

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-4

16. There will be no significant delay in the proposed acquisition of Konsep Realiti Sdn Bhd ("KRSB") and EPIC Constant Sdn Bhd ("ECSB") which will materially preclude APB from capitalising on the revenue generated by both KRSB and ECSB.
17. APB and Projass Engineering Sdn Bhd ("PESB") who will own 49% and 51% respectively of KRSB, will be able to secure the contract from Tenaga Nasional Berhad ("TNB") by June 2004 for the operations and maintenance of the existing thirty-five (35) mini hydro generating stations ("MHGS"). This operations and maintenance works will be novated to, or undertaken by KRSB. There will be no material delay in securing of the contract with TNB or the novation of the works to KRSB.
18. All upgrading, repairs and maintenance works required to be carried out by KRSB on the MHGS will be implemented and incurred on schedule in order to enable KRSB to commence production of electricity as forecast. There will be no material upgrading, repairs and maintenance works to be carried out other than those planned.
19. ECSB will be able to obtain a generation licence from the Ministry of Energy, Communications and Multimedia, Malaysia to carry out and complete as scheduled the development, construction and subsequently operation of three (3) mini new hydro electric power stations.
20. APB and Musteq Energy Services Sdn Bhd ("MESSB") who will own 49% and 51% respectively of ECSB, will be able to secure the contract from TNB by June 2004 for the purchase of the electricity generated by ECSB from the operation of the 3 mini hydro electric power stations ("Power Purchase Agreement").
21. KRSB and ECSB will be able to meet the agreed electricity production levels as stipulated in the MHGS Agreement and Power Purchase Agreement. TNB will purchase all units of electricity produced by KRSB and ECSB at the rates forecast.
22. The Proposed Debt Restructuring Scheme of PESB will be approved by the creditors of PESB or sanctioned by the court, implemented and completed on schedule and will not affect or delay the implementation of the MHGS Agreement and Power Purchase Agreement and the operations of the MHGS.
23. All trade debts arising from contract billings, sales of products and rendering of services are collectible and those known to be doubtful have been adequately provided for.
24. There will be no material contingent liabilities arising during the forecast period which may materially affect the forecast. The APB Group will not be engaged in any material litigation and there will be no legal proceedings which will affect the APB Group's activities or performance or give rise to additional contingent liabilities which will materially affect the results of the Group.
25. Capital expenditure programmes will be implemented and incurred on schedule and there will be no material acquisitions or disposals of property, plant and equipment other than those planned. The forecast capital expenditure will be sufficient for the operations of APB Group.

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-5

26. The Revised Restructuring Scheme, details of which are set out in Appendix II, is estimated to be completed by June 2004.
27. Goodwill arising on the acquisition of subsidiaries by APB is not amortised and will not be written off/down for impairment during the forecast years.
28. The gross proceeds arising from the restricted issue, public issue and special issue of shares in APB amounting to a total of RM21,002,000 would be received by the third quarter of the financial year ending 30 September 2004 as follows :

	<i>RM'000</i>
i) Restricted issue	2,802
ii) Public issue	2,000
iii) Special issue	16,200

	21,002
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and will be utilised in the following manner:-

i) Capital expenditure	4,860
ii) Repayment of bank borrowings	3,481
iii) Repayment of hire purchase liabilities	1,913
iv) Payment of listing expenses *	2,000
v) Working capital requirements	8,748

	21,002
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- * Listing expenses of RM1,198,000 incurred up to 30 September 2003 has been expensed off to the income statement during the period ended 30 September 2003. The balance of the listing expenses to be incurred of RM802,000 will be expensed to the income statement for the year ending 30 September 2004 upon completion of the listing exercise.

29. This forecast has been prepared for the purpose of the listing of and quotation for the entire enlarged issued and paid up share capital of APB Resources Berhad on the Main Board of the Malaysia Securities Exchange Berhad ("MSEB") in the immediate future. If any material delay arises, the Directors may need to reconsider the assumptions and bases upon which the consolidated profit forecast are prepared.

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX II-1

Revised Restructuring Scheme of NCK Corporation Berhad (Special Administrators Appointed) ("NCK")

The Revised Restructuring Scheme of NCK Corporation Berhad Group was based on the Workout Proposals for NCK prepared by the Special Administrators ("SA") pursuant to The Pengurusan Danaharta Nasional Berhad Act, 1998 (as amended).

The revised restructuring scheme involves the following: -

1. Acquisition of NCK

The acquisition by APB of the entire issued and paid-up share capital of NCK comprising 37,360,005 ordinary shares of RM1.00 each in NCK for a purchase consideration of RM934,000 satisfied by the issuance of 934,000 ordinary shares of RM1.00 each in APB at par to the existing shareholders of NCK.

2. Corporate Exercise by Era Julung Sdn Bhd ("EJ")

The corporate exercise by EJ involves the following:-

- i) Renounceable rights issue of 4,700,000 new ordinary shares of RM1.00 each in EJ at par to Johari Low bin Abdullah @ Low Han Hing, Loo Pak Soon and Tan Teng Khuan.
- ii) The acquisitions by EJ of the following:
 - a. the entire issued and paid-up share capital of Amalgamated Metal Corporation (M) Sdn Bhd comprising 3,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM33,159,848 satisfied by the issuance of 33,159,848 new ordinary shares of RM1.00 each in EJ at par;
 - b. the entire issued and paid-up share capital of Benmarl Sdn Bhd comprising 400,004 ordinary shares of RM1.00 each for a purchase consideration of RM5,444,764 satisfied by the issuance of 5,444,764 new ordinary shares of RM1.00 each in EJ at par; and
 - c. the entire issued and paid-up share capital of Prescan Sdn Bhd comprising 1,600,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,333,471 satisfied by the issuance of 2,333,471 new ordinary shares of RM1.00 each in EJ at par.

Upon completion of the above exercise, the issued and paid-up share capital of EJ increased to RM45,638,085 comprising 45,638,085 ordinary shares of RM1.00 each.