EJ is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors of EJ have no knowledge of any proceedings pending or threatened against EJ or of any fact likely to give rise to any proceeding which might affect the position or business of EJ.

AMC

Save as disclosed below, AMC is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and that the Directors of AMC have no knowledge of any proceedings pending or threatened against AMC or of any fact likely to give rise to any proceeding which might affect the position or business of AMC:

- (i) On 24 May 2002, AMC was sued by Loh Tuck Loong, for a sum of RM851,450 as medical compensation for an accident that occurred at the workplace. The case has been adjourned for hearing on 15 May 2006. 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 ("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 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 from Tan Sri Lim; and
- (iii) On 3 April 2000, Solvent Works (M) Sdn Bhd has on 3 April 2000 filed a summon against AMC claiming for a sum of RM49,790 for work done in respect of the fabrication and installation of structural steel works for SRT III cracking heaters at Kerteh, Terengganu. AMC has also filed a counter claim against Solvent Works (M) Sdn Bhd for a sum of RM825,699.55 being the loss suffered by AMC due to the delay caused by Solvent Works (M) Sdn Bhd in completing the aforesaid project. The case is adjourned for hearing on 21 March 2006. AMC's solicitors are of the view that AMC has a fairly good chance of setting off Solvent Works (M) Sdn Bhd's claim by its' counter claim.

Benmarl

Save as disclosed below, Benmarl is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and that the Directors of Benmarl have no knowledge of any proceedings pending or threatened against Benmarl or of any fact likely to give rise to any proceeding which might affect the position or business of Benmarl:

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 management on 19 October 2006 and 20 October 2006. Benmarl's solicitors are of the view that CPL will not succeed in his claim against Benmarl.

Prescan

Prescan is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors of Prescan have no knowledge of any proceedings pending or threatened against Prescan or of any fact likely to give rise to any proceeding which might affect the position or business of Prescan.

5. 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 and EGM:

- 5.1 Memorandum and Articles of Association of APB;
- 5.2 The audited accounts of the Company and its subsidiaries for the past two (2) financial years ended 30 September 2005 and the latest unaudited quarterly results for the financial period ended 31 December 2005;
- 5.3 The letter of consent referred to in Section 2 above; and
- 5.4 The writs of summon and relevant cause papers in relation to the material litigation, claims and arbitration referred to in Section 4 above.



APB RESOURCES BERHAD

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

Extract of resolutions to be tabled at the 4th Annual General Meeting of the Company

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")

"THAT the mandate granted by the Shareholders of APB Resources Berhad ("APB") on 24 March 2005 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 2006 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 as specified in the said circular to shareholders 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(1) 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 and/or any of them 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's subsidiaries.

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. "



APB RESOURCES BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of APB Resources Berhad ("APB" or the "Company") will be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Friday, 24 March 2006 at 10.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Fourth (4th) Annual General Meeting ("AGM") of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and, if thought fit, to pass the following resolution:

ORDINARY RESOLUTION

PROPOSED PURCHASE BY APB OF ITS OWN ORDINARY SHARES ON BURSA MALAYSIA SECURITIES BERHAD OF NOT MORE THAN TEN PER CENTUM (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF APB

"THAT subject to the Companies Act, 1965 (the "Act"), the Memorandum and Articles of Association of the Company, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals from the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up ordinary share capital ("APB Shares") through Bursa Securities provided that:

- (a) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the existing issued and paid-up ordinary share capital of the Company;
- (b) the funds allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company. As at 30 September 2005, the audited accumulated losses stood at RM15,875,215 and there was no share premium reserves. As such, the purchase of its own shares will only be implemented at such time when the Company has the requisite retained earnings and/or share premium reserves, provided always that the quantum of APB Shares purchased by the Company shall be limited to the amount of available retained earnings and/or share premium reserves; and
- (c) the authority conferred by this resolution shall continue to be in force until:
 - (i) 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;
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (a) cancel all the shares so purchased; and/or
- (b) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors be and are hereby authorised to give effect to the aforesaid Proposed Share Buy-Back with full power to assent to any conditions, modifications and/or amendments as may be required by the relevant authorities.”

BY THE ORDER OF THE BOARD

CHEOK KIM CHEE (LS 000012)
CHUA CHENG POH (MAICSA 7017041)
Secretaries

Kuala Lumpur
1 March 2006

Notes:

1. *A member of the Company entitled to attend and vote at the 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 appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
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 forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.*
4. *Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*



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

FORM OF PROXY

I/We,.....
 (FULL NAME IN CAPITAL LETTERS)

of
 (ADDRESS IN FULL)

being a member/members of the abovenamed Company hereby appoint
 (FULL NAME IN CAPITAL LETTERS)

of
 (ADDRESS IN FULL)

or failing whom
 (FULL NAME IN CAPITAL LETTERS)

of
 (ADDRESS IN FULL)

as my/our proxy to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Friday, 24 March 2006 at 10.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Fourth (4th) Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later.

My/our proxy is to vote as indicated below with an "X".

	FOR	AGAINST
ORDINARY RESOLUTION – PROPOSED SHARE BUY-BACK		

(Please indicate with an "X" in the space provided how you wish your proxy to vote. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion)

Signed this..... day of.....2006

Number of shares held

.....
Signature of Shareholder(s) / Common Seal

Notes:

1. A member of the Company entitled to attend and vote at the 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 appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
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 forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
4. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

