

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX II-2

3. Acquisition of EJ by APB

Acquisition by APB of the entire enlarged issued and paid-up share capital of EJ comprising 45,638,085 ordinary shares of RM1.00 each for a purchase consideration of RM76,837,000 satisfied as follows:-

- a. Issuance of 51,837,000 new ordinary shares of RM1.00 each in APB at an issue price of RM1.00 per share; and
- b. Issuance of 25,000,000 5.5% 2004/2009 Cumulative Irredeemable Convertible Preference Shares ("ICPS") of RM1.00 each in APB at an issue price of RM1.00 per share.

4. Assignment of Shares and ICPS

After completion of the Acquisition of EJ by APB, certain vendors of EJ had consolidated their shareholdings in APB by assigning a total of 25,920,000 ordinary shares in APB representing approximately 26.87% of the enlarged issued and paid-up share capital of APB and 12,500,000 ICPS representing approximately 50.00% of the ICPS to Ikram Pintas Sdn Bhd, a private investment holding company.

5. Transfer of Listing Status

Transfer of NCK's listing status on the Main Board of the MSEC to APB with all rights attached thereto.

NCK has been delisted from the Official List of the Main Board of the MSEC and APB has been admitted to the Official List of the MSEC in place of NCK, with the listing of the entire enlarged issued and paid-up share capital of APB on the Main Board of the MSEC.

6. Transfer of NCK

Transfer of the entire issued and paid-up share capital of NCK comprising 37,360,005 ordinary shares of RM1.00 each to a nominee/nominees of the Special Administrators ("SA") of NCK for a nominal consideration of RM1.00.

As part settlement of the liabilities of NCK, APB has issued 14,102,000 new ordinary shares of RM1.00 each at par to NCK, its assigns and/or Creditors' Agents.

The transfer of NCK has resulted in a loss on transfer of NCK, computed as follows:-

	RM'000
Cost of investment in NCK	934
Settlement of liabilities of NCK	14,102

	15,036
	=====

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX II-3

6. Transfer of NCK (continued)

Certain existing shareholders of the subsidiaries agreed to subsequently acquire 6,300,000 ordinary shares of RM1.00 each in APB (forming part of the 14,102,000 ordinary shares of RM1.00 each in APB which was issued to NCK, its assigns and/or Creditors' Agents) immediately following the listing of the APB shares on the MSEB.

7. Restricted Issue

Restricted issue of 2,802,000 new ordinary shares of RM1.00 each in APB to the existing shareholders of NCK on the basis of three (3) new ordinary shares of RM1.00 each in APB for each APB Share held pursuant to the acquisition of NCK at an issue price of RM1.00 per share.

8. Public Issue

Public issue of 2,000,000 new ordinary shares of RM1.00 each in APB made available to the Malaysian public at an issue price of RM1.00 per share.

9. Special Issue

Special issue of 16,200,000 new ordinary shares of RM1.00 each in APB to Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI") at an issue price of RM1.00 per share.

10. Proposed Acquisition of ECSB by APB

Proposed acquisition of 4,900 ordinary shares of RM1.00 each in ECSB representing 49% equity interest in ECSB and 4,300,000 RCPS of RM0.10 each in ECSB from MESSB for a purchase consideration of RM4,304,900 to be satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each in APB at par and RM4,900 cash.

11. Proposed Acquisition of KRSB by APB

Proposed acquisition of 4,900 ordinary shares of RM1.00 each in KRSB representing 49% equity interest in KRSB and 4,300,000 Redeemable Convertible Preference Share ("RCPS") of RM0.10 each in KRSB from PESB for a purchase consideration of RM4,304,900 to be satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each in APB at par and RM4,900 cash.

10. FINANCIAL INFORMATION (Cont'd)

10.7 DIVIDEND FORECAST

It is a policy of the Directors of the Company in recommending dividends to allow shareholders to participate in the profits of the Group whilst leaving adequate reserves for its future growth. The Directors will take into consideration the retained profits, cashflow of the Company as well as the funding requirements of the Company before declaring any future dividends.

The Directors anticipate that, in the absence of unforeseen circumstances, the Company will be in a position to propose a gross dividend of two (2) sen per ordinary share for the financial year ending 30 September 2004 on the enlarged share capital of RM96,475,002 comprising 96,475,002 APB Shares.

The intended appropriation of the consolidated profit forecast for the financial year ending 30 September 2004 would be as follows:

Financial year ending 30 September 2004	Forecast
Gross dividend per ordinary share (sen)	2.0
Net dividend per ordinary share (sen)	1.4
Gross dividend yield based on the Issue Price of RM1.00 per share (%)	2.0
Net dividend yield based on the Issue Price of RM1.00 per share (%)	1.4

Notwithstanding the above, the Directors have full discretion not to propose any future dividend payment for ordinary shares as and when necessary, if it is in the best interest of the Company.

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10. FINANCIAL INFORMATION (Cont'd)

10.8 PROFORMA CONSOLIDATED BALANCE SHEETS

10.8.1 Proforma consolidated balance sheets as at 30 September 2003

The proforma consolidated balance sheets of the APB Group as at 30 September 2003 set out below is after adjusting for the restructuring of the Group comprising the Acquisition of NCK, Acquisition of EJ, Transfer of Listing Status, Transfer of NCK, Restricted Issue, Public Issue, Special Issue, Proposed Acquisition of ECSB and the Proposed Acquisition of KRSB and was prepared on the assumption that they had taken place on that date:

Audited as at 30 September 2003 RM'000	(1) After the Acquisition of NCK RM'000	(2) After (1) and the Acquisition of EJ RM'000	(3) After (2) and the Assignment of Shares and ICPS RM'000	(4) After (3) and the Transfer of Listing Status RM'000	(5) After (4) and the Transfer of NCK RM'000	(6) After (5) and the Restricted Issue RM'000	(7) After (6) and the Public Issue RM'000	(8) After (7) and the Special Issue RM'000	(9) After (8) and utilisation of proceeds from the Issues RM'000	(10) After (9) and the Proposed Acquisition of ECSB RM'000	(11) After (10) and the Proposed Acquisition of KRSB RM'000	(12) After (11) and assuming full conversion of ICPS RM'000
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Investments in subsidiary companies	934	934	934	934	-	-	-	-	-	-	-	-
Investments in associated companies	-	52	52	52	52	52	52	52	52	57	62	62
Other investments	-	130	130	130	130	130	130	130	130	4,430	8,730	8,730
Goodwill	-	17,787	17,787	17,787	17,787	17,787	17,787	17,787	17,787	17,787	17,787	17,787
Current assets	1,000	50,719	50,719	50,719	50,719	53,521	55,521	71,721	60,665	60,660	60,655	60,655
Current liabilities	2,215	23,867	23,867	23,867	23,867	23,867	23,867	23,867	21,592	21,592	21,592	21,592
Net current (liabilities) /assets	(1,215)	26,852	26,852	26,852	26,852	29,654	31,654	47,854	39,073	39,068	39,063	39,063
	(1,215)	91,107	91,107	91,107	90,173	92,975	94,975	111,175	107,254	111,554	115,854	115,854

10. FINANCIAL INFORMATION (Cont'd)

Audited as September 2003 RM'000	(1) After the Acquisition of NCK RM'000	(2) After (1) and the Acquisition of E.J RM'000	(3) After (2) and the Assignment of Shares and ICPS RM'000	(4) After (3) and the Transfer of Listing Status RM'000	(5) After (4) and the Transfer of NCK RM'000	(6) After (5) and the Restricted Issue RM'000	(7) After (6) and the Public Issue RM'000	(8) After (7) and the Special Issue RM'000	(9) After (8) and utilisation of proceeds from the Issues RM'000	(10) After (9) and the Proposed Acquisition of ECSB RM'000	(11) After (10) and the Proposed Acquisition of KRSB RM'000	(12) After (11) and assuming full conversion of ICPS RM'000
Share capital	934	52,771	52,771	52,771	66,873	69,675	71,675	87,875	87,875	92,175	96,475	121,475
ICPS	-	19,362	19,362	19,362	19,362	19,362	19,362	19,362	19,362	19,362	19,362	-
Accumulated losses	(1,215)	(1,215)	(1,215)	(1,215)	(16,251)	(16,251)	(16,251)	(16,251)	(17,053)	(17,053)	(17,053)	(17,053)
Shareholders' Funds	(1,215)	70,918	70,918	70,918	69,984	72,786	74,786	90,986	90,184	94,484	98,784	104,422
ICPS	-	5,638	5,638	5,638	5,638	5,638	5,638	5,638	5,638	5,638	5,638	-
Bank borrowings	-	10,724	10,724	10,724	10,724	10,724	10,724	10,724	8,418	8,418	8,418	8,418
Hire purchase liabilities	-	1,142	1,142	1,142	1,142	1,142	1,142	1,142	329	329	329	329
Deferred taxation	-	2,685	2,685	2,685	2,685	2,685	2,685	2,685	2,685	2,685	2,685	2,685
	(1,215)	91,107	91,107	91,107	90,173	92,975	94,975	111,175	107,254	111,554	115,854	115,854
NTA per share (RM)	(0.30)	1.01	1.01	1.01	0.78	0.79	0.80	0.83	0.82	0.83	0.84	0.71

10. FINANCIAL INFORMATION (Cont'd)

Note:

* *Comprising 2 APB Shares / RM2.00*

Notes to the proforma consolidated balance sheets as at 30 September 2003:

1. The Proforma Consolidated Balance Sheets of the APB Group have been prepared for illustrative purposes only and are based on the audited financial statements of APB Resources Berhad ("APB") (formerly known as Lamquest Holdings Berhad), Era Julung Sdn Bhd ("EJ"), Amalgamated Metal Corporation (M) Sdn Bhd ("AMC"), Benmarl Sdn Bhd ("Benmarl"), Prescan Sdn Bhd ("Prescan") and Konsep Realiti Sdn Bhd ("KRSB") as at 30 September 2003.
2. The Proforma Consolidated Balance Sheets of the APB Group have been prepared using accounting principles and bases consistent with those adopted in the preparation of the audited financial statements of the above companies.
3. The Proforma Consolidated Balance Sheets incorporate on a proforma basis, the following transactions as though they were effected on 30 September 2003:-

3.1 Stage 1

Acquisition of the entire issued and paid-up share capital of NCK Corporation Berhad (Special Administrators Appointed) ("NCK") comprising 37,360,005 ordinary shares of RM1.00 each 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.

3.2 Stage 2

Stage 2 incorporates Stage 1 and the following:

3.2.1 Corporate Exercise by EJ

The corporate exercise by EJ involves:-

- i) The 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 acquisition by EJ of the following:-
 - a. the entire issued and paid-up share capital of AMC 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 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 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.

10. FINANCIAL INFORMATION (Cont'd)

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.

3.2.2 Acquisition of EJ by APB

Acquisition by APB of the entire enlarged issued and paid-up share capital of EJ comprising 45,638,085 ordinary shares of RM1.00 each for a purchase consideration of RM76,837,000 satisfied as follows:-

- a. Issuance of 51,837,000 new ordinary shares of RM1.00 each in APB at an issue price of RM1.00 per share; and
- b. Issuance of 25,000,000 5.5% 2004/2009 Cumulative Irredeemable Convertible Preference Shares ("ICPS") of RM1.00 each in APB at an issue price of RM1.00 per share.

The acquisition of EJ by APB has resulted in a goodwill on acquisition as follows:-

	RM'000
Net tangible assets of EJ Group as at 30 September 2003	59,050
Less: Purchase consideration	76,837
Goodwill on acquisition	<u>17,787</u>

3.3 Stage 3

Stage 3 incorporates Stage 2 and the assignment of shares and ICPS whereby certain vendors of EJ have consolidated their shareholdings in APB by assigning a total of 25,920,000 ordinary shares in APB representing approximately 26.87% of the enlarged issued and paid-up share capital of APB and 12,500,000 ICPS representing approximately 50.0% of the ICPS to Ikram Pintas Sdn Bhd, a private investment holding company.

3.4 Stage 4

Stage 4 incorporates Stage 3 and the transfer of NCK's listing status on the Main Board of the Malaysia Securities Exchange Berhad ("MSEB") to APB with all rights attached thereto.

NCK has been delisted from the Official List of the Main Board of the MSEB and APB has been admitted to the Official List of the MSEB in place of NCK, with the listing of the entire enlarged issued and paid-up share capital of APB on the Main Board of the MSEB.

3.5 Stage 5

Stage 5 incorporates Stage 4 and the transfer of the entire issued and paid-up share capital of NCK comprising 37,360,005 ordinary shares of RM1.00 each to a nominee/nominees of the Special Administrators ("SA") of NCK for a nominal consideration of RM1.00.

10. FINANCIAL INFORMATION (Cont'd)

As part settlement of the liabilities of NCK, APB has issued 14,102,000 new ordinary shares of RM1.00 each in APB at par to NCK, its assigns and/or Creditors' Agents.

The transfer of NCK has resulted in a loss on transfer of NCK, shown as follows:-

	RM'000
Cost of investment in NCK	934
Settlement of liabilities of NCK	14,102

	15.036
	=====

Certain existing shareholders of the subsidiaries have agreed to subsequently acquire 6,300,000 ordinary shares of RM1.00 each in APB (forming part of the 14,102,000 ordinary shares of RM1.00 each in APB which was issued to NCK, its assigns and/or Creditors' Agents) immediately following the listing of the APB shares on the MSEL.

3.6 Stage 6

Stage 6 incorporates Stage 5 and the Restricted Issue of 2,802,000 new ordinary shares of RM1.00 each in APB to the existing shareholders of NCK on the basis of three (3) new ordinary shares of RM1.00 each in APB for each APB Share held at an issue price of RM1.00 per share.

3.7 Stage 7

Stage 7 incorporates Stage 6 and the Public Issue of 2,000,000 new ordinary shares of RM1.00 each in APB to the Malaysian public at an issue price of RM1.00 per share.

3.8 Stage 8

Stage 8 incorporates Stage 7 and the Special Issue of 16,200,000 new ordinary shares of RM1.00 each in APB to Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI") at an issue price of RM1.00 per share.

3.9 Stage 9

Stage 9 incorporates Stage 8 and the utilisation of the proceeds receivable from the Restricted Issue, Public Issue and Special Issue.

10. FINANCIAL INFORMATION (Cont'd)

The gross proceeds are receivable as follows:-

	RM'000
i) Proceeds from restricted issue	2,802
ii) Proceeds from public issue	2,000
iii) Proceeds from special issue	16,200

Total proceeds receivable	21,002
	=====

and will be utilised as follows:-

	RM'000
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	8,748

Total proceeds utilised	21,002
Less: Amount retained in cash and bank balances	(8,748)
Listing expenses incurred and paid up to 30 September 2003	(1,198)
Deposit refunded by Special Administrators of NCK	(1,000)

Net cash payments	10,056
	=====

Included in the listing expenses incurred and paid up to 30 September 2003 is the payment made to the Special Administrators of NCK of RM500,000 to defray the listing expenses of the restructuring exercise.

The listing expenses of RM1,198,000 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 upon completion of the listing exercise.

3.10 Stage 10

Stage 10 incorporates Stage 9 and the proposed acquisition by APB of 4,900 ordinary shares of RM1.00 each in EPIC Constant Sdn Bhd ("ECSB") representing 49% equity interest in ECSB and 4,300,000 Redeemable Convertible Preference Shares ("RCPS") of RM0.10 each in ECSB from Musteq Energy Services Sdn Bhd for a purchase consideration of RM4,304,900 to be satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each in APB at par and RM4,900 cash.

3.11 Stage 11

Stage 11 incorporates Stage 10 and the proposed acquisition by APB of 4,900 ordinary shares of RM1.00 each in Konsep Realiti Sdn Bhd ("KRSB") representing 49% equity interest in KRSB and 4,300,000 RCPS of RM0.10 each in KRSB from Projass Engineering Sdn Bhd for a purchase consideration of RM4,304,900 to be satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each in APB at par and RM4,900 cash.

10. FINANCIAL INFORMATION (Cont'd)

3.12 Stage 12

Stage 12 incorporates Stage 11 and the proposed full conversion of ICPS.

4. The movements in ordinary share capital and preference share capital accounts are as follows:-

	Ordinary Shares RM'000	Preference Shares RM'000
Audited as at 30 September 2003	**	-
Acquisition of NCK	934	-
	-----	-----
Balance after Stage 1	934	-
Acquisition of EJ	51,837	25,000
	-----	-----
Balance after Stage 2	52,771	25,000
Assignment of shares and ICPS, transfer of listing status and transfer of NCK	14,102	-
	-----	-----
Balance after Stage 5	66,873	25,000
Restricted Issue	2,802	-
	-----	-----
Balance after Stage 6	69,675	25,000
Public Issue	2,000	-
	-----	-----
Balance after Stage 7	71,675	25,000
Special Issue	16,200	-
	-----	-----
Balance after Stage 8	87,875	25,000
Utilisation of proceeds	-	-
	-----	-----
Balance after Stage 9	87,875	25,000
Proposed Acquisition of ECSB	4,300	-
	-----	-----
Balance after Stage 10	92,175	25,000
Proposed Acquisition of KRSB	4,300	-
	-----	-----
Balance after Stage 11	96,475	25,000
Conversion of ICPS	25,000	(25,000)
	-----	-----
Balance after Stage 6	121,475	-
	=====	=====

** Issued and paid up capital of RM2.00

Note:

The Irredeemable Convertible Preference Shares ("ICPS"), which bears a cumulative preferential dividend rate of 5.5% per annum, is designated as a compound instrument under the MASB 24, Financial Instruments: Disclosure and Presentation accounting standard. Accordingly, the ICPS is accounted separately for its equity and liability components respectively in the Proforma Consolidated Balance Sheets.

10. FINANCIAL INFORMATION (Cont'd)

5. The movements in cash and bank balances are as follows:-

	<i>RM'000</i>
Audited as at 30 September 2003	*
Acquisition of NCK	-

Balance after Stage 1	*
Acquisition of EJ	7,655

Balance after Stage 2	7,655
Assignment of shares and ICPS, transfer of listing status and transfer of NCK	-

Balance after Stage 5	7,655
Proceeds from Restricted Issue	2,802

Balance after Stage 6	10,457
Proceeds from Public Issue	2,000

Balance after Stage 7	12,457
Proceeds from Special Issue	16,200

Balance after Stage 8	28,657
Utilisation of proceeds	(10,056)

Balance after Stage 9	18,601
Proposed Acquisition of ECSB	(5)

Balance after Stage 10	18,596
Proposed Acquisition of KRSB	(5)

Balance after Stage 11	18,591
Conversion of ICPS	-

Balance after Stage 12	18,591
	=====

* Cash and bank balances of RM2.00

10. FINANCIAL INFORMATION (Cont'd)

6. The movements in bank borrowings and hire purchase accounts are as follows:-

	Bank Borrowings <i>RM'000</i>	Hire Purchase <i>RM'000</i>
Audited as at 30 September 2003	-	-
Acquisition of NCK	-	-
	-----	-----
<i>Balance after Stage 1</i>	-	-
Acquisition of EJ	19,034	2,480
	-----	-----
Balance after Stage 2	19,034	2,480
Assignment of shares and ICPS, transfer of listing status and transfer of NCK	-	-
	-----	-----
Balance after Stage 5	19,034	2,480
Restricted Issue	-	-
	-----	-----
Balance after Stage 6	19,034	2,480
Public Issue	-	-
	-----	-----
Balance after Stage 7	19,034	2,480
Spccial Issue	-	-
	-----	-----
Balance after Stage 8	19,034	2,480
Utilisation of Proceeds	(3,481)	(1,913)
	-----	-----
Balance after Stage 9	15,553	567
Proposed Acquisition of ECSB	-	-
	-----	-----
Balance after Stage 10	15,553	567
Proposed Acquisition of KRSB	-	-
	-----	-----
Balance after Stage 11	15,553	567
Conversion of ICPS	-	-
	-----	-----
Balance after Stage 12	15,553	567
	=====	=====

10. FINANCIAL INFORMATION (Cont'd)

10.8.2 Reporting Accountants' letter on the proforma consolidated balance sheets

(Prepared for inclusion in this Prospectus)



KPMG (Firm No. AF 0758)
Chartered Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur, Malaysia

P.O. Box 10047
50702 Kuala Lumpur
Malaysia

Tel + (603) 2095 3388
Fax + (603) 2095 0971
Email: info@kpmg.com.my

www.kpmg.com.my

The Board of Directors
APB Resources Berhad
(formerly known as Lamquest Holdings Berhad)
D12, Tingkat 1, Plaza Pekeliling
No. 2 Jalan Tun Razak
50400 Kuala Lumpur

30 March 2004

Dear Sirs

Reporting Accountants' Letter On The Proforma Consolidated Balance Sheets Of APB Resources Berhad And Its Subsidiaries and Associates As At 30 September 2003

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of APB Resources Berhad ("APB") and its subsidiaries and associates ("the Group" or "APB Group") as at 30 September 2003 together with the accompanying notes thereon which have been prepared for illustrative purposes only, for which the Directors are solely responsible, as set out in the Prospectus to be dated 31 March 2004 in connection with:-

- i) the restricted issue of 2,802,000 new ordinary shares of RM1.00 each in APB to the existing shareholders of NCK Corporation Berhad at an issue price of RM1.00 per share;
- ii) the public issue of 2,000,000 new ordinary shares of RM1.00 each in APB to the Malaysian public at an issue price of RM1.00 per share;
- iii) the special issue of 16,200,000 new ordinary shares of RM1.00 each in APB to Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI") at an issue price of RM1.00 per share; and
- iv) the listing of and quotation for the entire issued and paid-up share capital of APB comprising 87,875,002 ordinary shares of RM1.00 each on the Main Board of the Malaysia Securities Exchange Berhad ("MSEB").



KPMG, a partnership established under the Malaysian law, is the Malaysian member firm of KPMG International, a Swiss cooperative.


10. FINANCIAL INFORMATION (Cont'd)




In our opinion,

- the Proforma Consolidated Balance Sheets together with the accompanying notes thereon have been properly compiled on the basis of preparation stated;
- such basis is consistent with the accounting policies normally adopted by the APB Group; and
- the adjustments are appropriate for the purposes of the Proforma Consolidated Balance Sheets.

Yours faithfully


KPMG
Chartered Accountants


Lim Hun Soon @ David Lim
Partner
Approval Number : 1514/05/04(J)

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-1

APB Resources Berhad And Its Subsidiaries and Associates
Proforma Consolidated Balance Sheets As At 30 September 2003

	<i>Audited as at 30.9.2003 RM'000</i>	<i>Proforma after stage 1 RM'000</i>	<i>Proforma after stage 2 RM'000</i>	<i>Proforma after stage 3 RM'000</i>	<i>Proforma after stage 4 RM'000</i>
Property, plant and equipment	-	-	45,352	45,352	45,352
Investment in a subsidiary	-	934	934	934	934
Investment in associates	-	-	52	52	52
Other investments	-	-	130	130	130
Goodwill	-	-	17,787	17,787	17,787
Current Assets					
Inventories	-	-	2,002	2,002	2,002
Trade and other receivables	1,000	1,000	32,150	32,150	32,150
Deposits with licensed banks	-	-	8,912	8,912	8,912
Cash and bank balances	*	*	7,655	7,655	7,655
	<u>1,000</u>	<u>1,000</u>	<u>50,719</u>	<u>50,719</u>	<u>50,719</u>
Current Liabilities					
Trade and other payables	2,215	2,215	13,179	13,179	13,179
Bank borrowings	-	-	8,310	8,310	8,310
Hire purchase liabilities	-	-	1,338	1,338	1,338
Provision for taxation	-	-	1,040	1,040	1,040
	<u>2,215</u>	<u>2,215</u>	<u>23,867</u>	<u>23,867</u>	<u>23,867</u>
Net current (liabilities)/assets	<u>(1,215)</u>	<u>(1,215)</u>	<u>26,852</u>	<u>26,852</u>	<u>26,852</u>
	(1,215)	(281)	91,107	91,107	91,107
(Represented)/Financed by:-					
Share Capital	**	934	52,771	52,771	52,771
Irredeemable Convertible Preference Shares	-	-	19,362	19,362	19,362
Accumulated losses	(1,215)	(1,215)	(1,215)	(1,215)	(1,215)
(Deficit)/Surplus in Shareholders' Funds	<u>(1,215)</u>	<u>(281)</u>	<u>70,918</u>	<u>70,918</u>	<u>70,918</u>
Irredeemable Convertible Preference Shares	-	-	5,638	5,638	5,638
Bank borrowings	-	-	10,724	10,724	10,724
Hire purchase liabilities	-	-	1,142	1,142	1,142
Deferred taxation	-	-	2,685	2,685	2,685
	<u>(1,215)</u>	<u>(281)</u>	<u>91,107</u>	<u>91,107</u>	<u>91,107</u>
Net Tangible Assets per share (RM)	<u>-</u>	<u>-</u>	<u>1.01</u>	<u>1.01</u>	<u>1.01</u>

* Cash and bank balances of RM2.00

** Issued and paid up capital of RM2.00

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-2

APB Resources Berhad And Its Subsidiaries and Associates
Proforma Consolidated Balance Sheets As At 30 September 2003

	<i>Proforma after stage 4 RM'000</i>	<i>Proforma after stage 5 RM'000</i>	<i>Proforma after stage 6 RM'000</i>	<i>Proforma after stage 7 RM'000</i>	<i>Proforma after stage 8 RM'000</i>
Property, plant and equipment	45,352	45,352	45,352	45,352	45,352
Investment in a subsidiary	934	-	-	-	-
Investment in associates	52	52	52	52	52
Other investments	130	130	130	130	130
Goodwill	17,787	17,787	17,787	17,787	17,787
Current Assets					
Inventories	2,002	2,002	2,002	2,002	2,002
Trade and other receivables	32,150	32,150	32,150	32,150	32,150
Deposits with licensed bank	8,912	8,912	8,912	8,912	8,912
Cash and bank balances	7,655	7,655	10,457	12,457	28,657
	<u>50,719</u>	<u>50,719</u>	<u>53,521</u>	<u>55,521</u>	<u>71,721</u>
Current Liabilities					
Trade and other payables	13,179	13,179	13,179	13,179	13,179
Bank borrowings	8,310	8,310	8,310	8,310	8,310
Hire purchase liabilities	1,338	1,338	1,338	1,338	1,338
Provision for taxation	1,040	1,040	1,040	1,040	1,040
	<u>23,867</u>	<u>23,867</u>	<u>23,867</u>	<u>23,867</u>	<u>23,867</u>
Net current (liabilities)/assets	<u>26,852</u>	<u>26,852</u>	<u>29,654</u>	<u>31,654</u>	<u>47,854</u>
	<u>91,107</u>	<u>90,173</u>	<u>92,975</u>	<u>94,975</u>	<u>111,175</u>
(Represented)/Financed by:-					
Share Capital	52,771	66,873	69,675	71,675	87,875
Irredeemable Convertible Preference Shares	19,362	19,362	19,362	19,362	19,362
Reserves	(1,215)	(16,251)	(16,251)	(16,251)	(16,251)
(Deficit)/Surplus in Shareholders' Funds	<u>70,918</u>	<u>69,984</u>	<u>72,786</u>	<u>74,786</u>	<u>90,986</u>
Irredeemable Convertible Preference Shares	5,638	5,638	5,638	5,638	5,638
Bank borrowings	10,724	10,724	10,724	10,724	10,724
Hire purchase liabilities	1,142	1,142	1,142	1,142	1,142
Deferred taxation	2,685	2,685	2,685	2,685	2,685
	<u>91,107</u>	<u>90,173</u>	<u>92,975</u>	<u>94,975</u>	<u>111,175</u>
Net Tangible Assets per share (RM)	<u>1.01</u>	<u>0.78</u>	<u>0.79</u>	<u>0.80</u>	<u>0.83</u>

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-3

APB Resources Berhad And Its Subsidiaries and Associates
Proforma Consolidated Balance Sheets As At 30 September 2003

	<i>Proforma after stage 8 RM'000</i>	<i>Proforma after stage 9 RM'000</i>	<i>Proforma after stage 10 RM'000</i>	<i>Proforma after stage 11 RM'000</i>	<i>Proforma after stage 12 RM'000</i>
Property, plant and equipment	45,352	50,212	50,212	50,212	50,212
Investment in a subsidiary	-	-	-	-	-
Investment in associates	52	52	57	62	62
Other investments	130	130	4,430	8,730	8,730
Goodwill	17,787	17,787	17,787	17,787	17,787
Current Assets					
Inventories	2,002	2,002	2,002	2,002	2,002
Trade and other receivables	32,150	31,150	31,150	31,150	31,150
Deposits with licensed bank	8,912	8,912	8,912	8,912	8,912
Cash and bank balances	28,657	18,601	18,596	18,591	18,591
	<u>71,721</u>	<u>60,665</u>	<u>60,660</u>	<u>60,655</u>	<u>60,655</u>
Current Liabilities					
Trade and other payables	13,179	13,179	13,179	13,179	13,179
Bank borrowings	8,310	7,135	7,135	7,135	7,135
Hire purchase liabilities	1,338	238	238	238	238
Provision for taxation	1,040	1,040	1,040	1,040	1,040
	<u>23,867</u>	<u>21,592</u>	<u>21,592</u>	<u>21,592</u>	<u>21,592</u>
Net current (liabilities)/assets	<u>47,854</u>	<u>39,073</u>	<u>39,068</u>	<u>39,063</u>	<u>39,063</u>
	<u>111,175</u>	<u>107,254</u>	<u>111,554</u>	<u>115,854</u>	<u>115,854</u>
(Represented)/Financed by:-					
Share Capital	87,875	87,875	92,175	96,475	121,475
Irredeemable Convertible Preference Shares	19,362	19,362	19,362	19,362	-
Reserves	(16,251)	(17,053)	(17,053)	(17,053)	(17,053)
(Deficit)/Surplus in Shareholders' Funds	<u>90,986</u>	<u>90,184</u>	<u>94,484</u>	<u>98,784</u>	<u>104,422</u>
Irredeemable Convertible Preference Shares	5,638	5,638	5,638	5,638	-
Bank borrowings	10,724	8,418	8,418	8,418	8,418
Hire purchase liabilities	1,142	329	329	329	329
Deferred taxation	2,685	2,685	2,685	2,685	2,685
	<u>111,175</u>	<u>107,254</u>	<u>111,554</u>	<u>115,854</u>	<u>115,854</u>
Net Tangible Assets per share (RM)	<u>0.83</u>	<u>0.82</u>	<u>0.83</u>	<u>0.84</u>	<u>0.71</u>

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-4

**APB Resources Berhad And Its Subsidiaries and Associates
Notes To The Proforma Consolidated Balance Sheets
As At 30 September 2003**

1. The Proforma Consolidated Balance Sheets of the APB Group have been prepared for illustrative purposes only and are based on the audited financial statements of APB Resources Berhad ("APB") (formerly known as Lamquest Holdings Berhad), Era Julung Sdn Bhd ("EJ"), Amalgamated Metal Corporation (M) Sdn Bhd ("AMC"), Benmarl Sdn Bhd ("Benmarl"), Prescan Sdn Bhd ("Prescan") and Konsep Realiti Sdn Bhd ("KRSB") as at 30 September 2003.
2. The Proforma Consolidated Balance Sheets of the APB Group have been prepared using accounting principles and bases consistent with those adopted in the preparation of the audited financial statements of the above companies.
3. The Proforma Consolidated Balance Sheets incorporate on a proforma basis, the following transactions as though they were effected on 30 September 2003:-

3.1 *Stage 1*

Acquisition of the entire issued and paid-up share capital of NCK Corporation Berhad (Special Administrators Appointed) ("NCK") comprising 37,360,005 ordinary shares of RM1.00 each 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.

3.2 *Stage 2*

Stage 2 incorporates Stage 1 and the following:

3.2.1 Corporate Exercise by EJ

The corporate exercise by EJ involved:-

- 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 acquisition by EJ of the followings:-
 - a. the entire issued and paid-up share capital of AMC 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 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

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-5

3.2.1 Corporate Exercise by EJ (continued)

- c. the entire issued and paid-up share capital of Prescan 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 corporate exercise by EJ, the issued and paid-up share capital of EJ increased to RM45,638,085 comprising 45,638,085 ordinary shares of RM1.00 each.

3.2.2 Acquisition of EJ by APB

Acquisition by APB of the entire enlarged issued and paid-up share capital of EJ comprising 45,638,085 ordinary shares of RM1.00 each for a purchase consideration of RM76,837,000 satisfied as follows:-

- a. Issuance of 51,837,000 new ordinary shares of RM1.00 each in APB at an issue price of RM1.00 per share; and
- b. Issuance of 25,000,000 5.5% 2004/2009 Cumulative Irredeemable Convertible Preference Shares ("ICPS") of RM1.00 each in APB at an issue price of RM1.00 per share.

The acquisition of EJ by APB has resulted in a goodwill on acquisition as follows:-

	<i>RM'000</i>
Net tangible assets of Proforma EJ Group as at 30 September 2003	59,050
Less: Purchase consideration	76,837

Goodwill on acquisition	17,787
	=====

3.3 Stage 3

Stage 3 incorporates Stage 2 and the assignment of shares and ICPS whereby certain vendors of EJ have consolidated their shareholdings in APB by assigning a total of 25,920,000 ordinary shares in APB representing approximately 26.87% of the enlarged issued and paid-up share capital of APB and 12,500,000 ICPS representing approximately 50.0% of the ICPS to Ikram Pintas Sdn Bhd, a private investment holding company.

3.4 Stage 4

Stage 4 incorporates Stage 3 and the transfer of NCK's listing status on the Main Board of the Malaysia Securities Exchange Berhad ("MSEB") to APB with all rights attached thereto.

NCK has been delisted from the Official List of the Main Board of the MSEB and APB has been admitted to the Official List of the MSEB in place of NCK, with the listing of the entire enlarged issued and paid-up share capital of APB on the Main Board of the MSEB.

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-6

3.5 Stage 5

Stage 5 incorporates Stage 4 and the transfer of the entire issued and paid-up share capital of NCK comprising 37,360,005 ordinary shares of RM1.00 each to a nominee/nominees of the Special Administrators ("SA") of NCK for a nominal consideration of RM1.00.

As part settlement of the liabilities of NCK, APB has issued 14,102,000 new ordinary shares of RM1.00 each in APB at par to NCK, its assigns and/or Creditors' Agents.

The transfer of NCK has resulted in a loss on transfer of NCK, shown as follows:-

	RM'000
Cost of investment in NCK	934
Settlement of liabilities of NCK	14,102

	15,036
	=====

Certain existing shareholders of the subsidiaries have agreed to subsequently acquire 6,300,000 ordinary shares of RM1.00 each in APB (forming part of the 14,102,000 ordinary shares of RM1.00 each in APB which was issued to NCK, its assigns and/or Creditors' Agents) immediately following the listing of the APB shares on the MSEL.

3.6 Stage 6

Stage 6 incorporates Stage 5 and the restricted issue of 2,802,000 new ordinary shares of RM1.00 each in APB to the existing shareholders of NCK on the basis of three (3) new ordinary shares of RM1.00 each in APB for each APB Share held at an issue price of RM1.00 per share.

3.7 Stage 7

Stage 7 incorporates Stage 6 and the public issue of 2,000,000 new ordinary shares of RM1.00 each in APB to the Malaysian public at an issue price of RM1.00 per share.

3.8 Stage 8

Stage 8 incorporates Stage 7 and the special issue of 16,200,000 new ordinary shares of RM1.00 each in APB to Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI") at an issue price of RM1.00 per share.

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-7

3.9 Stage 9

Stage 9 incorporates Stage 8 and the utilisation of the proceeds receivable from the restricted issue, public issue and special issue.

The gross proceeds receivable are as follows:-

	<i>RM'000</i>
i) Proceeds from restricted issue	2,802
ii) Proceeds from public issue	2,000
iii) Proceeds from special issue	16,200

	21,002
	=====

and will be utilised for the following purposes:-

	<i>RM'000</i>
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	8,748

Total utilisation of proceeds	21,002
Less: Amount retained in cash and bank balances	(8,748)
Listing expenses incurred and paid up to 30 September 2003	(1,198)*
Deposit refunded by Special Administrators	(1,000)

Net cash payments	10,056
	=====

* Included in the listing expenses incurred and paid up to 30 September 2003 is the payment made to the Special Administrators of NCK of RM500,000 to defray the listing expenses of the restructuring exercise.

The listing expenses of RM1,198,000 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 upon completion of the listing exercise.

3.10 Stage 10

Stage 10 incorporates Stage 9 and the proposed acquisition by APB of 4,900 ordinary shares of RM1.00 each in EPIC Constant Sdn Bhd ("ECSB") representing 49% equity interest in ECSB and 4,300,000 Redeemable Convertible Preference Shares ("RCPS") of RM0.10 each in ECSB from Musteq Energy Services Sdn Bhd for a purchase consideration of RM4,304,900 to be satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each in APB at par and RM4,900 cash.

10. FINANCIAL INFORMATION *(Cont'd)*

APPENDIX I-8

3.11 *Stage 11*

Stage 11 incorporates Stage 10 and the proposed acquisition by APB of 4,900 ordinary shares of RM1.00 each in Konsep Realiti Sdn Bhd ("KRSB") representing 49% equity interest in KRSB and 4,300,000 RCPS of RM0.10 each in KRSB from Projass Engineering Sdn Bhd for a purchase consideration of RM4,304,900 to be satisfied by the issuance of 4,300,000 new ordinary shares of RM1.00 each in APB at par and RM4,900 cash.

3.12 *Stage 12*

Stage 12 incorporates Stage 11 and the proposed full conversion of ICPS.

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-9

4. The movements in ordinary share capital and preference share capital accounts are as follows:-

	Ordinary Shares RM'000	Preference Shares RM'000
Audited as at 30 September 2003	**	-
Acquisition of NCK	934	-
	-----	-----
Balance after Stage 1	934	-
Acquisition of EJ	51,837	25,000
	-----	-----
Balance after Stage 2	52,771	25,000
Assignment of shares and ICPS, transfer of listing status and transfer of NCK	14,102	-
	-----	-----
Balance after Stage 5	66,873	25,000
Restricted issue	2,802	-
	-----	-----
Balance after Stage 6	69,675	25,000
Public issue	2,000	-
	-----	-----
Balance after Stage 7	71,675	25,000
Special issue	16,200	-
	-----	-----
Balance after Stage 8	87,875	25,000
Utilisation of proceeds	-	-
	-----	-----
Balance after Stage 9	87,875	25,000
Proposed acquisition of ECSB	4,300	-
	-----	-----
Balance after Stage 10	92,175	25,000
Proposed acquisition of KRSB	4,300	-
	-----	-----
Balance after Stage 11	96,475	25,000
Proposed conversion of ICPS	25,000	(25,000)
	-----	-----
Balance after Stage 12	121,475	-
	=====	=====

** Issued and paid up capital of RM2.00

Note:

The Irredeemable Convertible Preference Shares ("ICPS"), which bears a cumulative preferential dividend rate of 5.5% per annum, is designated as a compound instrument under the MASB 24, Financial Instruments: Disclosure and Presentation accounting standard. Accordingly, the ICPS is accounted separately for its equity and liability components respectively in the Proforma Consolidated Balance Sheets.

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-10

5. The movements in cash and bank balances are as follows:-

	<i>RM'000</i>
Audited as at 30 September 2003	*
Acquisition of NCK	-

Balance after Stage 1	*
Acquisition of EJ	7,655

Balance after Stage 2	7,655
Assignment of shares and ICPS, transfer of listing status and transfer of NCK	-

Balance after Stage 5	7,655
Proceeds from restricted issue	2,802

Balance after Stage 6	10,457
Proceeds from public issue	2,000

Balance after Stage 7	12,457
Proceeds from special issue	16,200

Balance after Stage 8	28,657
Utilisation of proceeds	(10,056)

Balance after Stage 9	18,601
Proposed acquisition of ECSB	(5)

Balance after Stage 10	18,596
Proposed acquisition of KRSB	(5)

Balance after Stage 11	18,591
Proposed conversion of ICPS	-

Balance after Stage 12	18,591
	=====

* Cash and bank balances of RM2.00

10. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-11

6. The movements in bank borrowings and hire purchase accounts are as follows:-

	Bank Borrowings <i>RM'000</i>	Hire Purchase <i>RM'000</i>
Audited as at 30 September 2003	-	-
Acquisition of NCK	-	-
	-----	-----
Balance after Stage 1	-	-
Acquisition of EJ	19,034	2,480
	-----	-----
Balance after Stage 2	19,034	2,480
Assignment of shares and ICPS, transfer of listing status and transfer of NCK	-	-
	-----	-----
Balance after Stage 5	19,034	2,480
Restricted issue	-	-
	-----	-----
Balance after Stage 6	19,034	2,480
Public issue	-	-
	-----	-----
Balance after Stage 7	19,034	2,480
Special issue	-	-
	-----	-----
Balance after Stage 8	19,034	2,480
Utilisation of proceeds	(3,481)	(1,913)
	-----	-----
Balance after Stage 9	15,553	567
Proposed acquisition of ECSB	-	-
	-----	-----
Balance after Stage 10	15,553	567
Proposed acquisition of KRSB	-	-
	-----	-----
Balance after Stage 11	15,553	567
Proposed conversion of ICPS	-	-
	-----	-----
Balance after Stage 12	15,553	567
	=====	=====