



**APM Automotive Holdings Berhad**  
(Company No. 424838-D)  
(Incorporated in Malaysia)  
**and its subsidiaries**

**Financial statements for the year  
ended 31 December 2001**

Principal place of business  
Lot 1, Jalan 6/3  
Kawasan Perusahaan Seri Kembangan  
43300 Seri Kembangan  
Selangor Darul Ehsan

# APM Automotive Holdings Berhad

(Company No. 424838-D)

(Incorporated in Malaysia)

## and its subsidiaries

### Directors' report for the year ended 31 December 2001

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2001.

#### Principal activities

The Company is principally engaged in investment holding and the provision of management services to companies in the Group. The principal activities of the subsidiaries are as stated in Note 23 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

#### Results

	<b>Group</b> <b>RM'000</b>	<b>Company</b> <b>RM'000</b>
Net profit for the year	56,844 =====	24,185 =====

#### Reserves and provisions

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

#### Dividends

Since the end of the previous financial year, the Company paid:

- a) a final dividend of 4% tax exempt totalling RM8,064,000 in respect of the year ended 31 December 2000 on 29 June 2001;
- b) an interim dividend of 3% tax exempt and 2% less 28% tax totalling RM8,951,040 in respect of the year ended 31 December 2001 on 26 October 2001.

The final dividend recommended by the Directors in respect of the year ended 31 December 2001 is 3% tax exempt and 3% less 28% tax totalling RM10,402,560.

#### Directors of the Company

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

Dato' Tan Heng Chew  
 Koo Sian Chu  
 Azman bin Badrillah  
 Dato' Tan Kim Hor  
 Ahmad bin Abdullah  
 Tan Eng Soon  
 Dato' N. Sadasivan s/o N.N. Pillay  
 Dato' Haji Kamaruddin @ Abas bin Nordin  
 Tan Eng Hwa  
 Mohd Sharif Haji Yusof (appointed on 1.9.2001)

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

Name	Ordinary shares of RM1.00 each			
	At 1.1.2001	Bought	Sold	At 31.12.2001
Shareholdings in which Directors have direct interests				
Interests in the Company:				
Dato' Tan Heng Chew	3,849	-	-	3,849
Koo Sian Chu	15,000	-	-	15,000
Azman bin Badrillah	3,566,200	-	(290,000)	3,276,200
Dato' Tan Kim Hor	461,225	-	-	461,225
Ahmad bin Abdullah	2,514,000	-	(504,000)	2,010,000
Tan Eng Soon	210,000	-	-	210,000
Dato Haji Kamaruddin @ Abas bin Nordin	511,448	-	(281,000)	230,448
Tan Eng Hwa	669,908	-	-	669,908
Shareholdings in which Directors have indirect interests				
Interests in the Company:				
Dato' Tan Heng Chew	85,959,999	-	-	85,959,999
Dato' Tan Kim Hor	85,959,999	-	-	85,959,999
Tan Eng Soon	85,959,999	-	-	85,959,999
Tan Eng Hwa	1,650	-	-	1,650
Koo Sian Chu	10,000	-	-	10,000

Dato' Tan Heng Chew, Dato' Tan Kim Hor, Azman bin Badrillah and Tan Eng Soon are deemed interested in the shares of the subsidiaries of the company by virtue of their shareholdings in the Company.

None of the other Directors holding office at 31 December 2001 had any interest in the ordinary shares of the Company and of its related corporations during the year.

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emolument received or due and receivable by Directors as shown in the financial statements of the Company and related companies) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have significant financial interest in companies which traded with certain related companies in the ordinary course of business.

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

### **Issue of shares**

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

### **Options granted over unissued shares and debentures**

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

### **Other statutory information**

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

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

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

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

At the date of this report there does not exist:

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

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

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In the opinion of the Directors the results of the operations of the Group and of the Company for the financial year ended 31 December 2001 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

### **Auditors**

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

Signed in accordance with a resolution of the Directors:

**Koo Sian Chu**

**Azman bin Badrillah**

Kuala Lumpur,

Date: 24 April 2002

**APM Automotive Holdings Berhad**

(Company No. 424838-D)

(Incorporated in Malaysia)

**and its subsidiaries****Statement by Directors pursuant to Section 169(15)  
of the Companies Act, 1965**

In the opinion of the Directors, the financial statements set out on pages 9 to 36, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2001 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

**Koo Sian Chu**

**Azman bin Badrillah**

Kuala Lumpur,

Date: 24 April 2002

**APM Automotive Holdings Berhad**

(Company No. 424838-D)

(Incorporated in Malaysia)

**and its subsidiaries****Declaration pursuant to  
Section 169(16) of the Companies Act, 1965**

I, **Lee Kwee Cheng**, the officer primarily responsible for the financial management of APM Automotive Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 36 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur on 24 April 2002

**Lee Kwee Cheng**  
**(MIA 9160)**

Before me:

**BARATHAN A/L SINNI AH @ CHINNI AH**

No. W202

Commissioner for Oaths

*(Pesuruhjaya Sumpah)*

## **Report of the auditors to the members of APM Automotive Holdings Berhad**

(Company No. 424838-D)  
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 9 to 36. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - i) the state of affairs of the Group and of the Company at 31 December 2001 and the results of their operations and cash flows for the year ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 23 to the financial statements and we have considered their financial statements and the auditors' report thereon, where applicable.

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

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

**KPMG**

Firm Number: AF 0758  
Chartered Accountants

**Jimmy Leow Min Fong**

Partner  
Approval Number: 595/03/04(J/PH)

Kuala Lumpur,

Date: 24 April 2002

# APM Automotive Holdings Berhad

(Company No. 424838-D)

(Incorporated in Malaysia)

## and its subsidiaries

### Balance sheets at 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Property, plant and equipment</b>	2	134,186	134,925	232	182
<b>Investments in subsidiaries</b>	3	-	-	222,066	222,066
<b>Investments in associates</b>	4	5,421	4,334	-	-
<b>Intangible assets</b>	5	-	-	-	-
		<u>139,607</u>	<u>139,259</u>	<u>222,298</u>	<u>222,248</u>
<b>Current assets</b>					
Inventories	6	112,339	135,433		
Trade and other receivables	7	133,165	130,765		18,618
Tax recoverable		2,409	-	-	
Cash and cash equivalents	8	70,445	43,062	26,625	3,590
		<u>318,358</u>	<u>309,260</u>		<u>22,208</u>
<b>Current liabilities</b>					
Trade and other payables	9	86,519	88,367	29,187	16,990
Hire purchase payables	10	23	72	-	-
Borrowings	11	15,888	62,390	-	-
Taxation		11,979	8,669	-	-
		<u>114,409</u>	<u>159,498</u>	<u>29,187</u>	<u>16,990</u>
<b>Net current assets</b>		<u>203,949</u>	<u>149,762</u>	<u>12,538</u>	<u>5,218</u>
		<u>343,556</u>	<u>289,021</u>	<u>234,836</u>	<u>227,466</u>
<b>Financed by:-</b>					
<b>Capital and reserves</b>					
Share capital	12	201,600	201,600	201,600	201,600
Reserves	13	117,274	77,455	32,563	25,393
		<u>318,874</u>	<u>279,055</u>	<u>234,163</u>	<u>226,993</u>
<b>Long term and deferred liabilities</b>					
Borrowings	11	10,833	-	-	-
Deferred grant income	14	1,636	1,948	-	-
Deferred taxation		1,144	812	-	-
Retirement benefits		11,046	7,101	673	473
Hire purchase payables	10	23	105	-	-
		<u>24,682</u>	<u>9,966</u>	<u>673</u>	<u>473</u>
		<u>343,556</u>	<u>289,021</u>	<u>234,836</u>	<u>227,466</u>

The notes set out on pages 16 to 36 form an integral part of, and, should be read in conjunction with, these financial statements.

**APM Automotive Holdings Berhad**  
 (Company No. 424838-D)  
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**and its subsidiaries**

**Income statements for the year ended 31 December 2001**

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	15	659,584	619,821	30,236	23,710
Cost of sales					
- Sale of goods		(522,780)	(507,460)	-	-
<b>Gross profit</b>		<u>136,804</u>	<u>112,361</u>	<u>30,236</u>	<u>23,710</u>
Distribution costs		(24,008)	(23,967)	-	-
Administration expenses		(34,394)	(31,191)	(3,142)	(3,355)
Other operating expenses		(1,085)	(2,532)	-	-
Other operating income		2,055	1,636	-	-
<b>Operating profit</b>	15	<u>79,372</u>	<u>56,307</u>	<u>27,094</u>	<u>20,355</u>
Financing cost		(1,737)	(2,385)	(222)	(16)
Interest income		1,308	694	230	34
Share of profit of associates		674	717	-	-
<b>Profit before tax</b>		<u>79,617</u>	<u>55,333</u>	<u>27,102</u>	<u>20,373</u>
Tax expense	17	(22,773)	(13,660)	(2,917)	(6,564)
<b>Net profit after taxation</b>		<u>56,844</u>	<u>41,673</u>	<u>24,185</u>	<u>13,809</u>
		=====	=====	=====	=====
Basic earnings per ordinary share (sen)	18	28.2	20.7		
		=====	=====		
Dividends per ordinary share (sen)					
- excluding proposed final dividend	19	5	5		
		=====	=====		
- including proposed final dividend	19	11	9		
		=====	=====		

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## APM Automotive Holdings Berhad

(Company No. 424838-D)

(Incorporated in Malaysia)

### and its subsidiaries

### Statement of changes in equity for the year ended 31 December 2001

Group	Note	<i>Non distributable</i>				<i>Distributable</i>		Total RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange adjustment RM'000	Merger deficit RM'000	Retained profits RM'000	
<b>At 1 January 2000</b>		201,600	18,852	5,447	(30)	(41,664)	62,248	246,453
Foreign exchange differences arising from translation		-	-	-	(184)	-	-	(184)
Listing expenses written off	5	-	(954)	-	-	-	-	(954)
Additional expenses		-	-	-	-	(675)	-	(675)
Net gains and losses not recognised in the income statement		-	(954)	-	(184)	(675)	-	(1,813)
Net profit for the year		-	-	-	-	-	41,673	41,673
Dividends paid - 2000 interim	19	-	-	-	-	-	(7,258)	(7,258)
<b>At 31 December 2000/ At 1 January 2001</b>		201,600	17,898	5,447	(214)	(42,339)	96,663	279,055
Foreign exchange differences arising from translation		-	-	-	(10)	-	-	(10)
Net gains and losses not recognised in the income statement		-	-	-	(10)	-	-	(10)
Net profit for the year		-	-	-	-	-	56,844	56,844
Dividends paid - 2000 final	19	-	-	-	-	-	(8,064)	(8,064)
paid - 2001 interim	19	-	-	-	-	-	(8,951)	(8,951)
<b>At 31 December 2001</b>		201,600	17,898	5,447	(224)	(42,339)	136,492	318,874

The notes set out on pages 16 to 36 form an integral part of, and, should be read in conjunction with, these financial statements.

## APM Automotive Holdings Berhad

(Company No. 424838-D)  
(Incorporated in Malaysia)

### Statement of changes in equity for the year ended 31 December 2001

Company	Note	<i>Non Distributable</i> Share capital RM'000	<i>Share</i> premium RM'000	<i>Distributable</i> Retained profits RM'000	Total RM'000
<b>At 1 January 2000</b>		201,600	18,852	944	221,396
Listing expenses written off	5	-	(954)	-	(954)
Net profit for the year		-	-	13,809	13,809
Dividends paid					
- 2000 interim	19	-	-	(7,258)	(7,258)
		-----	-----	-----	-----
<b>At 31 December 2000</b>		201,600	17,898	7,495	226,993
Net profit for the year		-	-	24,185	24,185
Dividends paid					
- 2000 final	19	-	-	(8,064)	(8,064)
- 2001 interim	19	-	-	(8,951)	(8,951)
		-----	-----	-----	-----
<b>At 31 December 2001</b>		201,600	17,898	14,665	234,163
		=====	=====	=====	=====
		Note 12			

The notes set out on pages 16 to 36 form an integral part of, and, should be read in conjunction with, these financial statements.

**APM Automotive Holdings Berhad**  
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**Cash flow statements for the year ended  
 31 December 2001**

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation	79,617	55,333	27,102	20,373
Adjustments for				
Depreciation of property, plant and equipment	23,376	17,851	49	28
Acquisition of subsidiary	48	-	-	-
Dividend income received	-	-	-	7,000
Gain on disposal of property, plant and equipment	(254)	(361)	-	-
Interest expenses	1,737	2,087	-	-
Interest income	(1,308)	(656)	-	-
Retirement benefits charged	4,070	1,904	231	473
Share of profit of associates	(674)	(717)	-	-
Merger debit	-	(675)	-	-
Amortisation of deferred income	(556)	(505)	-	-
Goodwill and deferred expenditure written off	273	359	-	2
Property, plant and equipment written off	277	-	-	-
Operating profit before working capital changes	106,606	74,620	27,382	27,876
(Increase)/Decrease in working capital:				
Inventories	23,096	(24,630)	-	-
Trade and other receivables	(2,400)	(8,013)	3,518	5,704
Trade and other payables	(2,221)	(26,447)	12,197	(11,476)
Cash generated from operations	125,081	15,530	43,097	22,104
Income tax paid	(21,736)	(6,418)	(2,917)	(6,564)
Income tax refund	-	191	-	-
Interest paid	(1,737)	(2,087)	-	-
Interest received	1,308	656	-	-
Grant income received	244	157	(31)	-
Retirement benefit paid	(125)	-	-	-
<b>Net cash generated from operating activities</b>	103,035	8,029	40,149	15,540

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Cash flows from investing activities</b>				
Dividends received from associates	100	-	-	-
Purchase of property, plant and equipment	(23,164)	(25,558)	(99)	(210)
Acquisition of subsidiary	(106)	-	-	-
Proceeds from disposal of property plant and equipment	525	869	-	-
Acquisition of subsidiaries, net of cash acquired (i)	136	-	-	-
Investment in subsidiaries	-	-	-	364
Investment in associates	(355)	-	-	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(22,864)</b>	<b>(24,689)</b>	<b>(99)</b>	<b>154</b>
<b>Cash flows from financing activities</b>				
Repayment of hire purchase creditor	(131)	-	-	-
Dividend paid to shareholders	(17,015)	(13,306)	(17,015)	(13,306)
Repayment of short term borrowings	(5,000)	-	-	-
Increase in short term borrowings	-	2,621	-	-
Proceeds from term loan	15,000	-	-	-
<b>Net cash used in investing activities</b>	<b>(7,146)</b>	<b>(10,685)</b>	<b>(17,015)</b>	<b>(13,306)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>73,025</b>	<b>(27,345)</b>	<b>23,035</b>	<b>2,388</b>
<b>Exchange difference</b>	<b>27</b>	<b>(339)</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>(14,328)</b>	<b>13,356</b>	<b>3,590</b>	<b>1,202</b>
<b>Cash and cash equivalents at end of year</b>	<b>58,724</b>	<b>(14,328)</b>	<b>26,625</b>	<b>3,590</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	70,445	43,062	26,625	3,590
Bills payable	(3,429)	(36,799)	-	-
Overdrafts	(8,292)	(20,591)	-	-
	<b>58,724</b>	<b>(14,328)</b>	<b>26,625</b>	<b>3,590</b>

*i) Acquisition of subsidiaries*

During the year, the Group acquired an additional 50% equity interest in the subsidiaries, APM Components America Inc. and APM Holdings Inc. The fair values of assets and liabilities assumed were as follows:

	<b>Group 2001 RM'000</b>
Plant and equipment	58
Current assets	1,751
Current liabilities	(1,713)
	<hr/>
Net assets	96
Goodwill on acquisition	273
	<hr/>
Purchase price	369
Less: Cash and cash equivalents	(233)
	<hr/>
Cash flow on acquisition net of cash acquired	136
	=====

The notes set out on pages 16 to 36 form an integral part of, and, should be read in conjunction with, these financial statements.

**APM Automotive Holdings Berhad**  
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## **Notes to the financial statements**

### **1. Summary of significant accounting policies**

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

#### **(a) Basis of accounting**

The financial statements of the Group and of the Company are prepared in compliance with applicable approved accounting standards in Malaysia other than the early adoption of the accounting policy on proposed dividend which is now recognised as a liability in the year it is approved, in accordance with MASB 19, Events after the Balance Sheet Date.

#### **(b) Basis of consolidation**

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

Under the merger method of accounting, the difference between the cost of acquisition and the nominal value of the share capital and reserves of the subsidiaries is taken to merger reserves.

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

#### **(c) Associates**

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interest in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

**(d) Property, plant and equipment**

Property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation.

It is the Group's policy to state property, plant and equipment at cost. Revaluation of certain properties in 1984 was carried out primarily for the purpose of issuing bonus shares then in the Company and was not intended to effect a change in the accounting policy to one of revaluation of properties.

In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on the adoption of International Accounting Standards ("IAS") No.16 (Revised) on "Property, Plant and Equipment", the valuations of these assets have not been updated and they continue to be stated at their existing carrying amounts less accumulated depreciation.

The Directors are of the opinion that the current market values of the revalued properties are not less than their net book values as at 31 December 2001.

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

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. In determining the recoverable amount of property, plant and equipment, expected future cash flows are discounted to its present value. The impairment loss is charged to the income statement, unless it reverses a previous revaluation, in which case it is charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred. Such subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

**(e) Depreciation**

Freehold land is not amortised. Leasehold land is amortised in equal instalments over the period of the respective leases which range from twenty-five to thirty-nine years while buildings are depreciated on a straight line basis over the shorter of 50 years or the lease period.

The straight-line basis is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates of depreciation:-

Buildings	2% - 4%
Plant, machinery and equipment	10% - 25%
Furniture, fixtures, fittings and office equipment	10% - 33.3%
Motor vehicles	10% - 20%

**(f) Investments**

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

**(g) Inventories**

Inventories are stated at the lower of cost and net realisable value.

Costs of manufactured inventories, work-in-progress and raw materials are determined primarily at standard cost adjusted for variances and approximates actual cost on a first-in-first-out basis.

Manufactured inventories and work-in-progress includes direct materials, labour and an appropriate proportion of fixed and variable production overheads.

Costs of trading inventories and spare parts are determined on a weighted average basis.

**(h) Intangible assets**

Incorporation expenses incurred are classified as preliminary expenses while expenses incurred subsequent to the date of incorporation but before commencement of operation are classified as pre-operating expenses. Both preliminary and pre-operating expenses were to be amortised to the income statement over five (5) years commencing from the first year of operations.

Listing expenses incurred were deferred and to be amortised over a period of three (3) years commencing from 1 January 2000.

However, in compliance with Malaysia Accounting Standards Board ("MASB") Standards No. 1, the Group has charged all intangible assets relating to the issue of shares against share premium and written off the other intangible assets to the income statement during the last financial year.

**(i) Deferred grant income**

Grant income from the World Bank arise from the installation of machinery for environmental control purposes. This is amortised on a straight line basis over a period of 10 years in line with the depreciation of the related machinery.

**(j) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and short term borrowings.

**(k) Taxation**

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications that the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

**(l) Retirement benefits**

The Group and the Company operate an unfunded defined benefits scheme for employees who have completed a qualifying period of service. The benefits payable on retirement are based on a fixed percentage of the basic salaries of the employees less the employer's statutory contribution to the Employees Provident Fund ("EPF"). A provision is made monthly for each employee regardless of whether the employee has completed the qualifying period of service. Should an employee leave before completing the qualifying period of service, the provision made for the employee is written back. No actuarial valuation has been conducted on the retirement benefits provision as the amount is insignificant to the Group and the Company. The Group and the Company have no obligation for the payment of retirement benefit beyond the amount provided.

**(m) Foreign currency****(i) Foreign currency transactions**

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

**(ii) Financial statements of foreign operations**

The Group's foreign operations are not considered an integral part of the Group's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at the average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

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

1 AUD	RM1.93	(2000 : 1 AUD	RM2.09)
1 USD	RM3.80	(2000 : 1 USD	RM3.80)
100 Yen	RM2.88	(2000 : 100 Yen	RM3.32)
1 CAD	RM2.50	(2000 : 1 CAD	RM2.50)

**(n) Revenue***i) Goods sold and services rendered*

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

Revenue from services rendered is recognised in the income statement as and when the services are performed.

*ii) Dividend income*

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

**(o) Interest income**

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

**(p) Financing costs**

Financing costs comprise interest payable on borrowings.

All interest and other costs incurred in connection with borrowings are expensed as incurred.

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## 2. Property, plant and equipment

Group	Long term leasehold		Land development	Plant, machinery and equipment	Furniture, fittings and office equipment	Motor vehicles	Work-in-progress	Total
	land	Buildings						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Cost/valuation</b>								
Opening balance	42,773	41,477	277	171,531	12,887	5,236	429	274,610
Additions	443	153	-	18,683	1,993	1,350	542	23,164
Disposals	-	-	-	(3,360)	(218)	(591)	-	(4,169)
Written off	-	-	(277)	(1,472)	(2)	-	-	(1,751)
Transfers	-	-	-	587	-	-	(587)	-
Acquisition of subsidiary	-	-	-	-	106	-	-	106
Foreign exchange adjustment	-	-	-	(32)	-	(23)	-	(55)
Closing balance	43,216	41,630	-	185,937	14,766	5,972	384	291,905
<b>Representing items at:</b>								
Cost	26,479	34,980	-	185,935	14,766	5,974	384	268,518
1984 valuation	16,737	6,650	-	-	-	-	-	23,387
	43,216	41,630	-	185,935	14,766	5,974	384	291,905
<b>Accumulated depreciation</b>								
Opening balance	3,302	7,802	-	116,075	9,373	3,133	-	139,685
Charge for the year	713	1,137	-	19,152	1,552	822	-	23,376
Disposals	-	-	-	(3,159)	(205)	(534)	-	(3,898)
Written off	-	-	-	(1,472)	(2)	-	-	(1,474)
Acquisition of subsidiary	-	-	-	-	48	-	-	48
Foreign exchange adjustment	-	-	-	(9)	-	(9)	-	(18)
Closing balance	4,015	8,939	-	130,587	10,766	3,412	-	157,719



**Revaluation**

The long term leasehold land and buildings are stated at Directors' valuation based on professional valuations on the existing use basis conducted in 1984.

The net book value of the revalued properties had they been stated at cost less accumulated depreciation calculated on original cost as required by the Malaysian Accounting Standards Board ("MASB") Standard No 15 on "Property, Plant and Equipment" is not shown as the records are not available since the revaluation was done in 1984.

The potential deferred tax liability relating to the increase in the carrying value of certain land and building upon their revaluation in 1984 is not shown as the amount is not material to the Group.

**Assets under hire purchase**

Included in property, plant and equipment of the Group are motor vehicles acquired under hire purchase agreements costing RM124,000 (2000 - RM133,000).

<b>Company</b>	<b>Furniture, fittings and office equipment RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
Opening balance	77	133	210
Additions	99	-	99
Closing balance	176	133	309
<b>Accumulated depreciation</b>			
Opening balance	10	18	28
Charge for the year	22	27	49
Closing balance	32	45	77
<b>Net book value</b>			
At 31 December 2001	144	88	232
At 31 December 2000	67	115	182
Depreciation charge for the year ended 31 December 2000	10	18	28

**3. Investments in subsidiaries**

	<b>Company</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost	223,105	223,105
Less: Allowance for diminution in value	(1,039)	(1,039)
	222,066	222,066
	222,066	222,066

Details of the subsidiaries are shown in Note 23.

**4. Investments in associates**

	<b>Group</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost	1,625	1,589
Share of post-acquisition reserves	3,796	2,745
	5,421	4,334
	5,421	4,334
Group's share of net assets	5,421	4,334
	5,421	4,334

The associates of the Group, all of which are incorporated in Malaysia, are as follows:-

<b>Name of Company</b>	<b>Principal activities</b>	<b>Group interest</b>	
		<b>2001</b>	<b>2000</b>
		<b>%</b>	<b>%</b>
APM-Coachair Sdn. Bhd.*	Distribution of coach air-conditioners	50	50
APM Irwin Seating* Sdn. Bhd.	Manufacture and sale of auditorium seats	50	50
Auto Culture Supplies Sdn. Bhd.*	Manufacture and sale of seat covers and related products	50	45
Diversified Furniture Systems Sdn. Bhd.*	Manufacture of office furniture	50	100

\* Owned via a 100% subsidiary, Auto Parts Holdings Sdn. Bhd.

During the financial year, due to the dilution of shareholdings in Diversified Furniture Systems Sdn. Bhd. through additional shares issued to an external investor, the company was converted from a subsidiary to an associate.

**5. Intangible assets**

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<i>Deferred expenditure</i>				
Opening balance	-	959	-	956
Written off to income statement	-	(5)	-	(2)
Written off to share premium reserve	-	(954)	-	(954)
	-----	-----	-----	-----
Closing balance	-	-	-	-
	=====	=====	=====	=====
<i>Goodwill</i>				
Opening balance	-	354	-	-
Written off to income statement	-	(354)	-	-
	-----	-----	-----	-----
Closing balance	-	-	-	-
	=====	=====	=====	=====

**6. Inventories**

	Group	
	2001 RM'000	2000 RM'000
Raw materials	54,736	56,792
Work-in-progress	13,231	10,833
Manufactured inventories and trading inventories	36,352	58,022
Spare parts and others	3,843	9,786
Goods-in-transit	4,177	-
	-----	-----
	112,339	135,433
	=====	=====

The following inventories are carried at net realisable value:

	2001	2000
	RM'000	RM'000
Raw materials	8,943	11,345
Work-in-progress	56	1,287
Manufactured inventories and trading inventories	11,592	30,207
Spare parts and others	489	2,438
	-----	-----
	21,080	45,277
	=====	=====

**7. Trade and other receivables**

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade receivables	129,495	129,406	-	-
Less: Allowance for doubtful debts	(5,076)	(6,343)	-	-
	<u>124,419</u>	<u>123,063</u>	<u>-</u>	<u>-</u>
Subsidiaries	-	-	15,061	18,609
Associates	1,007	1,067	34	9
Other receivables, deposits and prepayments	7,739	6,635	5	-
	<u>133,165</u>	<u>130,765</u>	<u>15,100</u>	<u>18,618</u>
	=====	=====	=====	=====

The amounts due from subsidiaries and associates are non-trade in nature, unsecured, have no fixed terms of repayments and are interest free.

Other receivables, deposits and prepayments consist of many individual items which are not significant to warrant subclassifications.

**8. Cash and cash equivalents**

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash and bank balances	14,390	7,127	693	156
Deposits	56,055	35,935	25,932	3,434
	<u>70,445</u>	<u>43,062</u>	<u>26,625</u>	<u>3,590</u>
	=====	=====	=====	=====
Deposits are placed with:				
Licensed banks	30,123	24,701	-	-
Finance companies	25,932	11,234	25,932	3,434
	<u>56,055</u>	<u>35,935</u>	<u>25,932</u>	<u>3,434</u>
	=====	=====	=====	=====

**9. Trade and other payables**

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade payables	41,011	44,861	-	-
Subsidiaries	-	-	27,442	16,485
Associates	2	-	-	28
Other payables and accruals	45,506	43,506	1,745	477
	<u>86,519</u>	<u>88,367</u>	<u>29,187</u>	<u>16,990</u>
	=====	=====	=====	=====

The amounts due to subsidiaries and associates are non-trade in nature, unsecured, have no fixed terms of repayment and are interest free.

Other payable and accruals consist of many individual items which are not significant to warrant subclassifications.

**10. Hire purchase payables**

	Group	
	2001 RM'000	2000 RM'000
Hire purchase payables	42	169
Less: Interest in suspense	4	8
	<u>46</u>	<u>177</u>
	=====	=====
Payable within one year	23	72
Payable after one year	23	105
	<u>46</u>	<u>177</u>
	=====	=====

**11. Borrowings**

	Group	
	2001 RM'000	2000 RM'000
Current		
Bills payable - unsecured	3,429	36,799
Overdrafts - unsecured	8,292	20,591
Revolving credit - unsecured	-	5,000
Term loan - secured	4,167	-
	<u>15,888</u>	<u>62,390</u>
	=====	=====
Non-current		
Long term loan - secured	10,833	-
	<u>10,833</u>	<u>-</u>
	=====	=====

The borrowings of the Group are subject to interest at 2.65% to 8.39% (2000 - 3% to 8%) per annum.

The term loan is repayable in 36 equal monthly instalments, commencing from March 2002.

**Term and debt repayment schedule**

	<b>Total RM'000</b>	<b>Under 1 year RM'000</b>	<b>1 - 2 years RM'000</b>	<b>2 - 5 years RM'000</b>
Term loan - 4.15% (2000 - Nil)	15,000	4,167	10,000	833
	=====	=====	=====	=====

The term loan is secured by the assignment of rental proceeds from the tenants of the property.

**12. Share capital**

	<b>Group and Company</b>	
	<b>2001 RM'000</b>	<b>2000 RM'000</b>
Authorised:		
Ordinary shares of RM1.00 each	300,000	300,000
	=====	=====
Issued and fully paid:		
Ordinary shares of RM1.00 each	201,600	201,600
	=====	=====

**13. Distributable reserves**

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all its retained profits at 31 December 2001 if paid out as dividends.

**14. Deferred grant income**

	<b>Group</b>	
	<b>2001 RM'000</b>	<b>2000 RM'000</b>
Opening balance	3,319	3,162
Received during the year	244	157
	-----	-----
	3,563	3,319
Accumulative amortisation	(1,927)	(1,371)
	-----	-----
	1,636	1,948
	=====	=====

**15. Operating profit**

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Revenue</b>				
- Sale of goods	659,584	619,821	-	-
- Services rendered	-	-	270	268
- Dividend income	-	-	29,966	23,442
	<u>659,584</u>	<u>619,821</u>	<u>30,236</u>	<u>23,710</u>
	-----	-----	-----	-----

**Operating profit is arrived at after crediting:**

Amortisation of grant income	556	505	-	-
Foreign exchange gain				
- realised	35	317	-	-
- unrealised	856	154	-	-
Gain on disposal of property, plant and equipment		254	333	-
Tax exempt dividend received from:				
- unquoted subsidiaries	-	-	19,548	-
Gross dividend received from				
- unquoted subsidiaries	-	-	10,418	23,442
Interest income	1,308	694	230	34
Reversal of allowance for doubtful debts	1,663	582	-	-
Discount from acquisition of associates	18	-	-	-
	=====	=====	=====	=====

**and after charging:**

Audit fee				
- current year	144	144	14	14
- prior year	-	2	-	-
Amortisation of:				
- goodwill	-	73	-	-
Allowance for:				
- Diminution in value	-	-	1,664	1,039
- Doubtful debts	922	733	-	-
- Retirement benefits	4,070	1,904	231	10
Depreciation of property, plant and equipment	23,376	17,851	49	28
Property, plant and equipment written off	277	-	-	-
Deferred expenditure written off	-	5	-	2
Directors of the Company:				
- fees	120	108	120	108
- emoluments	942	810	942	810
- benefit in kind	38	30	38	30
Goodwill written off	273	354	-	-
Rental of Premises	1,432	1,765	-	-
Realised foreign exchange loss	286	-	-	-
	=====	=====	=====	=====

**16. Employee information**

	<b>Group</b>		<b>Company</b>		=====	=====
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>		
Staff costs	85,281	69,631	2,151	1,192		

The number of employees of the Group (including Directors) and of the Company (including Directors) at the end of the year was 2,657 (2000 - 2,820) and 12 (2000 - 12) respectively.

**17. Tax expense**

	<b>Group</b>		<b>Company</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense - Malaysia	21,626	13,418	2,917	6,564
- foreign	-	11	-	-
Underprovision in prior years	1,011	-	-	-
Overprovision in prior years	-	(78)	-	-
	<u>22,637</u>	<u>13,351</u>	<u>2,917</u>	<u>6,564</u>
Deferred tax expense	332	-	-	-
	<u>22,969</u>	<u>13,351</u>	<u>2,917</u>	<u>6,564</u>
Tax expense on share of profits of associates				
- current year	-	309	-	-
- overprovision in prior years	(196)	-	-	-
	<u>22,773</u>	<u>13,660</u>	<u>2,917</u>	<u>6,564</u>
	=====	=====	=====	=====

The Company's effective tax rate is lower than the prima facie tax rate mainly due to the availability of tax exempt dividend income.

Subject to the agreement by the Inland Revenue Board, the Group has potential deferred tax benefits not taken up in the financial statements under the liability method in respect of:

	<b>Group</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>
Unutilised tax losses	-	1,261
Other timing differences	25,164	29,636
	<u>25,164</u>	<u>30,897</u>
	=====	=====

## 18. Earnings per share - Group

The calculation of earnings per share is based on the net profit attributable to shareholders of RM56,844,000 (2000 - RM41,673,000) and the number of ordinary shares in issue during the year of 201,600,000 (2000 - 201,600,000).

## 19. Dividends paid

	Group and Company	
	2001 RM'000	2000 RM'000
Final in respect of the previous year 4% tax exempt	8,064	-
Interim in respect of the year ended 31 December 2001: 3% tax exempt	6,048	-
2% less tax (2000 - 5% less tax)	2,903	7,258
	17,015	7,258
	17,015	7,258

### *Proposed final dividend for the financial year ended 31 December 2001*

The Directors have recommended a final dividend of 3%, tax exempt and 3% less 28% tax totalling RM10,402,560 in respect of the year ended 31 December 2001, which will be paid after the financial year end subject to approval by the shareholders at the forthcoming Annual General Meeting.

The proposed final dividend has not been accounted for in the financial statements of the Group and of the Company as at 31 December 2001.

### *Dividend per share*

#### **Ordinary dividend**

The calculation of dividend per share is based on the ordinary dividend for the financial year ended 31 December 2001 and the number of ordinary shares in issue during the year of 201.6 million (2000 - 201.6 million).

	2001 RM'000	2000 RM'000	2001 sen per share	2000 sen per share
Ordinary dividend paid	8,951	7,258	5	5
Proposed final dividend	10,403	8,064	6	4
	19,354	15,322	11	9
	19,354	15,322	11	9

## 20. Segmental information

Segmental reporting is not disclosed as required by International Accounting Standards (“IAS”) No. 14 on “Reporting Financial Information By Segment” as the Group predominantly manufactures and sells motor components and spare parts for the motor industry and operating principally in Malaysia.

## 21. Commitments

	Group	
	2001 RM'000	2000 RM'000
Capital commitments:		
Property, plant and equipment Contracted but not provided for in the financial statements	5,821 =====	- =====

## 22. Related parties

Controlling related party relationships are as follows:

- i) The subsidiaries as disclosed in Note 23.
- ii) The substantial shareholders of the Company who are Tan Chong Consolidated Sdn. Bhd. and Parasand Limited.

TCMH Group refers to companies in the Tan Chong Motor Holdings Berhad (“TCMH”) Group after the reorganisation and demerger of the Autoparts and Non-Motor Division of TCMH Group and overseas operations.

TCIL Group refers to companies in the Tan Chong International Limited (TCIL) Group. The TCIL Group was previously subsidiaries of the TCMH Group.

WTCH Group refers to companies in the Warisan TC Holdings Berhad (“WTCH”) Group. The WTCH Group was previously subsidiaries of TCMH Group.

### *Transactions with related parties*

- i) Significant transactions with TCMH, TCIL and WTCH Groups in which certain Directors of the Company, namely Dato’ Tan Kim Hor, Dato’ Tan Heng Chew and Tan Eng Soon are deemed to have substantial financial interests, are as follows:-

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b><i>With TCMH Group</i></b>				
Sales	79,863	61,452	-	-
Rental income	92	92	-	-
Purchases	1,425	2,586	-	134
Other purchases	1,954	893	698	701
Rental expenses	972	784	41	-
Management fee	28	28	28	28
	=====	=====	=====	=====

	<b>Group</b>		<b>Company</b>		
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b><i>With TCIL Group</i></b>					
Sales	3,560	6,071	-	-	Purchases 614 649 -
-	=====	=====	=====	=====	
<b><i>With WTCH Group</i></b>					
Sales	78	106	-	-	
Other purchases	1,706	882	-	-	
	=====	=====	=====	=====	

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

- ii) Significant transactions with Auto Dunia Sdn. Bhd., a company in which certain Directors of the Company, namely Ahmad bin Abdullah and Azman bin Badrillah have substantial financial interests, are as follows:

	<b>Group</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales	2,207	2,732
Purchases	1,801	6,703
Other purchases	29	739
	=====	=====

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

- iii) Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	<b>Company</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Subsidiaries</b>		
Management fees receivable	270	268
Interest income	26	4
Dividends received	29,966	23,442
Interest expense	222	-
	=====	=====

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

### 23. Subsidiaries

The principal activities of the companies in the Group, their places of incorporation and the Group's interest are as follows:-

Name of Company	Principal activities	Group interest	
		2001 %	2000 %
APM Air-Conditioners Sdn. Bhd.	Manufacture of automotive air-conditioners	100	100
APM Auto Electrics. Sdn. Bhd	Manufacture of automotive electrical components	100	100
APM Coil Springs Sdn. Bhd.	Manufacture of automotive coil springs	100	100
APM Metal Industries Sdn. Bhd.	Manufacture of automotive metal component parts. Toward the end of the year, the Company changed its principal activity to the manufacture and assembly of automotive and non-automotive metal components parts and mechanism	100	100
APM Plastics Sdn. Bhd.	Manufacture of plastic injection and extrusion moulded parts and components	100	100
APM Shock Absorbers Sdn. Bhd.	Manufacture of shock absorbers and related component parts	100	100
APM Springs Sdn. Bhd.	Manufacture of tapered leaf springs	100	100
APM Trim Parts Sdn. Bhd.	Manufacture of vehicle interior parts and accessories	100	100
Auto Parts Holdings Sdn. Bhd.	Investment holding	100	100
Auto Parts Manufacturers Co. Sdn. Bhd.	Manufacture of automotive leaf springs, seats and radiators. Toward the end of the year, the Company ceased its leaf springs manufacturing activity	100	100
Auto Parts Marketing Sdn. Bhd.	Marketing of automotive parts and accessories	100	100
KAB Otomotif Sdn. Bhd.	Property holding	100	100

Name of Company	Principal activities	Group interest	
		2001 %	2000 %
Perusahaan Tilam Kereta Sdn. Bhd.	Property holding	100	100
Radiators Australia (2000) Pty. Ltd + (owned via 100% subsidiary, Auto Parts Holdings Sdn. Bhd.)	Distribution and assembly of automotive radiators	100	100
APM Auto Mechanisms Sdn. Bhd.	Property holding	100	100
APM Components America Inc.* (owned via 100% subsidiary, APM Holdings Inc.)	Distribution of furniture components	100	50
APM Holdings Inc.* (owned via 100% subsidiary, Auto Parts Holdings Sdn. Bhd.)	Investment holding	100	50
APM Motorsport Sdn. Bhd.	Trading and selling automotive parts and accessories	100	100
APM Chalmers Suspensions Sdn. Bhd.	Dormant	100	100
APM Radiators Sdn. Bhd.	Dormant	100	100
APM Tooling Centre Sdn. Bhd.	Dormant	100	100
Atsugi Parts Manufacturing Sdn. Bhd.	Dormant	100	100
Pandamaran Special Steel Sdn. Bhd.	Dormant	100	100
TC-Kinugawa Rubber Sdn. Bhd.	Dormant	100	100

Radiators Australia (2000) Pty Ltd is a company incorporated in Australia. APM Components America Inc. and APM Holdings Inc. are companies incorporated in Canada. The other subsidiary companies are incorporated in Malaysia.

+ Audited by overseas KPMG Firm

\* Companies not required to be audited and consolidated using management financial statements

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On 30 June 2001, the Group acquired additional 50% shares in APM Components America Inc. and APM Holdings Inc. for a total consideration of RM369,000 to be paid by cash. The acquisition was accounted for using the acquisition method of accounting. In the six months ended 31 December 2001, the results of these subsidiaries are not considered material to the consolidated results for the year.

During the year, APM Components (USA) Inc., (to be owned via a 100% subsidiary, Auto Parts Holdings Sdn. Bhd.) was