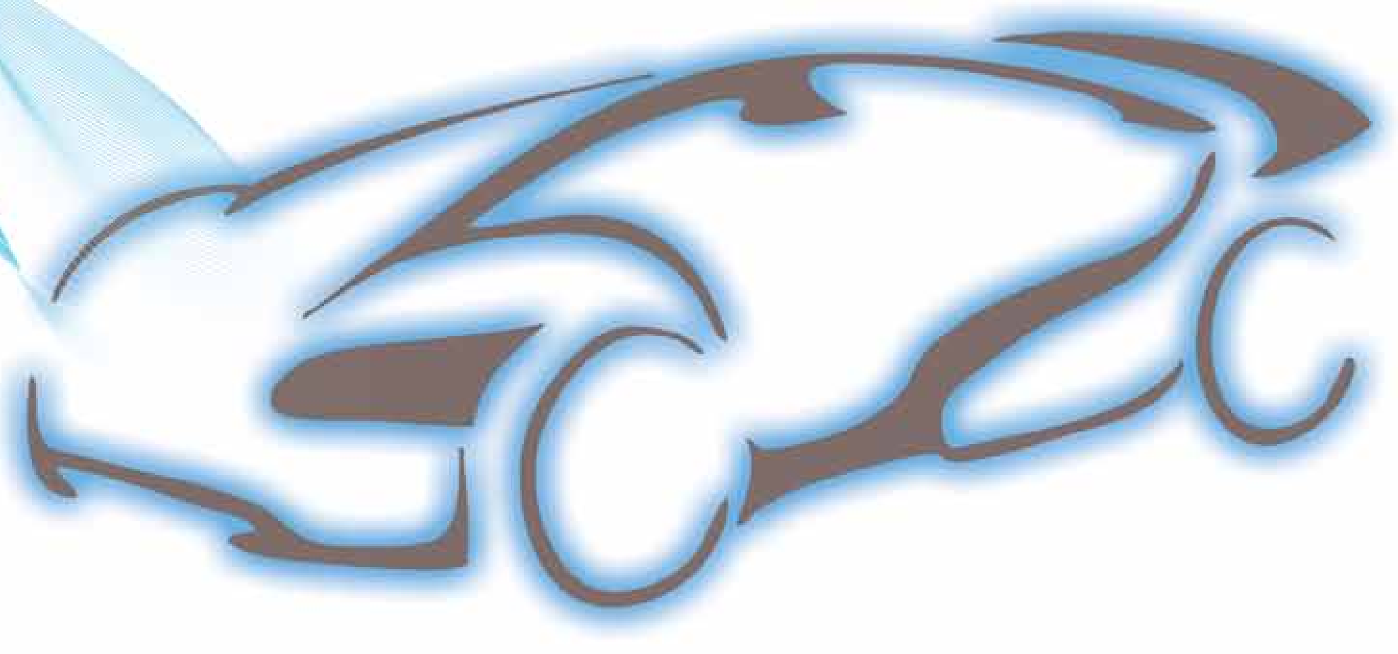
APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)



Annual Report 2010

*TO BE A REGIONAL COMPONENTS & SYSTEMS SUPPLIER,
PROVIDING ONE-STOP TIER ONE SERVICE TO AUTOMOTIVE OEMS*

Contents

Corporate Information

DIRECTORS

Dato' Tan Heng Chew *JP, DJMK*
Executive Chairman

Dr. Fun Woh Peng

Dato' Tan Eng Hwa *DIMP*

Oei Kok Eong

Low Seng Chee

Tan Eng Soon

Azman Badrillah

Dato' N Sadasivan *DPMP, JSM, KMN*

Dato' Haji Kamaruddin @ Abas Nordin *DSSA, KMN*

Heng Ji Keng

AUDIT COMMITTEE MEMBERS

Dato' N Sadasivan *DPMP, JSM, KMN*
Chairman

Dato' Haji Kamaruddin @ Abas Nordin *DSSA, KMN*

Heng Ji Keng

COMPANY SECRETARIES

Lee Kwee Cheng
Chan Yoke-Lin

REGISTERED OFFICE

62-68 Jalan Ipoh
51200 Kuala Lumpur, Malaysia
Telephone : 603 4047 8888
Facsimile : 603 4047 8636

CORPORATE OFFICE

Lot 1 Jalan 6/3
Kawasan Perusahaan Seri Kembangan
43300 Seri Kembangan, Selangor Darul Ehsan
Malaysia
Telephone : 603 8946 3333
Facsimile : 603 8948 4400
Website : www.apm.com.my
Email address : apmah@apm.com.my

REGISTRARS

Tricor Investor Services Sdn Bhd
Level 17 The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Telephone : 603 2264 3883
Facsimile : 603 2282 1886

AUDITORS

KPMG
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Business Divisions

SUSPENSION DIVISION

Leaf Springs
Parabolic Springs
Shock Absorbers
Coil Springs
U-Bolts
Gas Springs

INTERIOR & PLASTICS DIVISION

Automotive Seats
Plastic Parts
Body Side Mouldings
Interior Trims
Door Panels

ELECTRICAL & HEAT EXCHANGE DIVISION

Starter Motors
Alternators
Wiper Systems
Distributors
Engine Management Systems
Throttle Body
Air-Conditioning Systems
Condensers
Evaporators
Compressors
Radiators

MARKETING DIVISION

Local Replacement Market
Export Market

OVERSEAS OPERATIONS

Australia
Indonesia
USA
Vietnam

Chairman's Statement

2010 was a spectacular year as the Group achieved a revenue of RM 1,178.8 million, exceeding the Billion Ringgit mark for the first time and a record consolidated pretax profit of RM 184.5 million, significantly higher than the previous high of RM100.6 million achieved in 2009.

The automotive industry in Malaysia recovered from a lackluster start in 2009 by the third quarter and continued with the upward momentum into year 2010. Total vehicle sales in the country grew by 12.7% from 2009 to hit an all time high of 605,156 units, surpassing the previous record of 552,316 units achieved in 2005. (Source: Malaysia Automotive Association). Vehicle sales in Indonesia, another country in which the Group operates, had an even more robust growth with vehicle sales expanding 58.1% to a total of 764,710 units compared with 483,550 units in the previous year.(Source: Indonesia Automotive Federation)

Newly constructed plant in Vietnam

2010 was a spectacular year as the Group achieved a revenue of RM 1,178.8 million, exceeding the Billion Ringgit mark for the first time and a record consolidated pretax profit of RM184.5 million, significantly higher than the previous high of RM100.6 million achieved in 2009.

With the adoption of FRS 8, Operating Segments, the Group's reporting segment presented in this year's financial statements follows that of its operating structure instead of geographical segments as previously presented. The Group's operating structure comprises the various strategic business divisions, each offering different groups of products or activities as described under the different divisions below.

SUSPENSION DIVISION, MALAYSIA

The Group's Suspension Division comprises businesses in products such as multi-leaf springs, parabolic springs, coil springs, shock absorbers, gas springs, U-bolts and metal parts. Operating from Port Klang, this division contributed approximately 14% to the Group's gross revenue in 2010. Despite a 6.3% increase in revenue to RM 219.7 million from RM 206.6 million achieved in 2009, pretax profit for the year fell by 3.9% from RM 25.7 million to RM 24.7 million due to higher expenses incurred for the shifting and the realignment of plant facilities to improve efficiencies.

The Division has successfully shifted and completed the re-layout of its shock absorber manufacturing facilities. The re-layout plan was designed based on the principle of Flow Production Concept enhanced with improved manufacturing flow and visual management. This is to facilitate abnormality management, to improve productivity and to minimize waste. Concurrent with the re-layout, the shock absorber plant took the opportunity to introduce the Toyota Production System (TPS) tools and techniques in its shop floor management and manufacturing processes with the aim to improve long term efficiency and productivity.

New leaf spring plant in Malaysia

Revenue in 2010 increased 45.7% to RM160.0 million from RM109.8 million in the previous year, with the contribution mainly from operations in Indonesia

The Division has also successfully completed the construction of another new factory building in Port Klang, adding 6,500 square meters of production floor space and capable of producing an additional 900 tons of parabolic springs per month. Among the many enhancements in this new plant are the heat tapering finger type camber forming machine and full tapering machine. Costing a total of RM 40.8 million and bringing spring manufacturing to a new level of technology, the investment is expected to bring in long term benefits to the Group.

INTERIOR & PLASTICS DIVISION, MALAYSIA

This Division comprises businesses in products such as plastics parts, interiors, seatings for motor vehicles and buses. It is the largest segment in the Group mainly because of the nature of the products, namely seats, which are higher in value relative to other products within the Group. The activities and facilities of this Division are concentrated mainly in Bukit Beruntung, closer to the major customers. This Division performed exceptionally well during the year, recording a 40.9% growth in revenue from RM 506.3 million to RM 713.2 million and a pretax profit of RM 104.1 million from RM 47.9 million as a result of restructuring and consolidation efforts.

ELECTRICAL & HEAT EXCHANGE DIVISION, MALAYSIA

Comprising businesses in products such as air-conditioning systems, radiators, starter motors, alternators, wiper systems, distributors and other electrical parts, the revenue of this Division rose by 25.5% from RM 212.1 million to RM 266.2 million while pretax profit improved from RM6.7 million to RM 26.1 million. Included in the pretax profit was a one-off price adjustment of RM 7.6 million relating to sales from previous year. Better margins were mainly due to lower overhead costs as a result of higher output and partly due to the lower imported costs as a result of the strengthening of the Ringgit.

MARKETING DIVISION, MALAYSIA

The main activity of this Division is that of trading and distribution of automotive components and parts manufactured by the Group for the domestic replacement and export markets. Revenue rose 14.0% from RM 165.7 million to RM 188.9 million. Pretax profit increased only 6.1% from RM 11.5 million to RM 12.2 million as export margins suffered due to the strengthening of the Ringgit against its major export currencies, namely the US$ and the Euro.

OPERATIONS OUTSIDE MALAYSIA

Outside Malaysia, the Group has operations in Indonesia, Vietnam, Australia and the USA. Revenue in 2010 increased 45.7% to RM160.0 million from RM109.8 million in the previous year, with contribution mainly from operations in Indonesia. Vehicle sales in Indonesia reached an all time high as the economy in the country took a sharp upward trend, benefiting the Group's sales to its original equipment manufacturing (OEM) customers, namely Nissan, Isuzu, Suzuki and Mitsubishi, just to name a few.

The Group has three joint ventures in Indonesia, manufacturing and distributing seats, interior parts and coil springs. Except for our coil springs business which is barely into its third year of operation, the seatings and interior businesses had benefited directly from the surge in the demand for components and parts due to higher vehicle sales.

In Vietnam, the Group has completed the construction of its new plant and the setting up of the interior, seatings and air-conditioning facilities as scheduled. It has successfully secured and already commenced its first supply of seats to one of the OEM customers. Despite the new business, revenue contribution from Vietnam had dropped by 9.8% compared with the previous year. In contrast with Malaysia and Indonesia, Vietnam has not recovered fully from the 2009 economic crisis. Inflation was high at 11.8% and the Vietnam Dong has depreciated by 9.5% against the US Dollar during the year. Vehicle sales had consequently declined by 6.0% from 119,460 units to 111,737 units (Source: Vietnam Automobile Manufacturers Association). With lower revenue and higher overheads of the new plant facilities, the Group's operation in Vietnam suffered a loss of RM 329,000 in 2010 compared with a profit of RM 1.4 million in the previous year. For longer term plan and in readiness to meet the demands of customers when the market picks up, the Group has purchased another 1 hectare land adjacent to its existing operations and facilities.

'Best Improving Supplier Award' for PT APM Armada Autoparts

The Group's business in Australia, which is mainly in the trading of the Group's products and also the manufacturing and distribution of industrial radiators, had suffered a 10.9% decline in revenue and a 29.5% drop in pretax operating profit compared with the previous year due to stiff competition from both imported and local products. The floods in North Eastern Australia at the end of 2010 are expected to dampen the country's economy, at least temporarily.

APM's Product Knowledge Seminar

APM Dealers' Incentive Trip

RESEARCH & DEVELOPMENT ACHIEVEMENTS

Having gone through a series of restructuring and rationalization activities, the Group is advancing into the next level of technology development. A new company, APM Engineering & Research Sdn Bhd, was incorporated during the year to undertake and provide engineering design and development services to companies within the Group. In line with the corporate goal to be a regional car component and systems supplier, the Group intends to transform from manufacturing-centric to one with design, development and engineering capabilities. From traditional parts manufacturing, the Group will be embarking on systems consolidation and design in the three manufacturing divisions. The R & D focus will also assist the Group in its business transformation plan. Apart from providing such services within the Group, it is envisaged that the company will also offer similar engineering design services to third parties outside the Group.

The company has initiated its role by engaging engineering specialists as consultants in its deployment of CAD/CAE applications and is collaborating with Universiti Kebangsaan Malaysia on research and development activities. It is expected to invest approximately US$3.0 million on software, hardware, testing and prototyping, excluding manpower costs, over a 3-year period. These collaborations will potentially speed up the R & D processes required to bring products into the market place, probably at a reduced costs. With the exchange of technical expertise, joint-researches collaboration and sharing of common facilities, the costs on R & D will potentially be reduced. Apart from that, these alliances are in line with the Group's objective in creating competent human capital and achieving excellence in R & D.

PROSPECTS

Malaysia Automotive Association (MAA) has forecasted the total industry volume in the country to grow by 2% to 618,000 units in 2011. Vehicle sales in the first two months of the year were on track, increasing 4% compared with the same period last year. Though demand for vehicles may remain strong for the coming months, production could be disrupted due to shortages of Japanese-made parts after Japan's March 11 massive earthquake and tsunami. It is still too early to gauge the full impact of the disaster on the Group. Delivery schedules and production forecasts of most of our major customers remain unaffected as most of their local parts vendors have strong inventories for at least two to

Leadership Award to APM Executive Director Dr. Fun Woh Peng

APM Million Dollar Sales Achiever Award

three months. MAA's expected review of the 2011 vehicle sales forecast in July will be an indication of the overall effect of the disaster on the automotive industry. While the Group remains optimistic of a reasonably good year in 2011 as it believes in the resilience of the Japanese people on the road to recovery, the Group will continue to be cautious in handling the challenges ahead.

DIVIDENDS

An interim dividend of 8% less 25% tax (2009 - 6% less 25% tax) amounting to RM 11.74 million was paid to shareholders on 20 September 2010.

The directors recommend a final dividend payment of 12% less 25% tax (2009 – 10% less 25% tax) amounting to RM 17.61 million based on the total number of ordinary shares outstanding at 31 December 2010. The amount, if approved at the forthcoming Annual General Meeting, will result in a total dividend payment of RM 29.35 million (2009 – RM 23.54 million) for financial year ended 31 December 2010.

ACKNOWLEDGEMENT

The Board would like to express a sincere thanks to all our employees for their dedication and support, without which the Group's excellent results for 2010 would not be possible. We would also like to thank all our valued customers, suppliers, bankers, business associates as well as shareholders for their continuous support and confidence in the Group.

Lastly, we welcome our new independent director Mr. Heng Ji Keng who joined the Board on 1 January 2011 while we thank Encik Mohd Sharif Haji Yusof for his past services to the Group.

DATO' TAN HENG CHEW JP, DJMK
Executive Chairman

08 April 2011

Profile of the Board of Directors

Dato' Tan Heng Chew, JP, DJMK, 64, a Malaysian, was the first director of the Company when it was incorporated on 26 March 1997. He was appointed the Chairman of the Board on 1 November 1999. Dato' Tan has been re-designated as Executive Chairman effective 1 January 2011.

Dato' Tan graduated from the University of New South Wales, Australia with a Bachelor of Engineering (Honours) degree and has a Masters degree in Engineering from the University of Newcastle, Australia. He joined the Tan Chong Motor Holdings Berhad (TCMH) group of companies in 1970 and was instrumental in the establishment of its Autoparts Division in the 1970s and early 1980s.

Dato' Tan sits on the Board of TCMH as Executive Deputy Chairman and is the Executive Chairman of Warisan TC Holdings Berhad. He is also a director and shareholder of Tan Chong Consolidated Sdn Bhd, a major shareholder of the Company. Dato' Tan has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Dr. Fun Woh Peng, 51, a Malaysian, is an Executive Director appointed to the Board on 15 January 2003.

Dr. Fun holds a PhD. in Electrical Engineering from the University of Texas in Austin, Texas, USA. He joined Auto Parts Holdings Sdn Bhd in 1997 as General Manager for business development of the APM Group of companies. His prior experience includes several years with Ford Motor Company, Ford International Business Development Inc. and FMS Audio, a joint-venture of Ford Motor Company, USA. Dr. Fun was appointed a member of the Industry Advisory Panel of the National University of Malaysia (Universiti Kebangsaan Malaysia) in September 2010.

Dato' Tan Eng Hwa, DIMP, 56, a Malaysian, is an Executive Director. He was first appointed to the Board on 1 November 1999 as a Non-Independent Non-Executive Director.

Dato' Tan graduated from the University of Birmingham with a Bachelor of Commerce degree. He was with the Tan Chong Motor Holdings Berhad group as Treasurer and was also involved in various departmental functions within the group.

Dato' Tan is a director and shareholder of Tan Chong Consolidated Sdn Bhd, a major shareholder of the Company. He has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Mr. Oei Kok Eong, 57, a Malaysian, is an Executive Director appointed to the Board on 1 November 2006.

Mr. Oei has a Bachelor's Degree in Engineering (major in Mechanical Engineering) from the University of Singapore. He has more than 25 years experience in the automotive component industry, starting out as an Operations Manager in the Malaysian operation of an international Japanese group in the early 1980s and then rose to the position of director before leaving in 2004. Prior to joining the Group, Mr. Oei was Chief Operating Officer of an automotive component manufacturing company in Malaysia.

Mr. Low Seng Chee, 52, a Malaysian, is an Executive Director appointed to the Board on 1 July 2010.

Mr. Low graduated from Monash University, Melbourne, Australia with a Bachelor of Electrical Engineering degree and subsequently obtained his Master of Business Administration from Heriot-Watt University, Edinburgh, Scotland.

Mr. Low has more than 25 years of working experience in high volume semiconductor production, automotive component manufacturing, vehicle assembly as well as vehicle retailing. Senior management positions held by Mr. Low included heading the operations of automotive assembly plants of several global marques in Malaysia and an Aluminum foundry supplying to the automotive and motorcycle industries.

Mr. Tan Eng Soon, 62, a Singaporean and a Malaysian Permanent Resident, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

Mr. Tan has a degree in Civil Engineering from the University of New South Wales, Australia. He has been involved in the Tan Chong Motor Holdings Berhad (TCMH) group's operations since 1971.

Mr. Tan is the Group Managing Director of TCMH and Executive Chairman of Tan Chong International Limited. He is also a director and shareholder of Tan Chong Consolidated Sdn Bhd, a major shareholder of the Company. He has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Profile of the Board of Directors

Encik Azman Badrillah, 63, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

Encik Azman graduated with a degree in Economics from the University of Malaya in 1971. He joined Bank of America and had risen to the position of Assistant Vice-President when he left 11 years later. His service with Bank of America included a period spent with the international operations of the bank. Encik Azman joined Tan Chong Motor Holdings Berhad (TCMH) group in 1983 as an Executive Director of its manufacturing division and was responsible for the overall performance of one of its key product groups. With the re-structuring of the TCMH group resulting in the emergence of the Company in 1999, he was appointed an Executive Director of the Company until his re-designation as a non-independent non-executive director on 1 January 2010.

Encik Azman sits on the board of Eco Resources Berhad and subsidiaries of Tan Chong Motor Holdings. He has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Dato' N Sadasivan s/o N.N. Pillay, DPMP, JSM, KMN, 71, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 1 November 1999 and is the Chairman of the Audit Committee.

Dato' Sadasivan graduated from the University of Malaya with a Bachelor of Arts (Honours) degree majoring in Economics in 1963. In the same year, Dato' Sadasivan commenced working for the Singapore Economic Development Board and was head of the Industrial Facilities Division when he left to join MIDA in 1968. He was with MIDA for a total of 27 years and became its Director-General in 1984. He retired from MIDA in 1995.

Dato' Sadasivan is a director of Petronas Gas Berhad, Leader Universal Holdings Berhad, Malaysian Airline System Berhad and Yeo Hiap Seng (Malaysia) Berhad. He also sits on the board of Bank Negara Malaysia.

Dato' Haji Kamaruddin @ Abas Nordin, DSSA, KMN, 72, a Malaysian, is an Independent Non-Executive Director. He has been a member of the Board and Audit Committee since 1 November 1999.

Dato' Haji Kamaruddin graduated from the University of Canterbury, New Zealand with a Master of Arts degree majoring in Economics in 1966. He joined the civil service upon his graduation and served the Government until he retired in 1993. During his tenure with the civil service he held various senior positions, among them as Director, Industries Divisions in MITI, Deputy Secretary-General, Ministry of Works and Director-General of the Registration Department, Ministry of Home Affairs.

Dato' Haji Kamaruddin is a director of Lion Industries Corporation Berhad and Tan Chong Motor Holdings Berhad. He has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Mr. Heng Ji Keng, 63, a Malaysian, is an Independent Non-Executive Director. He joined the Board and the Audit Committee with effect from 1 January 2011.

Mr. Heng has a Bachelor of Economics (Honours) degree in Accounting from University of Malaya and a Master of Commerce from the University of New South Wales, Australia. He qualified as a chartered accountant when he was with Price Waterhouse & Co, Sydney in 1976. He then went on to co-found the public accounting firm of Monteiro Heng in 1978. Mr. Heng is now the Chief Executive Partner of Baker Tilly Monteiro Heng, an independent member firm of Baker Tilly International, which provides a wide range of professional services such as audit and taxation, corporate advisory, forensic investigation and corporate recovery, restructuring and insolvency. Mr. Heng advises private and public companies on taxation, corporate restructuring and company floatation exercises.

Mr. Heng is a Fellow of the Institute of Chartered Accountants in Australia and the Institute of Chartered Secretaries and Administrators, a Council Member of the Malaysian Institute of Accountants, a Panel Member of the Disciplinary Committee of CPA Australia as well as the Disciplinary Committee, Advocates & Solicitors Disciplinary Board and the Secretary of the Malaysian Estates Staff Provident Fund.

Mr. Heng is a director of Axis Global REIT Managers Sdn Bhd, which is a subsidiary of Axis REIT Managers Berhad.

Except for Dato' Tan Heng Chew, Mr. Tan Eng Soon and Dato' Tan Eng Hwa who are brothers, none of the other Directors have any family relationship with any other Director and/or major shareholders of the Company.

None of the Directors have any convictions for offences within the past 10 years. Except as disclosed above, none of the Directors have any conflict of interest in any business arrangement involving the Company.

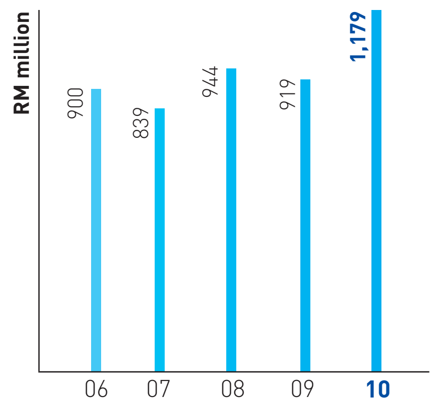
A summary of the attendance of the Directors at board meetings held in 2010 is set out on page 16.

5 Years
Financial Highlights

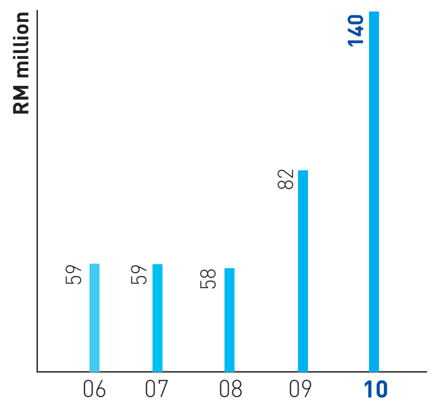
RESULTS	2010 (RM'000)	2009 (RM'000)	2008 (RM'000)	2007 (RM'000)	2006 (RM'000)
Revenue	1,178,846	918,533	943,526	839,243	899,817
Profit before tax	184,529	100,632	80,395	78,508	80,078
Taxation	(44,195)	(18,354)	(22,823)	(19,172)	(21,081)
Profit for the year	140,334	82,278	57,572	59,336	58,997
Attributable to :					
Equity holders of the Company	124,489	72,651	51,169	53,738	55,513
Minority interest	15,845	9,627	6,403	5,598	3,484

STATEMENTS OF FINANCIAL POSITION	2010 (RM'000)	2009 (RM'000)	2008 (RM'000)	2007 (RM'000)	2006 (RM'000)
Assets					
Property, plant & equipment	240,153	220,800	220,513	160,153	175,636
Prepaid lease payments	6,320	4,043	996	35,962	35,468
Investment property	1,217	1,257	1,298	1,340	1,471
Development expenditure	936	1,549	615	180	211
Deferred tax assets	13,079	13,972	6,121	9,336	8,036
Total non-current assets	261,705	241,621	229,543	206,971	220,822
Current assets	740,859	633,488	586,736	561,218	495,038
Total assets	1,002,564	875,109	816,279	768,189	715,860
Equity					
Share capital	201,600	201,600	201,600	201,600	201,600
Reserves	548,940	453,663	397,471	371,162	337,988
Treasury shares	(12,776)	(12,733)	(8,433)	(7,149)	(3,044)
Total equity attributable to owners of the Company	737,764	642,530	590,638	565,613	536,544
Minority interest	30,359	20,806	13,325	11,497	11,976
Total equity	768,123	663,336	603,963	577,110	548,520
Non-current liabilities	18,928	18,347	18,497	18,365	20,131
Current liabilities	215,513	193,426	193,819	172,714	147,209
Total equity and liabilities	1,002,564	875,109	816,279	768,189	715,860

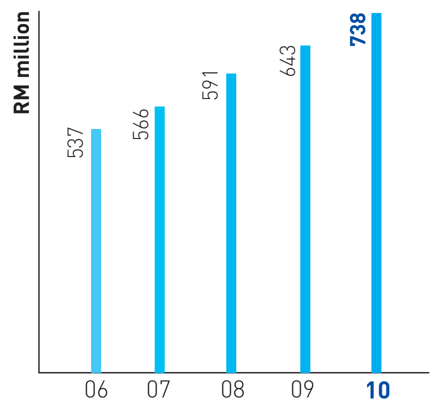
FINANCIAL STATISTICS	2010	2009	2008	2007	2006
Basic earnings per share (sen)	63.6	36.9	25.8	27.0	27.6
Gross dividend per share (sen)	20.0	16.0	15.0	14.0	13.0
Net assets per share (RM)	3.77	3.28	2.99	2.85	2.68
Return on equity holders (%)	18.04	11.78	8.85	9.75	10.68



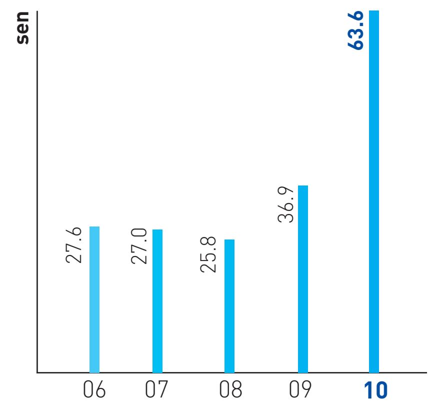
REVENUE



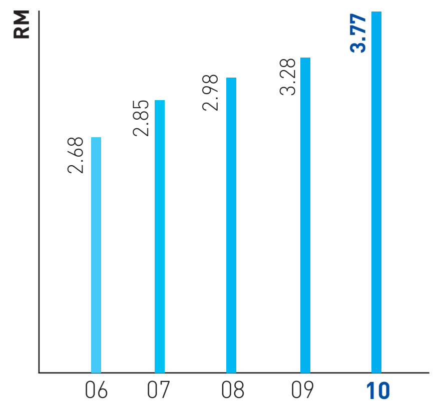
PROFIT FOR THE YEAR



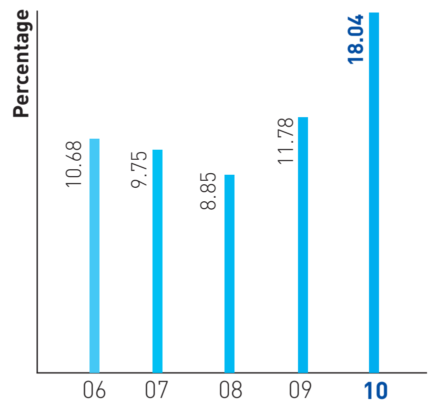
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY



BASIC EARNINGS PER SHARE



NET ASSETS PER SHARE



RETURN ON EQUITY HOLDERS

Statement on Corporate Governance

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards of good corporate governance set out in the Malaysian Code on Corporate Governance (the "Code"). The Board of Directors ("Board"), having seen and approved this statement on corporate governance, is reporting on the application of the Principles set out in Part 1, and the extent of compliance with the Best Practices as set out in Part 2, of the Code.

A. Directors

I. The Board

The business of the Company and the Group is managed by the Board, which is responsible for ensuring that the Group is properly managed to achieve expected long-term improvement in shareholders value.

The Board has a formal schedule of matters for discussion. It includes issues relating to broad policy decisions, quarterly and annual financial results, annual business plans and budgets, significant acquisitions and disposals, material agreements, major capital expenditures and senior executive appointments. Other matters are delegated to Board Committees, officers and line management.

There were five board meetings held during the financial year of 2010 and the attendance of the directors at these meetings were as follows:

Name	Attendance
Dato' Tan Heng Chew	4/5
Dr Fun Woh Peng	5/5
Dato' Tan Eng Hwa	5/5
Oei Kok Eong	4/5
Tan Eng Soon	5/5
Azman Badrillah	4/5
Dato' N Sadasivan	4/5
Dato' Haji Kamaruddin @ Abas Nordin	5/5
Mohd Sharif Haji Yusof	4/5
Low Seng Chee	2/2
Sow Soon Hock	2/2

Mr. Low Seng Chee, who was appointed in July 2010, had attended both the board meetings that were held during the second half of the financial year while Mr. Sow Soon Hock attended the board meetings which were held prior to his retirement at the Thirteenth Annual General Meeting held on 19 May 2010.

All directors had complied with the requirement to attend more than 50% of the total meetings held during the year.

II. Board Composition

As at 31 December 2010, the Board consisted of 10 members. Six directors held non-executive positions, including the Chairman and 3 independent directors, and the remaining four directors held executive functions. The composition of the Board was in compliance with the requirement that one-third of the directors must be independent directors. The roles of the Chairman and the executive directors were separate and clearly defined. The Chairman was responsible for the proper conduct of meetings and ensuring an effective Board whilst the executive directors were responsible for the operations of the business units and implementation of Board decisions and policies.

Beginning 1 January 2011, the position of Dato' Tan Heng Chew was re-designated to Executive Chairman from non-executive Chairman. Having had played a key role in the establishment of the auto parts companies of the Group in its early years, Dato' Tan, with his in-depth knowledge and extensive experience in the Malaysian automobile industry, would assume some executive functions of the Group, particularly in strategic growth, to complement the roles of the executive directors.

At the same time, Mr. Heng Ji Keng, a chartered accountant, was appointed an independent non-executive director in place of Encik Mohd. Sharif Haji Yusof who resigned effective 1 January 2011.

Collectively, the directors have wide ranging work experiences; several have many years' experience in the automotive industry while others had previously occupied senior positions in the government sector and currently holding directorships in listed companies and professional firms. The profiles of the Board members are set out on pages 10 to 13.

III. Supply of information

Board members are provided with appropriate documentation in advance of each Board and Committee meeting. For Board meetings, these documents may include reports on current trading and business issues, financial reports, proposal papers for capital expenditures, acquisitions and disposals from the executive directors, heads of operations and/or the group financial officer as well as proposals for senior executive appointments. In addition to formal Board meetings, the directors maintain regular contacts by holding informal meetings to discuss issues affecting the Group.

There is an agreed procedure for directors to seek independent professional advice at the Company's expense; directors also have direct access to the advice and services of the company secretaries who are responsible for ensuring that Board procedures are followed.

IV. Appointments to the Board

The Board is of the view that proposals for appointment of new directors and the assessment of the contribution of the existing directors are more effective by drawing on the experience and wisdom of all directors. As such, both functions are performed by the Board collectively when necessary and appropriate. Hence, there is no nominating committee required.

V. Re-election

The Company's Articles of Association provide that at every Annual General Meeting of the Company, one-third of the directors shall retire from office and that all directors shall retire from office once at least in each three years, but shall be eligible for re-election. The directors to retire in each year are the directors who have been longest in office since their appointment or re-appointment. Any director appointed by the Board shall hold office only until the following Annual General Meeting but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting. The Board may from time to time appoint one or more of its number to any executive office for such period and on such terms as it thinks fit.

Non-executive directors are not appointed for a specific term and are subject to re-election by shareholders at the next Annual General Meeting following their appointment, or to re-election in accordance with the Company's Articles of Association.

Directors who are due for re-election by rotation in accordance with Article 96 of the Articles of Association of the Company at the forthcoming Fourteenth Annual General Meeting are Mr. Tan Eng Soon and Dato' Tan Eng Hwa while Messrs. Low Seng Chee and Mr. Heng Ji Keng, who were appointed by the Board, are offering themselves for re-election pursuant to Article 76 of the Articles of Association. Dato' Haji Kamaruddin @ Abas Nordin and Dato' N Sadasivan being over the age of seventy years, are seeking re-appointment as directors under Section 129 of the Companies Act, 1965.

VI Training

All directors had fulfilled the Mandatory Accreditation Programme requirement as prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The directors evaluate and determine their own training needs on a continuing basis, participating in seminars, discussions and education programmes in keeping themselves abreast with the constant changes in regulatory authorities' requirements and development in the business environment.

Among the training that the directors attended during 2010 were briefings on Goods Services Tax and Transfer Pricing which were organized by the Company's auditors and talks relating to Corporate Governance arranged by Bursa Malaysia.

B. Directors' Remuneration

The Board is of the view that the present policy on directors' remuneration based on guidelines formulated by drawing on the wealth of experience of all directors is more effective than policies that would have been formulated by a committee of the Board. Hence, a remuneration committee is not required as the role is performed by the Board as a whole as and when necessary or appropriate.

The remuneration policy of the Group which sets out the manner in remunerating executive employees below Board level seeks to attract and retain as well as to motivate employees to contribute positively to the Group's performance. Such key principles and procedures in rewarding employees also are applicable to the executive directors.

The guidelines on the quantum of bonus payments in 2010 and annual salary increment for 2011 for executive employees of the Group, recommended to the Board for its approval by committees, whose members included senior heads of operations below Board level, were based on performance and depended on the operating results of the Group after taking into consideration the prevailing business environment. The same guidelines were applied to the executive directors.

Fees paid to the non-executive directors in 2010 were determined by the Board as a whole, subject to an aggregate amount not exceeding RM350,000.00 per annum, the sum of which was approved by shareholders at the Thirteenth Annual General Meeting held in 2010. The non-executive directors did not participate in the discussion relating to their fees.

The directors' aggregate remuneration in 2010, paid and payable, with categorization into appropriate components distinguishing between executive and non-executive directors, is set out below:

Category	**Executive**	**Non-executive**
Directors ' fees	-	335,500
Salaries and allowances	1,900,035	21,400
Bonuses	1,510,510	-
Benefits-in-kind	60,123	13,700
Total	3,470,668	370,600

The number of directors whose remuneration falls in the following successive bands of RM50,000 are as follows:

	Executive	Non-executive
RM50,000 and below	-	2
RM50,001 - 100,000	-	5
RM500,001 - 550,000	1	-
RM550,001- RM600,000	1	-
RM750,001 - RM800,000	1	-
RM1,550,000 - 1,600,000	1	-
Total	4	7

C. Relations with Shareholders

I. Dialogue with Investors

During the year the Company held several group and individual meetings with institutional shareholders and investment communities with the view of fostering greater understanding of the Group's business.

The Group's announcements on its quarterly financial results and corporate exercises in the websites of Bursa Malaysia and of the Company serve to keep shareholders informed of its financial performance and activities on a timely basis.

II. The AGM

The Thirteenth Annual General Meeting ("AGM") of the Company was held on Wednesday, 19 May 2010 at the Seri Pacific Hotel in Kuala Lumpur. It was attended by shareholders comprising registered individuals, proxies and corporate representatives with a total shareholding representing 67.49% of the issued share capital.

A forum was made available during the AGM for shareholders present to raise questions or issues regarding the Group's performance and financial position, which the directors addressed.

D. Accountability and Audit

I. Financial Reporting

The Board has presented a balanced and understandable assessment of the Group's financial position and prospects in the various reports and statements made in the Annual Report dispatched to shareholders as well as in the quarterly financial results disseminated via the website of Bursa Malaysia.

The quarterly announcements on the financial results of the Group and financial statements contained in the Annual Report are reviewed by the Audit Committee prior to Board's approval and release to Bursa Malaysia and shareholders.

II. Internal Control

The Statement on Internal Control set out on page 22 to 23 of the Annual Report provides an overview of the state of internal control within the Group.

III. Audit Committee and Auditors

The Board of Directors established the Audit Committee on 1 November 1999. The membership of the Committee, a summary of its terms of reference and its activities are set out in the Audit Committee Report on pages 24 to 26.

The Board maintains a formal and transparent relationship with the Group's internal and external auditors.

Statement on Corporate Governance

Statement on Compliance with the Best Practices in Corporate Governance of the Code

The Board considers that the Company had substantially complied with the Best Practices in Corporate Governance set out in Part 2 of the Code in 2010 except for the formation of the remuneration and nominating committees, for which reasons have been given under the section on application of principles in the Statement on Corporate Governance.

Statement on Directors' responsibility for preparing the annual audited financial statements

The directors are required by the Companies Act, 1965 (the "Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group, and their results for the financial year.

In preparing the financial statements for the year ended 31 December 2010, the directors have:

1. adopted the appropriate accounting policies, which are consistently applied;
2. made judgments and estimates that are reasonable and prudent; and
3. ensured that the applicable approved accounting standards in Malaysia and provisions of the Act are complied with.

The directors are responsible for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Act. The directors have the general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Statement on Material contracts

There were no material contracts of the Company and subsidiaries involving directors and substantial shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Statement on Revaluation Policy

The Group's policy on revaluation of landed properties is stated in Note 2d on page 45 of the financial statements.

Non-Audit Fees

The amount of non-audit fees paid to the external auditors or a firm or company affiliated to the auditors' firm for the financial year ended 31 December 2010 was RM 274,000.

Internal Audit Function

The Group has an in-house Internal Audit and management fees charged to subsidiaries for performing this function for financial year ended 31 December 2010 was RM 418,669.

Share Buyback

During the financial year ended 31 December 2010, the Company bought back a total of 15,000 shares from the open market for a total consideration of RM43,288.36. All shares purchased were held as treasury shares. There was no re-sale or cancellation of shares during the year.

The monthly breakdown of shares purchased in 2010 were as follows:

Month	Number of shares purchased	Highest price paid per share (RM)	Lowest price paid per share (RM)	Average price paid per share (RM)	Total consideration (RM)
January	13,000	2.66	2.65	2.65954	34,826.84
March	1,000	3.71	-	3.71000	3,755.12
August	1,000	4.66	-	4.66000	4,706.40
Total	15,000				43,288.36

Disclosure on Corporate Social Responsibility

The Group is aware of its corporate social responsibilities and has always made CSR an integral part of the way it conducts its businesses. The various activities carried out during the year reflect the Group's commitment towards CSR, in particular, towards the environment, occupational safety and health as well as welfare of its employees and the community.

The APM Education Awards for 2010 benefited employees whose children secured places in institutions of higher learning in Malaysia. As for the community, the Group continued to donate to several children and welfare homes.

Full compliance with the requirements of applicable laws and regulations related to the environment has always been an important policy of the Group. The Group will continue to strive to be environmental friendly in conducting its businesses.

The Group is committed to provide and ensure a safe and healthy environment at all times. It continues to implement various ongoing safety and health programmes and to educate employees on the various aspects of safety practices. The Group will continue to emphasize on the importance of safety and health at the work place.

Statement on Internal Control

The Board of Directors conforms to the requirements of the Malaysian Code on Corporate Governance by maintaining a sound system of internal control to safeguard the Group's assets and shareholders' investments. The Board is pleased to provide an outline of the nature and scope of internal control of the Group.

RESPONSIBILITY

The Board of Directors is ultimately responsible for maintaining as well as reviewing the adequacy and integrity of a sound system of internal control of the Group. However, due to the limitations inherent in any system of internal control, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee assists the Board in reviewing the adequacy and integrity of the system of internal control in the Group. The Audit Committee is assisted by the Internal Audit department, which carries out regular and systematic reviews of the system of internal control of the Group and also the extent of compliance with the Group's operating policies and procedures. Audit reports and plan status are submitted to Audit Committee for review on a quarterly basis. Included in the reports are recommended corrective measures on findings identified for implementation by Management.

The membership of the Audit Committee, summary of its terms of reference and activities are set out on pages 24 to 26.

RISK MANAGEMENT

Risk management is an integral part of the Group's business operations. The Group has implemented a comprehensive risk management framework and established a process for the identification, evaluation and reporting of the major risks within the Group. The process established is in accordance with the guidelines contained in the publication "Statement of Internal Control: Guidance for Directors of Public Listed Companies".

The Group Risk Management Committee is responsible for creating risk-awareness and monitoring major risks whilst the subsidiaries' management is responsible for managing risks, developing, implementing and monitoring the system of internal control. The Internal Audit department assists to review the progress of implementation of the subsidiaries' risks response plans and the effectiveness of existing controls in managing the relevant risks. The results of the reviews are presented in the Group Risk Management Committee meetings. In addition, Internal Audit department also provides training support to subsidiaries upon request or where necessary, to ensure that the established risk management process is carried out appropriately.

Continuous efforts will be made to monitor and re-assess the existing risk management framework in order to maintain a proper system of managing risks as well as the related control activities.

Business continuity management is regarded as an integral part of the Group's risk management process. In order to minimise potential disruption to business and operations, certain business units have been identified to implement business continuity plans.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management activities, the other key elements of the internal control system of the Group are as follows:

* The executive directors actively manage the businesses and hold regular dialogues with senior management of the various subsidiaries;

* There are clearly defined delegation of responsibilities and appropriate limits of authority for different processes, decisions and commitments;

* The Executive Management Committee (EMC), established by the Board to manage and control the Group's businesses, monitors the performance of the subsidiaries and identifies areas requiring follow-up actions. The EMC is further supported by various sub-committees. Matters beyond its limits of authority are referred to the Board for approval;

* The Board meets at least quarterly to discuss the performance of the Group and other major issues. The year end financial statements and the announcements of the quarterly results are reviewed by the Audit Committee before the Board's approval and release to Bursa Malaysia; and

* The Board also reviews and approves the Group's annual budget and business plan consisting of the budgets and business plans of the subsidiaries. These plans set out the key business objectives of the respective subsidiaries including major risks, opportunities as well as the action plans.

The Board, with the assistance of the Audit Committee, constantly reviews the adequacy and integrity of the system of internal control. It is confident that no material losses were incurred during the current financial year as a result of weaknesses in internal control.

Audit Committee Report

The Audit Committee ("Committee") was formed on 1 November 1999. The current terms of reference of the Committee, were adopted by the Board of Directors at a meeting held on 26 February 2008.

Composition and Meetings

The members of the Committee and their attendance at the four Committee meetings held during 2010 were as follows:

Name	Attendance
Dato' N Sadasivan, *Chairman, Independent Non-Executive*	4
Dato' Haji Kamaruddin @ Abas Nordin, *Independent Non-Executive*	4
Mohd Sharif Haji Yusof, *Independent Non-Executive*	4

Effective 1 January 2011, Mr Heng Ji Keng replaced Encik Mohd Sharif Haji Yusof as a member of the Audit Committee.

Terms of Reference

Membership

The Committee shall be appointed by the Board from amongst the directors and must be composed of no fewer than three members. All Committee members must be non-executive directors with a majority of them being independent directors. The Committee shall include at least one director who is a member of the Malaysian Institute of Accountants or alternatively, a person who must have at least 3 years working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said Schedule or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Malaysia"). No alternate director shall be appointed a member of the Committee. The members of the Committee shall elect a Chairman from among their number who shall be an independent director. In the event of any vacancy in the Committee, which result in a breach in the Main Market Listing Requirements of Bursa Malaysia ("Listing Requirements"), the vacancy must be filled within three months. The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three years.

Authority

The Committee is authorised by the Board, and at the cost of the Company, to:

1. investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company or the Group;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
5. be able to obtain independent professional or other advice; and
6. convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of the Company.

Functions

The functions of the Committee shall be, amongst others -

1. review the following and report the same to the Board:

    a) the audit plan, the evaluation of the system of internal control and the audit report with the external auditor as well as the assistance given by the employees of the Company/Group to the external auditor;

    b) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

    c) the internal audit programme, processes and the results of the same or investigations undertaken and whether appropriate action is taken on the recommendations of the internal audit function;

    d) the quarterly results and year end financial statements, prior to approval by the Board, focusing on changes in or implementation of major accounting policy changes, significant and unusual events and compliance with accounting standards and other legal requirements;

    e) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

    f) any letter of resignation from external auditor; and

    g) whether there is reason to believe that the external auditor is not suitable for re-appointment;

2. recommend the nomination of person or persons as external auditor;

3. approve any appointment or termination of senior staff members of the internal audit function and review any appraisal or assessment of the performance of its members; and

4. any other function as may be required by the Board from time to time.

Conduct of Meetings

The Chairman shall call for meetings to be held not less than four times a year. Any member of the Committee may at any time, and the company secretaries shall on requisition of the member, summon a meeting. Except in the case of an emergency, seven days notice of meeting shall be given in writing to all members. A quorum of meetings shall be a majority of independent directors. Meetings shall be chaired by the Chairman, and in his absence, by an independent director. Decisions shall be made by a majority of votes.

The head of Finance, head of Internal Audit and the company secretaries shall normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Committee. A representative of the external auditor shall attend the meeting to consider the final financial statements and such other meetings determined by the Committee. The Chairman shall exercise the right to require those who are in attendance to leave the room when matters to be discussed are likely to be hampered by their presence or confidentiality of matters needed to be preserved.

Reporting Procedures

The company secretaries shall record the proceedings of meetings. Minutes shall be circulated to all members of the Board. The Committee shall prepare, for the Board and for inclusion in the Company's annual report, a summary of its activities in the discharge of its functions and duties for the financial year. The Committee must promptly report to Bursa Malaysia a matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

Audit Committee Report

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the year, the Audit Committee reviewed the Group's audit strategy plan with the external auditors before commencement of the audit for the financial year end and thereafter the annual financial statements, as well as the quarterly financial results before recommending to the Board for release to Bursa Malaysia. The Audit Committee also reviewed related party transactions on an annual basis, the internal audit plan for the year, all internal audit and the Group's risk management reports.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The principal role of the internal audit function, which is performed in-house, is to undertake regular independent review and appraisal on the effectiveness of the Group's system of internal control. It reports directly to the Audit Committee which reviews and approves its annual audit plan.

During the year ended 31 December 2010, the internal audit function undertook audit visits to major subsidiaries of the Group aimed at providing reasonable assurance that the relevant internal control activities were operating satisfactorily and that the subsidiaries had complied with the Group's established policies and procedures. In addition, it also performed ad hoc investigations as well as routine year end reviews such as annual stock takes, related party transactions and pricing reviews. The audit findings were reported to the Audit Committee and forwarded to management for its attention. Audit reports also encompassed recommendations for improvements which were deemed practical and necessary. Follow-up reviews were carried out to ascertain that management action plans had been duly implemented.

Lastly, the internal audit function assisted the Group Risk Management Committee in discharging its responsibilities by ensuring that the on-going risk management process had been duly accomplished.

Financial Statements

Directors' Report

For the year ended 31 December 2010

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 2010.

Principal activities

The Company is principally an investment holding company and also provides shared services to companies in the Group for which it charges management fees. The principal activities of the subsidiaries are as stated in Note 31 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit attributable to:		
Owners of the Company	124,489	1,873
Minority interests	15,845	-
	140,334	1,873

Reserves and provisions

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

Dividends

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

a) a final ordinary dividend of 10 sen per share less tax at 25% totalling RM14,677,000 (7.50 sen net per share) in respect of the financial year ended 31 December 2009 on 22 June 2010; and

b) an interim ordinary dividend of 8 sen per share less tax at 25% totalling RM11,742,000 (6 sen net per share) in respect of the financial year ended 31 December 2010 on 20 September 2010.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2010 is 12 sen per share less tax at 25% totalling RM17,612,000 (9 sen net per share) if based on the total number of ordinary shares outstanding at 31 December 2010.

Directors of the Company

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

Dato' Tan Heng Chew
Dr. Fun Woh Peng
Dato' Tan Eng Hwa
Oei Kok Eong
Tan Eng Soon
Azman Badrillah
Dato' N. Sadasivan s/o N.N. Pillay
Dato' Haji Kamaruddin @ Abas Nordin
Low Seng Chee (appointed on 1.7.2010)
Heng Ji Keng (appointed on 1.1.2011)
Sow Soon Hock (retired at Annual General Meeting on 19.5.2010)
Mohd. Sharif Haji Yusof (resigned on 1.1.2011)

Directors' interests

The interests and deemed interests 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 (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2010	**Bought**	**Sold**	**At 31.12.2010**
Shareholdings in which Directors have direct interests:				
Interests in the Company:				
Dato' Tan Heng Chew	4,658,399	-	-	4,658,399
Azman Badrillah	1,537,000	-	(1,035,000)	502,000
Dato' Tan Eng Hwa	207,008	-	-	207,008
Dato' Haji Kamaruddin @ Abas Nordin	448	5,000	-	5,448
Shareholdings in which Directors have deemed interest in the Company				
Interests in the Company:				
Dato' Tan Heng Chew	97,226,450*	704,000	(2,165,300)	95,765,150*
Tan Eng Soon	95,217,942	700,000	(2,165,300)	93,752,642
Dato' Tan Eng Hwa	11,546,328*	500,000	-	12,046,328*

* *Including interest of spouse by virtue of Section 134(12)(c) of the Companies Act, 1965.*

Dato' Tan Heng Chew, Tan Eng Soon and Dato' Tan Eng Hwa by virtue of their shareholdings in the Company are deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest. Details of their deemed shareholdings in non-wholly owned subsidiaries are shown in Note 31 to the financial statements.

None of the other Directors holding office at 31 December 2010 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Group, the Company and/or of related companies or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation 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 companies in the Group in the ordinary course of business as disclosed in Note 29 to the financial statements.

There were no arrangements during and at the end of the financial 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 and debentures

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

Options granted over unissued shares

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

Other statutory information

Before the statements of comprehensive income and statements of financial position 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 provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts, or the amount of the provision 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 of any company in the Group 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.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2010 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 on behalf of the Board of Directors in accordance with a resolution of the Directors:

Dr. Fun Woh Peng

Dato' Tan Eng Hwa

Kuala Lumpur,
Date: 08 April 2011

	Note	Group 31.12.2010 RM'000	Group 31.12.2009 RM'000 restated	Group 1.1.2009 RM'000 restated	Company 31.12.2010 RM'000	Company 31.12.2009 RM'000
Assets						
Property, plant and equipment	3	240,153	220,800	220,513	1,155	746
Prepaid lease payments	4	6,320	4,043	996	-	-
Investment property	5	1,217	1,257	1,298	-	-
Investments in subsidiaries	6	-	-	-	290,090	287,100
Development expenditure	7	936	1,549	615	-	-
Deferred tax assets	8	13,079	13,972	6,121	278	1,430
Total non-current assets		261,705	241,621	229,543	291,523	289,276
Inventories	9	176,293	162,959	190,301	-	-
Current tax assets		2,964	8,252	9,782	85	708
Trade and other receivables, including derivatives	10	194,852	188,679	183,581	62,313	95,814
Deposits and prepayments	11	15,543	13,254	10,855	20	9
Cash and cash equivalents	12	351,207	260,344	192,217	70,774	61,354
Total current assets		740,859	633,488	586,736	133,192	157,885
Total assets		1,002,564	875,109	816,279	424,715	447,161
Equity						
Share capital		201,600	201,600	201,600	201,600	201,600
Reserves		548,940	453,663	397,471	229,661	254,207
Treasury shares		(12,776)	(12,733)	(8,433)	(12,776)	(12,733)
Total equity attributable to owners of the Company		737,764	642,530	590,638	418,485	443,074
Minority interest		30,359	20,806	13,325	-	-
Total equity	13	768,123	663,336	603,963	418,485	443,074
Liabilities						
Loans and borrowings		-	-	686	-	-
Employee benefits	14	14,139	13,593	13,159	1,446	1,290
Deferred grant income	15	-	8	99	-	-
Deferred tax liabilities	8	4,789	4,746	4,553	-	-
Total non-current liabilities		18,928	18,347	18,497	1,446	1,290
Loans and borrowings	16	25,279	4,140	10,969	-	-
Provisions	17	9,077	9,537	13,674	-	-
Payables and accruals, including derivatives	18	170,579	172,997	167,085	4,784	2,797
Current tax liabilities		10,578	6,752	2,091	-	-
Total current liabilities		215,513	193,426	193,819	4,784	2,797
Total liabilities		234,441	211,773	212,316	6,230	4,087
Total equity and liabilities		1,002,564	875,109	816,279	424,715	447,161

The notes on pages 39 to 92 are an integral part of these financial statements.

Statement of Financial Position

(In US$ Equivalent) as at 31 December 2010

	Group 2010 USD'000	Group 2009 USD'000
Assets		
Property, plant and equipment	77,883	71,607
Prepaid lease payments	2,050	1,311
Investment property	395	408
Development expenditure	304	502
Deferred tax assets	4,242	4,531
Total non-current assets	84,874	78,359
Inventories	57,173	52,849
Current tax assets	961	2,676
Trade and other receivables, including derivatives	63,192	61,190
Deposits and prepayments	5,041	4,298
Cash and cash equivalents	113,899	84,431
Total current assets	240,266	205,444
Total assets	325,140	283,803
Equity		
Share capital	65,380	65,380
Reserves	178,025	147,126
Treasury shares	(4,143)	(4,129)
Total equity attributable to owners of the Company	239,262	208,377
Minority interest	9,846	6,748
Total equity	249,108	215,125
Liabilities		
Employee benefits	4,585	4,408
Deferred grant income	-	3
Deferred tax liabilities	1,553	1,539
Total non-current liabilities	6,138	5,950
Provisions	2,945	3,091
Payables and accruals, including derivatives	55,320	56,104
Loans and borrowings	8,198	1,343
Current tax liabilities	3,431	2,190
Total current liabilities	69,894	62,278
Total liabilities	76,032	68,678
Total equity and liabilities	325,140	283,803

The information contained on this page does not form part of the audited financial statements of the Group.

The figures are converted from RM into US$ equivalent using the exchange rate of RM 3.0835 = US$ 1.00 which approximates that prevailing on 31 December 2010.

Statements of Comprehensive Income

For the year ended 31 December 2010

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	19	1,178,846	918,533	15,172	15,095
Cost of sales		(905,227)	(735,085)	-	-
Gross profit		273,619	183,448	15,172	15,095
Other income		5,720	4,766	10	121
Distribution expenses		(36,608)	(31,178)	-	-
Administration expenses		(59,692)	(53,322)	(11,354)	(12,751)
Other expenses		(5,083)	(7,169)	(819)	(128)
Results from operating activities		177,956	96,545	3,009	2,337
Finance income	20	6,994	4,660	5,391	3,204
Finance costs	21	(421)	(573)	(3,185)	(2,092)
Net finance income		6,573	4,087	2,206	1,112
Profit before tax	22	184,529	100,632	5,215	3,449
Tax expense	24	(44,195)	(18,354)	(3,342)	(1,448)
Profit for the year		140,334	82,278	1,873	2,001
Other comprehensive (loss)/income, net of tax					
Foreign currency translation differences for foreign operations		(3,773)	5,777	-	-
Other comprehensive (loss)/income for the year, net of tax	25	(3,773)	5,777	-	-
Total comprehensive income for the year		136,561	88,055	1,873	2,001
Profit attributable to:					
Owners of the Company		124,489	72,651	1,873	2,001
Minority interests		15,845	9,627	-	-
Profit for the year		140,334	82,278	1,873	2,001
Total comprehensive income attributable to:					
Owners of the Company		121,176	78,358	1,873	2,001
Minority interests		15,385	9,697	-	-
Total comprehensive income for the year		136,561	88,055	1,873	2,001
Basic earnings per ordinary share (sen)	26	63.6	36.9		

The notes on pages 39 to 92 are an integral part of these financial statements.

Statement of Comprehensive Income

(In US$ Equivalent) For the year ended 31 December 2010

	Group	
	2010	2009
	USD'000	USD'000
Revenue	382,308	297,886
Cost of sales	(293,571)	(238,393)
Gross profit	88,737	59,493
Other income	1,855	1,546
Distribution expenses	(11,872)	(10,111)
Administration expenses	(19,359)	(17,293)
Other expenses	(1,648)	(2,325)
Results from operating activities	57,713	31,310
Finance income	2,268	1,511
Finance costs	(137)	(186)
Net finance income	2,131	1,325
Profit before tax	59,844	32,635
Tax expense	(14,333)	(5,952)
Profit for the year	45,511	26,683
Other comprehensive (loss)/income, net of tax		
Foreign currency translation differences for foreign operations	(1,224)	1,874
Other comprehensive (loss)/income for the year, net of tax	(1,224)	1,874
Total comprehensive income for the year	44,287	28,557
Profit attributable to:		
Owners of the Company	40,372	23,561
Minority interests	5,139	3,122
Profit for the year	45,511	26,683
Total comprehensive income attributable to:		
Owners of the Company	39,296	25,412
Minority interests	4,991	3,145
Total comprehensive income for the year	44,287	28,557
Basic earnings per ordinary share (cent)	20.6	12.0

The information contained on this page does not form part of the audited financial statements of the Group.

The figures are converted from RM into US$ equivalent using the exchange rate of RM 3.0835 = US$ 1.00 which approximates that prevailing on 31 December 2010.

Group	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Translation reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
		Attributable to owners of the Company								
		Non-distributable					*Distributable*			
At 1 January 2009		201,600	(8,433)	17,898	(4,919)	(42,339)	426,831	590,638	13,325	603,963
Total comprehensive income for the year		-	-	-	5,707	-	72,651	78,358	9,697	88,055
Own shares acquired		-	(4,300)	-	-	-	-	(4,300)	-	(4,300)
Dividends to owners of the Company										
- Final 2008 ordinary	27	-	-	-	-	-	(13,306)	(13,306)	-	(13,306)
- Interim 2009 ordinary	27	-	-	-	-	-	(8,860)	(8,860)	(2,216)	(11,076)
At 31 December 2009/ 1 Janaury 2010		201,600	(12,733)	17,898	788	(42,339)	477,316	642,530	20,806	663,336
Effect of adopting FRS 139	37	-	-	-	-	-	520	520	-	520
At 1 January 2010, restated		201,600	(12,733)	17,898	788	(42,339)	477,836	643,050	20,806	663,856
Total comprehensive income for the year		-	-	-	(3,313)	-	124,489	121,176	15,385	136,561
Own shares acquired		-	(43)	-	-	-	-	(43)	-	(43)
Dividends to owners of the Company										
- Final 2009 ordinary	27	-	-	-	-	-	(14,677)	(14,677)	-	(14,677)
- Interim 2010 ordinary	27	-	-	-	-	-	(11,742)	(11,742)	(5,832)	(17,574)
At 31 December 2010		201,600	(12,776)	17,898	(2,525)	(42,339)	575,906	737,764	30,359	768,123
		Note 13	Note 13	Note 13	Note 13	Note 13	Note 13			

Statement of Changes in Equity

For the year ended 31 December 2010

		Attributable to owners of the Company				
		Non-distributable			*Distributable*	
		Share capital	**Treasury shares**	**Share premium**	**Retained earnings**	**Total equity**
Company	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2009		201,600	(8,433)	17,898	256,474	467,539
Total comprehensive income for the year		-	-	-	2,001	2,001
Own shares acquired		-	(4,300)	-	-	(4,300)
Dividends to owners of the Company						
- Final 2008 ordinary	27	-	-	-	(13,306)	(13,306)
- Interim 2009 ordinary	27	-	-	-	(8,860)	(8,860)
At 31 December 2009/ 1 January 2010		201,600	(12,733)	17,898	236,309	443,074
Total comprehensive income for the year		-	-	-	1,873	1,873
Own shares acquired		-	(43)	-	-	(43)
Dividends to owners of the Company						
- Final 2009 ordinary	27	-	-	-	(14,677)	(14,677)
- Interim 2010 ordinary	27	-	-	-	(11,742)	(11,742)
At 31 December 2010		201,600	(12,776)	17,898	211,763	418,485
		Note 13	Note 13	Note 13	Note 13	

The notes on pages 39 to 92 are an integral part of these financial statements.

	Note	Group 2010 RM'000	Group 2009 RM'000 restated	Company 2010 RM'000	Company 2009 RM'000
Cash flows from operating activities					
Profit before tax		184,529	100,632	5,215	3,449
Adjustments for:					
Amortisation of development expenditure	7	712	209	-	-
Amortisation of grant income	15	(8)	(91)	-	-
Amortisation of prepaid lease payments	4	26	20	-	-
Depreciation of investment property	5	40	41	-	-
Depreciation of property, plant and equipments	3	40,480	30,383	173	173
Employee benefits	14	2,239	2,701	177	217
Employee benefits transferred to subsidiary		-	-	(19)	-
Employee benefits under provided in prior year	14	-	157	-	98
Finance costs	21	421	573	3,185	2,092
Gain on dissolution of subsidiary	30	(228)	-	-	-
Impairment loss of investment in subsidiaries		-	-	1,823	4,271
Interest income	20	(6,994)	(4,660)	(5,391)	(3,204)
Loss on disposal of property, plant and equipment		362	683	66	26
Provision of warranties	17	4,689	6,691	-	-
Provision of warranties reversed	17	(1,196)	(1,799)	-	-
Property, plant and equipment written off		49	1,606	-	1
Reversal of impairment loss on property, plant and equipment	3	-	(165)	-	-
Operating profit before changes in working capital		225,121	136,981	5,229	7,123
Deposits and prepayments		(2,289)	(2,399)	(11)	407
Inventories		(13,334)	27,342	-	-
Payables and accruals, including derivatives		(2,587)	5,912	1,987	(488)
Trade and other receivables, including derivatives		(5,513)	(5,098)	33,491	37,497
Cash generated from operations		201,398	162,738	40,696	44,539
Employee benefits paid	14	(1,696)	(2,618)	(2)	(753)
Interest received	20	6,994	4,660	5,391	3,204
Interest paid	21	(421)	(573)	(3,185)	(2,092)
Provisions of warranties paid	17	(3,962)	(9,080)	-	-
Tax paid		(33,886)	(19,929)	(1,557)	(2,122)
Net cash from operating activities		168,427	135,198	41,343	42,776

Statements of Cash Flows

For the year ended 31 December 2010

	Note	Group 2010 RM'000	Group 2009 RM'000 restated	Company 2010 RM'000	Company 2009 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(63,030)	(30,595)	(707)	(256)
Additions of development expenditure	7	(99)	(1,143)	-	-
Investment in subsidiaries		-	-	(4,813)	(9,339)
Lease payment for leasehold land		(2,728)	(3,135)	-	-
Proceeds from disposal of property, plant and equipment		362	1,513	59	145
Net cash used in investing activities		(65,495)	(33,360)	(5,461)	(9,450)
Cash flows from financing activities					
Dividends paid to minority interest		(5,832)	(2,216)	-	-
Dividends paid to owners of the Company	27	(26,419)	(22,166)	(26,419)	(22,166)
Drawdown of bankers' acceptances		20,875	-	-	-
Drawdown/(Repayment) of foreign currency trade loan		1,015	(5,265)	-	-
Purchase of Company's own shares		(43)	(4,300)	(43)	(4,300)
Repayment of term loans		(688)	(2,032)	-	-
Net cash used in financing activities		(11,092)	(35,979)	(26,462)	(26,466)
Net increase in cash and cash equivalents		91,840	65,859	9,420	6,860
Effect of exchange rate fluctuations on cash held		(914)	2,486	-	-
Cash and cash equivalents at 1 January	(i)	259,879	191,534	61,354	54,494
Cash and cash equivalents at 31 December	(i)	350,805	259,879	70,774	61,354

i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Deposits placed with licensed banks	12	292,394	233,410	69,371	60,904
Cash and bank balances	12	58,813	26,934	1,403	450
		351,207	260,344	70,774	61,354
Bank overdrafts	16	(402)	(465)	-	-
		350,805	259,879	70,774	61,354

The notes on pages 39 to 92 are an integral part of these financial statements.

APM Automotive Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office
62-68, Jalan Ipoh
51200 Kuala Lumpur

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in jointly-controlled entities. The financial statements of the Company as at and for the financial year ended 31 December 2010 do not include other entities.

The Company is principally an investment holding company and also provides shared services to companies in the Group for which it charges management fees. The principal activities of the subsidiaries are as stated in Note 31 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors on 08 April 2011.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation- Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards (revised)*
- FRS 3, *Business Combinations (revised)*
- FRS 127, *Consolidated and Separate Financial Statements (revised)*
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

1. Basis of preparation *(continued)*

(a) Statement of compliance *(continued)*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
  - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 7, *Financial Instrument: Disclosures- Improving Disclosures about Financial Instruments*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- IC Interpretation 4, *Determining whether an Arrangement contain a lease*
- IC Interpretation 18, *Transfer of Assets from Customers*
- Improvements to FRSs (2010)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*
- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures (revised)*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011, except for Amendments to FRS 2, Amendments to FRS 5, IC Interpretation 4, IC Interpretation 12, IC Interpretation 16, IC Interpretation 17 and IC Interpretation 18 which are not applicable to the Group or the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The initial application of the above standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group and the Company other than expected changes in accounting policies as discussed below:

(i)* FRS 3, *Business Combinations (revised)

FRS 3 (revised) incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

FRS 3 (revised), which becomes mandatory for the Group's 2011 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2011 consolidated financial statements.

1. Basis of preparation *(continued)*

(a) Statement of compliance *(continued)*

(ii)* FRS 127, *Consolidated and Separate Financial Statements (revised)

- The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between the group and its minority (will be known as non-controlling) interest holders. Currently, changes in group composition are accounted for in accordance with the accounting policies as described in Note 2(a)(iii).

- The amendments to FRS 127 require all losses attributable to minority interest to be absorbed by minority interest i.e. the excess and any further losses exceeding the minority interest in the equity of a subsidiary are no longer charged against the Group's interest. Currently, such losses are accounted for in accordance with the accounting policies as described in Note 2(a)(iv).

The above changes in accounting policies are not expected to have material impacts to the Group.

Following the announcement made by the MASB on 1 August 2008, the Group and the Company's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 January 2012. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than those as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial informations presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Note 14 - Valuation of employee benefits
Note 17 - Provisions for warranties

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, other than those disclosed in the following notes:

- Note 2(c) - Financial instruments
- Note 2(e) - Leased assets
- Note 2(s) - Operating segments

2. Significant accounting policies *(continued)*

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses.

(ii) Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Jointly-controlled entities are accounted for in the consolidated financial statements using proportionate consolidation. The consolidated financial statements include the Group's share of assets, liabilities, income and expenses of the jointly-controlled entities, after adjustments where necessary to align their accounting policies with those of the Group, from the date joint control commences until the date that joint control ceases.

Investments in jointly-controlled entities are stated in the Company's statement of financial position at cost less any impairment losses.

(iii) Changes in Group composition

The Group treats all changes in group composition as equity transactions between the Group and its minority interests holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Minority interests

Minority interests at the end of reporting period, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the comprehensive income for the year between minority interests and the owners of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements and in the case of jointly-controlled entities accounted for using proportionate consolidation, any unrealised income and expenses arising from transactions between the Group and the jointly-controlled entities are eliminated to the extent of the Group's interest in the jointly-controlled entities.

2. Significant accounting policies *(continued)*

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia (RM)

The assets and liabilities of operations denominated in functional currencies other than RM are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

(c) Financial instruments

Arising from the adoption of FRS 139, *Financial Instruments: Recognition and Measurement*, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in Note 37.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

(ii) Financial instrument categories and subsequent measurement *(continued)*

Financial assets *(continued)*

(b) Loans and receivables

Loans and receivables category comprises trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(k)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

2. Significant accounting policies *(continued)*

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and any accumulated impairment losses.

It is the Group's policy to state the 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.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	20 - 25 years
• plant, machinery and equipment	1 - 10 years
• furniture, fixtures and office equipment	2 - 7 years
• motor vehicles	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at end of the reporting period.

2. Significant accounting policies *(continued)*

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition of the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating leases

Leases, where the Group does not assume substantially all the risks and rewards of the ownership, are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's statement of financial position.

In the previous years, a leasehold land that normally has an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments.

The Group has adopted the amendments made to FRS 117, *Leases* in 2010 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Intangible assets

(i) Development

Expenditure on development activities for new products is capitalised if the cost can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

2. **Significant accounting policies** *(continued)*

(f) Intangible assets *(continued)*

(iii) Amortisation

Development expenditure is recognised in profit or loss on a systematic basis over 3 to 5 years based on the pattern in which the related economic benefits accrue.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period are adjusted, if appropriate.

(g) Investment property

(i) Investment property carried at cost

Investment properties are properties held to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(d).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 20 - 25 years for buildings.

(ii) Determination of fair value

The Directors estimate the fair value of investment property without the involvement of independent valuers.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is measured based on the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work in progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Receivables

Prior to 1 January 2010, receivables were initially recognised at their costs and subsequently stated at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are catergorised and measured as loans and receivables in accordance with Note 2(c).

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits placed with licensed banks. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2(c).

2. Significant accounting policies *(continued)*

(k) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investment in jointly-controlled entities) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through the profit or loss.

(ii) Other assets

The carrying amounts of other assets except for inventories and deferred tax asset, are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (groups of units) on a pro rata basis.

In respect of assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. Significant accounting policies *(continued)*

(l) Equity instruments

Instruments classified as equity are stated at cost on initial recognition and are not remeasured subsequently.

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

(m) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus/incentive if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Employee benefits

The Group's obligation in respect of its defined employee benefit plans is calculated based on the employees' terms of employment by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and any unrecognised actuarial gain or loss and past service cost are adjusted. The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed regularly by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as expenses if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

2. Significant accounting policies *(continued)*

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Product warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data.

(o) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Services

Revenue from services rendered is recognised in profit or loss as and when the services are performed.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(iv) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(v) Deferred grant income

Grant received from the World Bank is recognised initially as deferred income when there is reasonable assurance that it will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

(vi) Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Before 1 January 2010, all borrowing costs were recognised in profit or loss using the effective interest method in the period in which they are incurred.

Following the adoption of FRS 123, *Borrowing Costs*, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

2. Significant accounting policies *(continued)*

(q) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(s) Operating segments

In the previous year, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, *Operating Segments*, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and expenses that relate to transactions with any of the Group's other components. Performance of the operating segments are reviewed regularly by the Chief Operating Decision Makers ("CODM"), which in this case is the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. Property, plant and equipment

Group	Note	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Under construction RM'000	Total RM'000
Cost/valuation									
At 1 January 2009		13,847	-	92,091	327,588	27,052	9,994	36,558	507,130
Effect of adopting amendments to FRS 117	4	-	40,532	-	-	-	-	-	40,532
At 1 January 2009, restated		13,847	40,532	92,091	327,588	27,052	9,994	36,558	547,662
Additions		-	-	300	17,805	1,449	935	10,106	30,595
Disposals		-	-	-	(10,473)	(271)	(1,462)	-	(12,206)
Written off		-	-	(601)	(1,835)	(217)	(6)	-	(2,659)
Transfer		-	-	12,813	28,212	207	(81)	(41,151)	-
Effect of movement in exchange rates		-	-	21	601	292	283	2,774	3,971
At 31 December 2009/ 1 January 2010, restated		13,847	40,532	104,624	361,898	28,512	9,663	8,287	567,363
Additions		12	-	18,029	24,198	2,118	1,632	17,041	63,030
Disposal		-	-	-	(6,374)	(1,831)	(1,142)	-	(9,347)
Written off		-	-	-	(22,624)	(2,023)	-	-	(24,647)
Transfer		-	-	3,396	15,836	-	-	(19,232)	-
Effect of movement in exchange rates		-	-	(845)	(2,069)	(45)	(22)	(10)	(2,991)
At 31 December 2010		13,859	40,532	125,204	370,865	26,731	10,131	6,086	593,408
Representing items at:									
Cost		13,859	-	118,554	370,865	26,731	10,131	6,086	546,226
1984 valuation		-	40,532	6,650	-	-	-	-	47,182
		13,859	40,532	125,204	370,865	26,731	10,131	6,086	593,408

3. Property, plant and equipment *(continued)*

Group	Note	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Under construction RM'000	Total RM'000
Depreciation and impairment loss									
At 1 January 2009									
Accumulated depreciation		-	-	31,304	260,963	22,591	5,780	-	320,638
Accumulated impairment loss		-	-	-	419	-	-	-	419
		-	-	31,304	261,382	22,591	5,780	-	321,057
Effect of adopting amendments to FRS 117	4	-	6,092	-	-	-	-	-	6,092
At 1 January 2009, restated		-	6,092	31,304	261,382	22,591	5,780	-	327,149
Charge for the year		-	498	3,945	22,761	1,945	1,234	-	30,383
Disposals		-	-	-	(8,755)	(250)	(1,005)	-	(10,010)
Written off		-	-	(50)	(786)	(215)	(2)	-	(1,053)
Reversal of impairment loss		-	-	-	(165)	-	-	-	(165)
Transfer		-	-	(12)	(7)	30	(11)	-	-
Effect of movement in exchange rates		-	-	(18)	24	110	143	-	259
At 31 December 2009, restated									
Accumulated depreciation		-	6,590	35,169	274,200	24,211	6,139	-	346,309
Accumulated impairment loss		-	-	-	254	-	-	-	254
		-	6,590	35,169	274,454	24,211	6,139	-	346,563

3. Property, plant and equipment *(continued)*

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Under construction RM'000	Total RM'000
Depreciation and impairment loss *(continued)*								
At 1 January 2010, restated								
Accumulated depreciation	-	6,590	35,169	274,200	24,211	6,139	-	346,309
Accumulated impairment loss	-	-	-	254	-	-	-	254
	-	6,590	35,169	274,454	24,211	6,139	-	346,563
Charge for the year	-	491	4,984	32,094	1,789	1,122	-	40,480
Disposals	-	-	-	(5,858)	(1,832)	(933)	-	(8,623)
Written off	-	-	-	(22,608)	(1,990)	-	-	(24,598)
Effect of movement in exchange rates	-	-	(175)	(380)	(17)	5	-	(567)
At 31 December 2010								
Accumulated depreciation	-	7,081	39,978	277,448	22,161	6,333	-	353,001
Accumulated impairment loss	-	-	-	254	-	-	-	254
	-	7,081	39,978	277,702	22,161	6,333	-	353,255
Carrying amounts								
At 1 January 2009, restated	13,847	34,440	60,787	66,206	4,461	4,214	36,558	220,513
At 31 December 2009/1 January 2010, restated	13,847	33,942	69,455	87,444	4,301	3,524	8,287	220,800
At 31 December 2010	13,859	33,451	85,226	93,163	4,570	3,798	6,086	240,153

The carrying amounts of long term leasehold land at 1 January 2009 and 31 December 2009 have been restated following the adoption of the amendments to FRS 117, *Leases,* where long term leasehold land, in substance is a finance lease, has been reclassified from prepaid lease payments to property, plant and equipment.

3. **Property, plant and equipment** *(continued)*

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 carrying amounts of the revalued properties had they been stated at cost less accumulated depreciation calculated on original cost as required by the Financial Reporting Standards ("FRS") Standard No 116 on "Property, Plant and Equipment" is not shown as the records are not available since the revaluation was done in 1984.

Company	**Furniture, fittings and office equipment RM'000**	**Motor vehicles RM'000**	**Total RM'000**
Cost			
At 1 January 2009	981	1,185	2,166
Additions	25	231	256
Disposals	-	(319)	(319)
Written off	(80)	-	(80)
At 31 December 2009/1 January 2010	926	1,097	2,023
Additions	30	677	707
Disposals	-	(264)	(264)
Written off	(220)	-	(220)
At 31 December 2010	736	1,510	2,246
Accumulated depreciation			
At 1 January 2009	903	428	1,331
Charge for the year	29	144	173
Disposals	-	(148)	(148)
Written off	(79)	-	(79)
At 31 December 2009/1 January 2010	853	424	1,277
Charge for the year	42	131	173
Disposals	-	(139)	(139)
Written off	(220)	-	(220)
At 31 December 2010	675	416	1,091
Carrying amounts			
At 1 January 2009	78	757	835
At 31 December 2009/1 January 2010	73	673	746
At 31 December 2010	61	1,094	1,155

4. Prepaid lease payments

Group	Note	Unexpired period less than or equal to 50 years RM'000	Unexpired period more than 50 years RM'000	Total RM'000
At cost				
At 1 January 2009		1,046	40,532	41,578
Effect of adopting amendments to FRS 117	3	-	(40,532)	(40,532)
At 1 January 2009, restated		1,046	-	1,046
Additions		3,135	-	3,135
Effect of movement in exchange rate		(72)	-	(72)
At 31 December 2009/1 January 2010, restated		4,109	-	4,109
Additions		2,728	-	2,728
Effect of movement in exchange rate		(418)	-	(418)
At 31 December 2010		6,419	-	6,419
Amortisation				
At 1 January 2009		50	6,092	6,142
Effect of adopting amendments to FRS 117	3	-	(6,092)	(6,092)
At 1 January 2009, restated		50	-	50
Additions		20	-	20
Effect of movement in exchange rate		(4)	-	(4)
At 31 December 2009/1 January 2010, restated		66	-	66
Additions		26	-	26
Effect of movement in exchange rate		7	-	7
At 31 December 2010		99	-	99
Carrying amounts				
At 1 January 2009, restated		996	-	996
At 31 December 2009/1 January 2010, restated		4,043	-	4,043
At 31 December 2010		6,320	-	6,320

5. Investment property

Group	Building RM'000
Cost	
At 1 January 2009/At 31 December 2009/1 January 2010/ At 31 December 2010	1,791
Accumulated depreciation	
At 1 January 2009	493
Depreciation for the year	41
At 31 December 2009/1 January 2010	534
Depreciation for the year	40
At 31 December 2010	574
Carrying amounts	
At 1 January 2009	1,298
At 31 December 2009/1 January 2010	1,257
At 31 December 2010	1,217
Fair values	
At 1 January 2009	1,900
At 31 December 2009/1 January 2010	1,900
At 31 December 2010	1,900

The fair value of the investment property is determined based on market value.

The following is recognised in profit or loss in respect of investment property:

		Group	
	Note	2010 RM'000	2009 RM'000
Rental income	22	192	192
Direct operating expenses	22	(64)	(92)

6. Investment in subsidiaries

	Company 2010 RM'000	Company 2009 RM'000
Unquoted shares, at cost	299,629	294,816
Less: Accumulated impairment losses	(9,539)	(7,716)
	290,090	287,100

Details of the subsidiaries are shown in Note 31.

7. Development expenditures

	Group 2010 RM'000	Group 2009 RM'000
Cost		
At 1 January	2,149	1,006
Additions	99	1,143
At 31 December	2,248	2,149
Amortisation		
At 1 January	600	391
Charge for the year	712	209
At 31 December	1,312	600
Carrying amounts		
At 31 December	936	1,549

The amortisation charge is allocated to the cost of sales and is recognised in profit or loss.

8. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2010 RM'000**	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Property, plant and equipment						
- temporary differences	591	573	(7,336)	(7,937)	(6,745)	(7,364)
- revaluation	-	-	(1,394)	(1,555)	(1,394)	(1,555)
Provisions	16,266	17,916	-	-	16,266	17,916
Unabsorbed capital allowances	21	48	-	-	21	48
Unabsorbed tax losses	255	-	-	-	255	-
Others	5	183	(118)	(2)	(113)	181
Tax assets/(liabilities)	17,138	18,720	(8,848)	(9,494)	8,290	9,226
Set off of tax	(4,059)	(4,748)	4,059	4,748	-	-
Net tax assets/(liabilities)	13,079	13,972	(4,789)	(4,746)	8,290	9,226
Company						
Property, plant and equipment						
- temporary differences	-	-	(113)	(59)	(113)	(59)
Provisions	391	1,441	-	-	391	1,441
Unabsorbed capital allowances	-	48	-	-	-	48
Tax assets/(liabilities)	391	1,489	(113)	(59)	278	1,430

8. Deferred tax assets and liabilities *(continued)*

Movement in temporary differences during the year

Group	At 1.1.2009 RM'000	Recognised in profit or loss (Note 24) RM'000	At 31.12.2009/ 1.1.2010 RM'000	Recognised in profit or loss (Note 24) RM'000	At 31.12.2010 RM'000
Property, plant and equipment					
- temporary differences	(8,307)	943	(7,364)	619	(6,745)
- revaluation	(1,617)	62	(1,555)	161	(1,394)
Unrealised foreign exchange gain	(100)	100	-	-	-
Provisions	11,338	6,578	17,916	(1,650)	16,266
Unabsorbed capital allowances	237	(189)	48	(27)	21
Unabsorbed tax losses	-	-	-	255	255
Others	17	164	181	(294)	(113)
	1,568	7,658	9,226	(936)	8,290

Company					
Property, plant and equipment					
- temporary differences	(108)	49	(59)	(54)	(113)
Provisions	479	962	1,441	(1,050)	391
Unabsorbed capital allowances	37	11	48	(48)	-
	408	1,022	1,430	(1,152)	278

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group 2010 RM'000	2009 RM'000
Unutilised tax losses	11,214	10,155
Unabsorbed capital allowances	-	117
Deductible temporary differences	-	444
	11,214	10,716

The unutilised tax losses, unabsorbed capital allowances and deductible temporary differences do not expire under current tax legislation except for the unutilised tax losses of RM2,759,000 (VND16,939,224,000) which will expire in financial years 2011 - 2015 for a subsidiary in Vietnam and an unutilised tax losses of RM8,046,000 (IDR23,390,252,000) which will expire in financial years 2013 - 2014 for the subsidiary in Indonesia. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

9. Inventories

	Note	Group 2010 RM'000	Group 2009 RM'000
Raw materials		107,921	104,336
Work-in-progress		7,418	8,632
Manufactured inventories and trading inventories		54,993	44,003
Spare parts and others		5,961	5,988
		176,293	162,959
Recognised in profit or loss:			
Write-down to net realisable value	22	(2,200)	(2,677)
Reversal of write-downs	22	103	813

The write-down and reversal are included in cost of sales.

10. Trade and other receivables, including derivatives

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Trade				
Trade receivables	169,965	165,324	-	-
Less: Impairment losses	(767)	(1,136)	-	-
	169,198	164,188	-	-
Jointly-controlled entities	-	2,985	-	-
Related parties	23,627	20,137	-	-
	192,825	187,310	-	-
Non-trade				
Other receivables	2,003	2,282	1,030	53
Less: Impairment losses	(1,000)	(1,000)	-	-
	1,003	1,282	1,030	53
Subsidiaries	-	-	61,245	95,730
Jointly-controlled entities	139	61	28	24
Related parties	105	26	-	7
Financial assets at fair value through profit or loss	780	-	10	-
	2,027	1,369	62,313	95,814
	194,852	188,679	62,313	95,814

10. Trade and other receivables, including derivatives *(continued)*

The trade amount due from related parties is subject to normal trade terms.

The non-trade amounts due from subsidiaries, related parties and jointly-controlled entities are unsecured, interest free and repayable on demand except for:

(i) amount due from subsidiaries, amounting to RM26,328,000 (2009: RM26,648,000) which is subject to interest ranging from 2.4% to 3.4% (2009: Nil).

(ii) amount due from a subsidiary amounting to USD1,600,000 (2009: USD2,000,000) which is subject to interest ranging from 2.8% to 3.5% (2009: 2.4% to 3.1%).

11. Deposits and prepayments

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits	1,551	705	5	9
Prepayments	13,992	12,549	15	-
	15,543	13,254	20	9

12. Cash and cash equivalents

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits placed with licensed banks	292,394	233,410	69,371	60,904
Cash and bank balances	58,813	26,934	1,403	450
	351,207	260,344	70,774	61,354

13. Capital and reserves

Share capital

	Group and Company			
	Amount 2010 RM'000	Number of shares 2010 '000	Amount 2009 RM'000	Number of shares 2009 '000
Authorised:				
Ordinary shares of RM1 each	300,000	300,000	300,000	300,000
Issued and fully paid:				
Ordinary shares of RM1 each	201,600	201,600	201,600	201,600

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Group (see below), all rights are suspended until those shares are reissued.

Treasury shares

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 19 May 2010, approved the Company's plan to purchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 15,000 (2009: 2,102,800) of its issued share capital from the open market at an average price of RM2.89 (2009: RM2.04) per share. The total consideration paid was RM43,000 (2009: RM4,300,000) including transaction costs of RM344. The purchase transactions were financed by internally generated funds. The shares purchased are retained as treasury shares.

Share premium

The reserve comprises the premium paid on subscription of share in the Company over and above par value of the shares.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

Merger deficit

The merger deficit arises from the adoption of the merger method of consolidation by the Group. The merger deficit refers to the excess of the acquisition costs over the nominal value of the share capital and reserves of the subsidiaries acquired.

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained earnings at 31 December 2010 if paid out as dividends.

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

14. Employee benefits

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Recognised liability for employee benefits	14,139	13,593	1,446	1,290

Under the terms of employment with its employees, the Group and the Company have to pay employee benefits to eligible employees who have completed a qualifying period of service. Eligible employees are entitled to employee benefits based on a certain percentage of total basic salary earned for the period of service less the employers' EPF contribution.

Movement in the liability recognised in the statements of financial position

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Liability at 1 January	13,593	13,159	1,290	1,728
Benefits paid	(1,696)	(2,618)	(2)	(753)
Expense recognised in profit or loss	2,239	2,701	177	217
Effect of movement in exchange rates	3	194	-	-
Under provision in prior year	-	157	-	98
Transferred to subsidiary	-	-	(19)	-
Liability at 31 December	14,139	13,593	1,446	1,290

Expense recognised in profit or loss

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Current service costs	1,959	2,065	151	115
Interest on obligation	493	636	53	102
Gain on actuarial	(213)	-	(27)	-
	2,239	2,701	177	217

The expense is recognised in the following line items in the statements of comprehensive income:

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Cost of sales	443	552	-	-
Distribution expenses	39	45	-	-
Administration expenses	1,757	2,104	177	217
	2,239	2,701	177	217

14. Employee benefits *(continued)*

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	Group and Company	
	2010	**2009**
	%	**%**
Discount rate	5.4	5.4
Future salary increases	6.5	6.5

15. Deferred grant income

	Group RM'000
At cost	
At 1 January 2009/At 31 December 2009/ 1 January 2010/At 31 December 2010	3,563
Accumulated amortisation	
At 1 January 2009	3,464
Amortisation during the year	91
At 31 December 2009/1 January 2010	3,555
Amortisation during the year	8
At 31 December 2010	3,563
Carrying amounts	
At 1 January 2009	99
At 31 December 2009/1 January 2010	8
At 31 December 2010	-

Grant income from the World Bank arises 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.

16. Loans and borrowings

	Group 2010 RM'000	Group 2009 RM'000
Current		
Unsecured bank overdrafts	402	465
Unsecured foreign currency trade loans	4,002	2,987
Unsecured term loans	-	688
Unsecured bankers' acceptances	20,875	-
	25,279	4,140

The borrowings of the Group are subject to interest at 2.1% to 8.6% (2009: 1.7% to 8.0%) per annum.

17. Provisions

	Group Warranties RM'000
Balance at 1 January 2009	13,674
Provisions made during the year	6,691
Provisions paid during the year	(9,080)
Provisions reversed during the year	(1,799)
Effect of movement in exchange rates	51
Balance at 31 December 2009/1 January 2010	9,537
Provisions made during the year	4,689
Provisions paid during the year	(3,962)
Provisions reversed during the year	(1,196)
Effect of movement in exchange rates	9
Balance at 31 December 2010	9,077

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and the Group expects to incur most of the liability over the next 1 - 3 years.

18. Payables and accruals, including derivatives

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade				
Trade payables	96,259	100,676	-	-
Related parties	539	371	-	-
Jointly-controlled entities	554	-	-	-
	97,352	101,047	-	-
Non-trade				
Other payables and accruals	70,278	70,527	1,765	1,845
Subsidiaries	-	-	3,019	791
Jointly-controlled entities	2,372	1,069	-	-
Related parties	552	354	-	161
Financial liabilities at fair value through profit or loss	25	-	-	-
	170,579	172,997	4,784	2,797

The trade amounts due to related parties and jointly-controlled entities are subject to normal trade terms.

The non-trade amounts due to subsidiaries, related parties and jointly-controlled entities are unsecured, interest free and repayable on demand.

19. Revenue

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sale of goods	1,178,846	918,341	-	-
Services rendered	-	-	7,172	7,095
Dividend income	-	-	8,000	8,000
Rental income from investment property	-	192	-	-
	1,178,846	918,533	15,172	15,095

20. Finance income

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Interest income received from deposits placed with licensed banks	6,994	4,660	4,482	3,204
Interest income received from subsidiaries	-	-	909	-
Recognised in profit or loss	6,994	4,660	5,391	3,204

21. Finance costs

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- unsecured bank overdrafts	25	68	-	-
- unsecured foreign currency trade loans	96	153	-	-
- unsecured term loans	15	241	-	-
- unsecured bankers' acceptances	53	-	-	-
- other borrowings	232	111	3,185	2,092
Recognised in profit or loss	421	573	3,185	2,092

22. Profit before tax

	Group		Company	
	2010 RM'000	2009 RM'000 restated	2010 RM'000	2009 RM'000
Profit before tax is arrived at after charging:				
Amortisation of development expenditure	712	209	-	-
Amortisation of prepaid lease payments	26	20	-	-
Auditors' remuneration:				
Audit fees				
- KPMG Malaysia	265	235	35	35
- Overseas affiliates of KPMG Malaysia	49	43	-	-
- Other auditors	137	101	-	-
Non-audit fees				
- KPMG Malaysia	49	10	49	10
- Local affiliates of KPMG Malaysia	194	97	75	5
- Overseas affiliates of KPMG Malaysia	31	15	-	-
Depreciation of property, plant and equipment	40,480	30,383	173	173
Depreciation of investment property	40	41	-	-
Direct operating expenses of investment property	64	92	-	-
Impairment loss				
- trade receivables	168	99	-	-
- investment in subsidiaries	-	-	1,823	4,271
Inventories written down	2,200	2,677	-	-
Loss on disposal of property, plant and equipment	362	683	66	26
Net derivative exchange loss - realised	87	-	-	-
Net foreign exchange loss				
- realised	784	-	1	21
- unrealised	328	148	751	59
Personnel expenses (including key management personnel)				
- Employee benefits				
Current year	2,239	2,701	177	217
Underprovision in prior year	-	157	-	98
- Termination benefits	1,597	6,249	-	-
- Contributions to Employees Provident Fund	7,210	6,175	748	625
- Wages, salaries and others	104,888	91,665	6,351	5,977
Property, plant and equipment written off	49	1,606	-	1
Provision of warranties	4,689	6,691	-	-
Rental of premises	4,396	3,102	-	-
Royalties	11,534	10,334	-	-

22. Profit before tax *(continued)*

	Group 2010 RM'000	Group 2009 RM'000 restated	Company 2010 RM'000	Company 2009 RM'000
and after crediting:				
Amortisation of grant income	8	91	-	-
Net derivative exchange gain - unrealised	755	-	-	-
Net foreign exchange gain - realised	-	2,143	-	-
Rental income from investment property	192	192	-	-
Reversal of impairment loss				
- trade receivables	272	401	-	-
- property, plant and equipment	-	165	-	-
Reversal of inventories written down	103	813	-	-
Reversal of provision of warranties	1,196	1,799	-	-
Taxable dividends received from				
- unquoted subsidiaries	-	-	8,000	8,000

23. Key management personnel compensation

The key management personnel compensations are as follows:

Group and Company	2010 RM'000	2009 RM'000
Directors		
- Fees	335	204
- Remuneration	3,432	2,747
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	74	144
Total short-term employee benefits	3,841	3,095
Post-employment benefits	71	210
	3,912	3,305
Group		
Other key management personnel:		
- Short-term employee benefits	2,171	1,999
- Post-employment benefits	161	162
	2,332	2,161
	6,244	5,466

Other key management personnel comprises certain members of senior management of the Group other than the Directors of the Group entities, who have the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

24. Tax expense

		Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax expense					
Malaysia	- current year	36,549	21,304	2,151	1,992
	- under provision in prior year	761	1,862	29	472
Overseas	- current year	5,898	2,692	-	-
	- under provision in prior year	3	21	-	-
		43,211	25,879	2,180	2,464
Withholding tax		48	133	10	6
Deferred tax expense					
- Origination and reversal of temporary differences		(362)	(2,897)	(2)	(988)
- Under/(Over) provision in prior year		1,298	(4,761)	1,154	(34)
		936	(7,658)	1,152	(1,022)
		44,195	18,354	3,342	1,448

Reconciliation of tax expense

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Profit for the year	140,334	82,278	1,873	2,001
Total tax expense	44,195	18,354	3,342	1,448
Profit excluding tax	184,529	100,632	5,215	3,449
Tax calculated using Malaysian tax rates of 25% (2009: 25%)	46,132	25,158	1,304	862
Effect of different tax rates in foreign jurisdictions	40	265	-	-
Non-deductible expenses	1,329	1,218	850	141
Tax exempt income	(420)	(291)	-	-
Tax incentives	(4,590)	(3,722)	-	-
Effect of utilisation of deferred tax benefits previously not recognised	(677)	(2,180)	-	-
Effect of deferred tax benefit not recognised	490	1,094	-	-
Other items	(219)	(443)	(5)	1
Withholding tax	48	133	10	6
	42,133	21,232	2,159	1,010
Under/(Over) provision in prior year				
- current tax	764	1,883	29	472
- deferred tax	1,298	(4,761)	1,154	(34)
Tax expense	44,195	18,354	3,342	1,448

25. Other comprehensive (loss)/income

	Group 2010 RM'000	Group 2009 RM'000
Foreign currency translation differences for foreign operations		
- (Losses)/Gains arising during the financial year	(3,773)	5,777

26. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group 2010 RM'000	Group 2009 RM'000
Profit for the year attributable to ordinary shareholders	124,489	72,651
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	201,600	201,600
Effect of treasury shares held	(5,905)	(4,909)
Weighted average number of ordinary shares at 31 December	195,695	196,691
Basic earnings per ordinary share (sen)	63.6	36.9

27. Dividends

Dividends recognised in the current year by the Company are:

2010	**Sen per share (net of tax)**	**Total amount RM'000**	**Date of payment**
Interim 2010 ordinary	6.00	11,742	20 September 2010
Final 2009 ordinary	7.50	14,677	22 June 2010
Total amount		26,419	
2009			
Interim 2009 ordinary	4.50	8,860	16 September 2009
Final 2008 ordinary	6.75	13,306	24 June 2009
Total amount		22,166	

27. Dividends *(continued)*

After the reporting period the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share (net of tax)	Total amount RM'000
Final 2010 ordinary	9.00	17,612

28. Capital and other commitments

	Group	
Property, plant and equipment	**2010 RM'000**	**2009 RM'000**
Contracted but not provided for and payable within one year	6,562	12,785
Authorised but not contracted for	17,811	36,139

29. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Controlling related party relationships are as follows:

i) The subsidiaries as disclosed in Note 31.

ii) The substantial shareholders of the Company are Tan Chong Consolidated Sdn. Bhd. ("TCC") and Parasand Limited ("PL"). TCC and PL are also substantial shareholders of Warisan TC Holdings Berhad Group ("WTCH Group") whereas TCC is also a substantial shareholder of Tan Chong Motor Holdings Berhad Group ("TCMH Group") and Tan Chong International Limited Group ("TCIL Group").

The Directors of the Company, Dato' Tan Heng Chew and Tan Eng Soon, are deemed interested in the shares held by TCC and PL by virtue of Section 6A of the Companies Act, 1965.

29. Related parties *(continued)*

Identity of related parties *(continued)*

i) Significant related party transactions with TCMH, TCIL and WTCH Groups are as follows:

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
With TCMH Group				
Sales	132,597	83,259	-	-
Purchases	(4,293)	(1,542)	(391)	(63)
Administrative and consultancy services	(6)	(6)	(6)	(6)
Insurance	(2,428)	(2,730)	(44)	(42)
Rental expenses	(12)	(141)	-	-
Rental income	176	494	-	-
With TCIL Group				
Sales	-	235	-	-
With WTCH Group				
Sales	188	-	-	-
Purchases	(2,824)	(1,108)	(853)	(105)
Rental expenses	(172)	-	-	-

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

All of the above outstanding balances are expected to be settled in cash by the related parties.

The outstanding net amounts due from/(to) related parties are disclosed in Note 10 and Note 18 respectively.

There are no allowances for impairment losses made and no bad or doubtful receivables recognised for the financial year ended 31 December 2010 and 31 December 2009 in respect of the above related parties balances.

ii) Significant transactions with key management personnel

There are no significant transactions with the key management personnel in the Group other than those disclosed in Note 23.

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

	Transactions value for the year ended 31 December	
	2010 RM'000	**2009 RM'000**
Company		
Subsidiaries		
Management fees receivable	7,172	7,095

30. Dissolution of subsidiary

On 8 March 2010, the Group via its wholly-owned subsidiary Auto Parts Holdings Sdn. Bhd. completed its dissolution of the entire 100% equity interest held in APM Components (USA), Inc.. The subsidiary was involved in conducting a business of warehousing, distribution and marketing of automotive parts in United States.

The dissolution had the following effect on the Group's assets and liabilities on the dissolution date:

Group	Carrying amount RM'000
Trade and other receivables	(55)
Payables and accruals	26
Effect of movement in exchange rates	257
Gain on dissolution	228

31. Subsidiaries

The principal activities of the subsidiaries in the Group and the Group's effective ownership interest are as follows:

Name of subsidiary	Principal activities	Effective ownership interest 2010 %	2009 %
APM Auto Electrics Sdn. Bhd.	Manufacture and sale of automotive electrical components	100	100
APM Climate Control Sdn. Bhd.	Manufacture and sale of automotive air-conditioners and radiators	100	100
APM Coil Springs Sdn. Bhd.	Manufacture and sale of automotive coil springs	100	100
APM Plastics Sdn. Bhd. injection and extrusion moulded parts and components	Manufacture and sale of plastic	100	100
APM Seatings Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture and sale of automotive seats	100	100
APM Shock Absorbers Sdn. Bhd.	Manufacture and sale of shock absorbers and related component parts	100	100
APM Springs Sdn. Bhd.	Manufacture and sale of automotive leaf springs	100	100

31. Subsidiaries *(continued)*

Name of subsidiary	Principal activities	Effective ownership interest 2010 %	2009 %
APM Springs (Vietnam) Co., Ltd.** (held via 100% owned subsidiary, APM Automotive International Ltd.)	Manufacture and sale of automotive suspension parts	100	100
APM Auto Components (USA) Inc. # (held via 100% owned subsidiary, APM Automotive International Ltd.)	Marketing and sale of automotive parts and accessories	100	-
Auto Parts Marketing Sdn. Bhd.	Marketing and sale of automotive parts and accessories	100	100
Auto Parts Manufacturers Co. Sdn. Bhd.	Manufacture and sale of automotive seats	100	100
Radiators Australia (2000) Pty. Ltd.** (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Distribution and assembly of automotive and industrial radiators and other automotive components	100	100
Fuji Seats (Malaysia) Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture and sale of automotive seats and components	60	60
P.T. APM Armada Suspension** Δ (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture and distribution of coil springs and leaf springs	80	80
APM Auto Mechanisms Sdn. Bhd.	Property investment	100	100
KAB Otomotif Sdn. Bhd.	Property investment	100	100
Perusahaan Tilam Kereta Sdn. Bhd.	Property investment	100	100

31. Subsidiaries *(continued)*

Name of subsidiary	Principal activities	Effective ownership interest 2010 %	Effective ownership interest 2009 %
APM Automotive International Ltd.*	Investment holding	100	100
Auto Parts Holdings Sdn. Bhd.	Investment holding	100	100
APM Holdings Inc.* (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Investment holding	100	100
APM Engineering & Research Sdn. Bhd.	Provision of engineering design and development services	100	-
APM Corporate Services Sdn. Bhd.	Provision of management services	100	100
APM Auto Components (Vietnam) Co., Ltd. ø (held via 100% owned subsidiary, APM Automotive International Ltd.)	Manufacture and sale of automotive seats and its components, shock absorbers, radiators and air-conditioner parts for automobiles	100	100
APM Components America Inc.* (held via 100% owned subsidiary, APM Holdings Inc.)	Dormant	100	100
APM Chalmers Suspensions Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Dormant	100	100
APM Components (USA) Inc.« (held via 100% owned subsidiary, Auto Parts Holdings Sdn Bhd.)	Dormant	-	100
APM Interiors Sdn. Bhd.	Dormant	100	100

31. Subsidiaries *(continued)*

Name of subsidiary	Principal activities	Effective ownership interest 2010 %	2009 %
APM Metal Industries Sdn. Bhd.	Dormant	100	100
APM Motorsport 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

APM Components America Inc. and APM Holdings Inc. are subsidiaries incorporated in Canada. APM Springs (Vietnam) Co., Ltd. and APM Auto Components (Vietnam) Co., Ltd. are subsidiaries incorporated in Vietnam. APM Components (USA) Inc. and APM Auto Components (USA) Inc. are subsidiaries incorporated in the United States of America. Radiators Australia (2000) Pty. Ltd. and P.T. APM Armada Suspension are incorporated in Australia and Indonesia respectively. All other subsidiaries are incorporated in Malaysia.

* Subsidiary is not required to be audited and consolidation is based on the management financial statements.

** Audited by another firm of Public Accountants.

\# Subsidiary was incorporated on 18 March 2010. This subsidiary is not required to be audited and consolidation is based on the management financial statements.

ø Subsidiary is consolidated based on the management financial statements.

« The subsidiary was dissolved on 8 March 2010 (see Note 30).

∆ The shareholders' agreement between its wholly-owned subsidiary - Auto Parts Holdings Sdn. Bhd. and P.T. Mekar Armada Jaya contains an option for the respective shareholders to acquire all the shareholding in the company in the event of a deadlock in any matters which require shareholders'consent.

32. Operating segments

The Group has six divisions, as described below, which are the Group's strategic business units. The strategic business units offer different groups of products and services, and are managed separately. For each of the strategic business units, the Chief Operating Decision Makers ("CODM"), which in this case are the Executive Directors of the Group, review internal management reports on monthly basis. The following summary describes the operations in each of the Group's division:

- *Suspension Division, Malaysia*: Business in products such as leaf springs, parabolic springs, coil springs, shock absorbers, gas springs, U-bolts and metal parts.

- *Interior & Plastics Division, Malaysia*: Business in products such as plastics parts, interiors, seatings for motor vehicles, buses, auditoriums and cinemas.

- *Electrical & Heat Exchange Division, Malaysia*: Business in products such as air-conditioning systems, radiators, starter motors, alternators, wiper system, distributors and other electrical parts.

- *Marketing Division, Malaysia*: Trading and distribution of automotive components/parts manufactured by the Group for the replacement and export market.

- *Others, Malaysia*: Operations related to the rental of investment properties in Malaysia and provision of management services for companies within the Group.

- *Operations Outside Malaysia*: Businesses in Indonesia, Vietnam, Australia and USA.

Performance is measured based on segment revenue and profit before tax, as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence no disclosure is made on segment liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

32. Operating segments *(continued)*

	Suspension 2010 RM'000	Interior and plastics 2010 RM'000	Electrical and heat exchange 2010 RM'000	Marketing 2010 RM'000	Operations outside Malaysia 2010 RM'000	Others 2010 RM'000	Eliminations 2010 RM'000	Total 2010 RM'000
Segment profit	24,680	104,150	26,116	12,230	16,823	212	318	184,529
Included in the measure of segment profit are:								
Revenue	219,671	713,235	266,216	188,884	160,047	20,084	(389,291)	1,178,846
Write-down of inventories	(150)	(1,425)	(625)	-	-	-	-	(2,200)
Depreciation and amortisation	(6,401)	(23,447)	(3,855)	(108)	(5,457)	(2,404)	414	(41,258)
Finance costs	(21)	-	(52)	-	(743)	(3,917)	4,312	(421)
Finance income	791	2,826	314	490	746	6,166	(4,339)	6,994
Not included in the measure of segment profit but provided to CODM:								
Tax expense	(6,302)	(20,588)	(6,191)	(2,949)	(5,154)	(3,011)	-	(44,195)
Segment assets	186,650	390,871	134,448	33,721	100,599	508,577	(352,302)	1,002,564
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	24,709	26,919	1,608	50	11,760	814	(3)	65,857

32. Operating segments *(continued)*

	Suspension 2009 RM'000	Interior and plastics 2009 RM'000	Electrical and heat exchange 2009 RM'000	Marketing 2009 RM'000	Operations outside Malaysia 2009 RM'000	Others 2009 RM'000	Eliminations 2009 RM'000	Total 2009 RM'000
Segment profit	25,723	47,859	6,690	11,483	8,926	(105)	56	100,632
Included in the measure of segment profit are:								
Revenue	206,625	506,330	212,102	165,748	109,837	20,396	(302,505)	918,533
Write-down of inventories	(1,591)	(768)	(135)	(131)	(52)	-	-	(2,677)
Depreciation and amortisation	(5,721)	(16,426)	(3,788)	(116)	(2,741)	(2,246)	385	(30,653)
Finance costs	(45)	(4)	(34)	-	(902)	(2,142)	2,554	(573)
Finance income	669	1,250	660	431	693	3,511	(2,554)	4,660
Reversal of impairment of property, plant and equipment	165	-	-	-	-	-	-	165
Not included in the measure of segment profit but provided to CODM:								
Tax expense	(3,193)	(8,991)	(268)	(2,773)	(2,411)	(718)	-	(18,354)
Segment assets	154,574	323,910	107,762	24,424	108,765	499,979	(344,305)	875,109
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	7,705	17,551	3,601	34	5,700	282	-	34,873

33. Financial instruments

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R)
(b) Fair value through profit or loss (FVTPL)
- Held for trading (HFT)
(c) Other liabilities (OL)

	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL -HFT RM'000
2010			
Financial assets			
Group			
Trade and other receivables, including derivatives	194,852	194,072	780
Deposits	1,551	1,551	-
Cash and cash equivalents	351,207	351,207	-
	547,610	546,830	780
Company			
Trade and other receivables, including derivatives	62,313	62,303	10
Deposits	5	5	-
Cash and cash equivalents	70,774	70,774	-
	133,092	133,082	10
2010			
Financial liabilities			
Group			
Loans and borrowings	25,279	25,279	-
Payables and accruals, including derivatives	170,579	170,554	25
	195,858	195,833	25
Company			
Payables and accruals, including derivatives	4,784	4,784	-

33. Financial instruments *(continued)*

33.2 Net gains and losses arising from financial instruments

	Group 2010 RM'000	Company 2010 RM'000
Net gains/(losses) arising on:		
Loans and receivables	7,098	5,391
Financial liabilities measured at amortisation cost	(421)	(3,185)
Fair value through profits or loss	755	10
	7,432	2,216

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

34. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

34.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to a credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from its loans and advances to subsidiaries.

Receivables

The Group has a credit policy in place and the exposure to credit risk is monitored on ongoing basis. Credit evaluations are performed on customers who wish to trade on credit terms.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The Group has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Due to the nature of the industry, a significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Significant past due receivables, if deemed as high risks, are normally being monitored individually.

34. Financial risk management *(continued)*

34.1 Credit risk *(continued)*

Receivables *(continued)*

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group 2010 RM'000	Group 2009 RM'000
Malaysia	173,045	159,596
Asia	10,953	15,975
Africa	205	-
Europe	4,466	5,243
North America	886	1,092
South America	140	209
Oceania	3,130	5,195
	192,825	187,310

Impairment losses

The ageing of trade receivables as at the end of the reporting period was:

Group	Gross RM'000	Impairment RM'000	Net RM'000
2010			
Not past due	183,694	-	183,694
Past due 0 - 90 days	7,841	(162)	7,679
Past due 91 - 180 days	725	(14)	711
Past due more than 180 days	1,332	(591)	741
	193,592	(767)	192,825
2009			
Not past due	172,922	-	172,922
Past due 0 - 90 days	10,512	(345)	10,167
Past due 91 - 180 days	4,150	(112)	4,038
Past due more than 180 days	862	(679)	183
	188,446	(1,136)	187,310

34. Financial risk management *(continued)*

34.1 Credit risk *(continued)*

Receivables *(continued)*

The movements in the allowance for impairment losses of trade receivables during the year were:

	2010 RM'000	2009 RM'000
At 1 January, restated	1,136	1,375
Impairment loss recognised	168	99
Impairment loss reversed	(272)	(401)
Impairment loss written off	(276)	(40)
Effect of movement in exchange rate	11	103
At 31 December	767	1,136

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfy that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

During the year, impairment loss amounting to RM276,000 (2009: RM40,000) were written off against trade receivables.

Inter company balances

The Company provides advances to subsidiaries and monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statement of financial position. As at the end of the reporting period, there was no indication that advances to the subsidiaries are not recoverable.

34.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalent deemed adequate by the management to ensure, as far as possible, that it will have significant liquidity to meet its liabilities when they fall due.

Certain treasury functions, particularly for wholly owned subsidiaries, are managed centrally by Group Treasury to ensure sufficient cash to cover the expected cash demands. Surplus cash held by the subsidiaries over and above balances required for working capital management are placed in fixed deposits and money market deposits with appropriate maturities to provide sufficient liquidity to meet the Group's liabilities when they fall due.

34. Financial risk management *(continued)*

34.2 Liquidity risk *(continued)*

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	Under 1 year RM'000
2010				
Non-derivative financial liabilities				
Unsecured bankers' acceptances	20,875	3.0	20,875	20,875
Unsecured bank overdraft	402	6.3 to 8.6	402	402
Unsecured foreign currency trade loans	4,002	2.1 to 4.6	4,042	4,042
Payables and accruals, excluding derivatives	170,554	-	170,554	170,554
	195,833		195,873	195,873
Derivative financial liabilities				
Forward exchange contracts (gross settled):				
Outflow	-		43,800	43,800
Inflow	(755)		(44,555)	(44,555)
	195,078		195,118	195,118

34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk through normal trading activities on sales and purchases transactions that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US dollar (USD), Japanese Yen (JPY) and Euro Dollar (EURO).

The Group monitors regularly its exchange exposures and may hedge its position selectively depending on the size of the exposure and the future outlook of the particular currency unit. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

34. Financial risk management *(continued)*

34.3 Market risk *(continued)*

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

				Denominated in				
Group	**USD**	**JPY**	**EURO**	**VND**	**AUD**	**IDR**	**SGD**	**THB**
In thousands RM								
2010								
Trade receivables	2,944	275	3,878	748	3,203	7,881	626	-
Trade payables	(5,039)	(8,439)	(2,039)	(443)	(730)	(4,687)	(62)	(2,202)
Forward exchange contracts	523	213	-	-	(8)	-	(4)	31
Net exposure	(1,572)	(7,951)	1,839	305	2,465	3,194	560	(2,171)

As foreign currency risks arising from Group's operations is not material, sensitivity analysis is hence not presented.

Interest rate risk

The Group's exposure to a risk of change in their fair value due to changes in interest rates relates primarily to the interest - bearing bank loans and borrowings and deposits placed with licensed banks. The management considers interest rate risks on borrowings to be low as the level of borrowings are relatively insignificant.

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Fixed rate instruments				
Financial asset				
Placements with licensed bank	292,394	233,410	69,371	60,904
Financial liabilities				
Unsecured foreign currency trade loan	(4,002)	(2,987)	-	-
Unsecured term loan	-	(688)	-	-
Unsecured bankers' acceptances	(20,875)	-	-	-
	267,517	229,735	69,371	60,904
Floating rate instrument				
Financial liability				
Unsecured bank overdrafts	402	465	-	-

34. Financial risk management *(continued)*

34.3 Market risk *(continued)*

Interest rate risk *(continued)*

The Group has no significant fair value interest risks as the borrowings which bear fixed interest rates as at 31 December 2010 is insignificant. A change in interest rates at the end of the reporting period would therefore not materially affect the profit or loss.

As interest rate risk arising from Group's operations is not material, sensitivity analysis is not presented.

34.4 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximately fair values due to the relatively short term nature of these financial instruments.

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

35. Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risks and by securing access to finance at a reasonable cost.

The Group reviews and manages its capital structure maintaining a balance between the expected risk against expected return and makes relevant adjustment to the capital structure in the light of changes in economic conditions. As at 31 December 2009 and 2010, the Group was in net cash position.

	Group	
	2010	**2009**
	RM'000	**RM'000**
Cash and cash equivalents (Note 12)	351,207	260,344
Less: Loans and borrowings (Note 16)	(25,279)	(4,140)
Net cash	325,928	256,204

There were no changes in the Group's approach to capital management during the year.

36. Jointly-controlled entities

Details of jointly-controlled entities are as follows:

Name of subsidiary	Principal activities	Effective ownership interest 2010 %	2009 %
APM-Coachair Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Distribution of coach air-conditioners	50	50
Diversified Furniture Systems Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Dormant	50	50
P.T. APM Armada Autoparts* (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture and sale of automotive interior products	50	50
P.T. Armada Johnson Controls# (held via 50% jointly controlled entity, P.T. APM Armada Autoparts)	Manufacture and sale of automotive seat products	30	30

* Audited by another firm of Public Accountants
\# Audited by member firm of KPMG

P.T. APM Armada Autoparts and P.T. Armada Johnson Controls are incorporated in Indonesia. The other jointly-controlled entities are incorporated in Malaysia.

The joint venture agreement of P.T. APM Armada Autoparts (between wholly-owned subsidiary - Auto Parts Holdings Sdn. Bhd. and P.T. Mekar Armada Jaya) contains an option for the respective shareholders to acquire all the shareholding in the jointly-controlled entity in the event of a deadlock in any matters which require shareholders' consent.

37. Significant changes in accounting policies

37.1 FRS 139, *Financial Instruments: Recognition and Measurement*

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Derivatives

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss.

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings. Comparatives are not adjusted. See below:

	Group 2010 RM'000
Retained earnings	
At 1 January, as previously stated	477,316
Adjustments arising from adoption of FRS 139:	
- Recognition of derivatives previously not recognised, net of tax	520
At 1 January, as restated	477,836

Consequently, the adoption of FRS 139 does not affect the basic earnings per ordinary share for prior periods. It is not practicable to estimate the impact arising from the adoption FRS 139 to the current year's basic earnings per share.

37.2 FRS 8, *Operating Segments*

As of 1 January 2010, the Group determines and presents operating segments based on the information that internally is provided to the Chief Operating Decision Makers ("CODM"), who is the Group's Executive Directors. This change in accounting policy is due to the adoption of FRS 8. Previously operating segment were determined and presented in accordance with FRS114$_{2004}$, *Segment Reporting*.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspect, there is no impact on earnings per ordinary share.

37.3 FRS 101 (revised), *Presentation of Financial Statements*

The Group applies revised FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standards. Since the change only affects presentation aspects, there is no impact on earnings per ordinary share.

37. Significant changes in accounting policies *(continued)*

37.4 FRS 117, *Leases*

The Group has adopted the amendments to FRS 117. The Group has reassessed and determined that leasehold land of the Group which are in substance is finance lease and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

The reclassification does not affect the basis earning per ordinary share for the current and prior periods.

38. Comparative figures

FRS 101 (revised), *Presentation of Financial Statements*

Arising from the adoption of FRS 101 (revised), income statements for the year ended 31 December 2009 have been re-presented as statement of comprehensive income. All non-owner changes in equity that were presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity.

FRS 117, *Leases*

Following the adoption of the amendments to FRS 117, certain comparative have been re-presented as follows:

	Group			
	31.12.2009		1.1.2009	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Statement of financial position				
Property, plant and equipment	220,800	186,858	220,513	186,073
Prepaid lease payments	4,043	37,985	996	35,436
Statement of cash flows				
Depreciation of property, plant and equipment	30,383	29,885		
Amortisation of prepaid lease payments	20	518		

39. Supplementary information on the breakdown of realised and unrealised profits or losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2010, into realised and unrealised profits, pursuant to the directive, is as follows:

	2010	
	Group RM'000	**Company RM'000**
Total retained earnings of the Company and its subsidiaries:		
- realised profits	570,414	212,226
- unrealised losses	(770)	(463)
	569,644	211,763
Total share of retained earnings of jointly-controlled entities:		
- realised profits	20,432	-
- unrealised profits	1,124	-
	591,200	211,763
Less: consolidation adjustments	(15,294)	-
Total retained earnings	575,906	211,763

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

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 31 to 91 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 39 on page 92 has been properly compiled in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....
Dr Fun Woh Peng

....
Dato' Tan Eng Hwa

Kuala Lumpur,
Date: 08 April 2011

Statutory 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 31 to 91 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 above named in Kuala Lumpur on 08 April 2011.

....
Lee Kwee Cheng
(MIA 9160)

Before me:

Mohd Radzi B Yasin
No. W327

Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report

To the members of APM Automotive Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of APM Automotive Holdings Berhad, which comprise the Statement of financial position as at 31 December 2010 of the Group and of the Company, and the statement of comprehensive income, changes in equity and cash flow of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 91.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 31 to the financial statements.

c) We are satisfied that the accounts 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 39 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Peter Ho Kok Wai
Partner
Approval Number: 1745/12/11(J)

Petaling Jaya,

Date: 08 April 2011

Group Properties

Location	Description	Land Area (sq m)	Tenure/ Expiry Date	Net Book Value (RM'000)	Age of Building (years)	Date of Last Revaluation	Date of Acquisition
Lot 1 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office, warehouse & vacant land	40,545	Leasehold/ 21.06.2092	8,661	13	1984	1984
Lot 3 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office, warehouse & vacant land	42,046	Leasehold/ 21.06.2092	8,484	16	1984	1984
Lot 600 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	40,354	Leasehold/ 19.10.2076	21,552	24	-	1999
Lot 601 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	20,234	Leasehold/ 19.10.2076	3,666	32	1984	1974
Lot 1622 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Vacant industrial land	16,186	Leasehold/ 19.10.2076	13,497	1	-	2005
Lot 1621 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	22,573	Leasehold/ 06.04.2079	10,609	14	-	1996
Lot 13 Lorong Durian 3 Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu, Sabah	Light industrial building	195	Leasehold/ 16.11.2922	182	14	-	1995
Lot 14 Lorong Durian 3 Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu, Sabah	Light industrial building	195	Leasehold/ 16.11.2922	252	14	-	2001
Lot 29119 Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office, warehouse & vacant land	24,239	Freehold	17,992	2-8	-	2002

Location	Description	Land Area (sq m)	Tenure/ Expiry Date	Net Book Value (RM'000)	Age of Building (years)	Date of Last Revaluation	Date of Acquisition
Lot 9390 Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office & warehouse	8,086	Freehold	4,725	8	-	2002
Lot 30081 Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor (Lot 26,Lot27,Lot34 and Lot 35)	Factory, office, warehouse & vacant land	32,354	Freehold	18,697	1-6	-	2002
Lots 17295, 17296,17297 Proton City Vendors Park Tanjung Malim, Perak	Factory, office, warehouse and vacant land	39,882	Freehold	12,566	6	-	2004
No. 23 & 25 Jalan Selat Selatan 21Sobena Jaya, Pandamaran42000 Port Klang, Selangor	Factory, office & warehouse	2,358	Freehold	1,217	11	-	2000
Suryacipta City of Industry Jl. Surya Utama kav. I-15 A Ciampel, Karawang Jawa Barat 41361 Indonesia	Factory, office & warehouse	20,131	Leasehold 25.05.2025	8,059	3	-	2008
25 Dai Lo Tu Do Vietnam Singapore Industrial Park Thuan An District, Binh Duong Province Socialist Republic of Vietnam	Factory, office & warehouse	10,000	Leasehold 08.08.2054	2,634	6	-	2004
25A Dai Lo Tu Do Vietnam Singapore Industrial Park Thuan An District, Binh Duong Province Socialist Republic of Vietnam	Factory, office & warehouse	10,000	Leasehold 08.08.2054	4,148	1	-	2009
27 Dai Lo Tu Do Vietnam Singapore Industrial Park Thuan An District, Binh Duong Province Socialist Republic of Vietnam	Vacant industrial land	10,000	Leasehold 08.08.2054	2,719		-	2010

Analysis of Shareholdings

As at 31 March 2011

SHARE CAPITAL

Authorised	: RM300,000,000
Issued & fully paid up	: RM201,600,000
Class of shares	: Ordinary shares of RM1.00 each
Voting rights	: 1 vote per ordinary share
Treasury shares	: 5,907,700

THIRTY LARGEST SHAREHOLDERS

According to the Record of Depositors

		No. of shares held	%*
1	Tan Chong Consolidated Sdn Bhd	61,089,754	31.217
2	HSBC Nominees (Tempatan) Sdn Bhd Exempt An for HSBC (Malaysia) Trustee Berhad (D09-6061)	16,063,688	8.208
3	Wealthmark Holdings Sdn Bhd	10,915,200	5.577
4	Amanahraya Trustees Berhad Public Islamic Optimal Growth Fund	7,745,800	3.958
5	AMSEC Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad (Hedging)	7,632,300	3.900
6	Amanahraya Trustees Berhad Public Index Fund	4,090,300	2.090
7	Cartaban Nominees (Asing) Sdn Bhd BBH (Lux) SCA for Fidelity Funds Asean	3,954,100	2.020
8	Amanahraya Trustees Berhad Public Islamic Equity Fund	3,322,900	1.698
9	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for Prudential Fund Management Berhad	3,211,500	1.641
10	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB Prin)	3,044,700	1.555
11	Cimsec Nominees (Tempatan) Sdn Bhd Allied Investments Limited for Tan Chong Consolidated Sdn Bhd	3,000,000	1.533
12	Cartaban Nominees (Asing) Sdn Bhd RBC Dexia Investor Services Bank for Platinum Global Dividend Fund Limited	2,500,000	1.277
13	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Khor Swee Wah @ Koh Bee Leng (MM1208)	2,222,508	1.135
14	Hong Leong Assurance Berhad as beneficial owner (Life Par)	2,150,000	1.098

THIRTY LARGEST SHAREHOLDERS *(continued)*

According to the Record of Depositors

		No. of shares held	%*
15	Tan Chong Consolidated Sdn Bhd	2,040,000	1.042
16	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	2,016,300	1.030
17	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Heng Chew (MM1063)	1,966,400	1.004
18	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Heng Chew (E-KLC)	1,859,500	0.950
19	Tan Kim Hor	1,769,491	0.904
20	Amanahraya Trustees Berhad Public Far-East Dividend Fund	1,721,900	0.879
21	Valuecap Sdn Bhd	1,571,000	0.802
22	Amanahraya Trustees Berhad PB Balanced Fund	1,390,000	0.710
23	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chong Consolidated Sdn Bhd (014011528927)	1,350,000	0.689
24	Amanahraya Trustees Berhad Public Islamic Balanced Fund	1,199,600	0.613
25	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	1,181,500	0.603
26	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Pheim)	1,108,400	0.566
27	Cartaban Nominees (Asing) Sdn Bhd BNH (Lux) SCA for Fidelity Funds Malaysia	1,090,600	0.557
28	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund Itte for Commonfund Emerging Markets Investors Company	1,088,063	0.556
29	Citigroup Nominees (Asing) Sdn Bhd Goldman Sachs International	1,059,500	0.541
30	Amanahraya Trustees Berhad PB Growth Fund	1,050,700	0.536

* Percentage is based on issued shares less treasury shares

Analysis of Shareholdings

As at 31 March 2011

ANALYSIS BY SIZE OF HOLDINGS

According to the Record of Depositors

Size of Holdings	No. of Holders	%	No. of Shares Held	%
1-99	354	5.778	16,143	0.008
100-1,000	3,985	65.040	1,541,242	0.765
1,001-10,000	1,456	23.764	4,572,993	2.268
10,001-100,000	213	3.476	6,096,508	3.024
100,001-9,784,614	116	1.893	95,396,772	47.320
9,784,615 and above	3	0.049	88,068,642	43.685
	6,127	100	195,692,300	97.070
Treasury shares			5,907,700	2.930
Total	6,127	100	201,600,000	100

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders

	Direct		Indirect	
Name of Substantial Shareholder	No. of shares held	%*	No. of shares held	%*
Tan Chong Consolidated Sdn Bhd	67,529,754	34.51	16,063,688	8.21[1]
Wealthmark Holdings Sdn Bhd	12,300,600	6.29	-	-
Dato' Tan Heng Chew	4,658,399	2.38	95,894,042	49.00[2]
Tan Eng Soon	-	-	96,104,042	49.11[3]
Tan Kheng Leong	30,000	0.02	83,593,442	42.72[4]

* Percentage is based on issued shares less treasury shares

Notes:

1 Indirect interest held through HSBC Nominees (Tempatan) Sdn Bhd Exempt AN for HSBC (Malaysia) Trustee Bhd (Dimension 09 Trust) – as to voting rights only

2 Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd ("WH") pursuant to Section 6A of the Companies Act, 1965 ("Act")

3 Deemed interest by virtue of interests in TCC, WH and Lung Ma Investments Pte Ltd pursuant to Section 6A of the Act

4 Deemed interest by virtue of interest in TCC pursuant to Section 6A of the Act

SHAREHOLDINGS OF DIRECTORS

According to the Register of Directors' Shareholdings maintained under section 134 of the Companies Act, 1965

Name of Directors	Direct No. of shares held	%*	Indirect No. of shares held	%*
Dato' Tan Heng Chew	4,658,399	2.38	98,116,550	50.14[1]
Tan Eng Soon	-	-	96,104,042	49.11[2]
Dato' Tan Eng Hwa	207,008	0.11	12,307,728	6.29[3]
Azman Badrillah	502,000	0.26	-	-
Dato' Haji Kamaruddin @ Abas Nordin	5,448	-[4]	-	-

The other directors, namely Dr. Fun Woh Peng, Dato' N Sadasivan, Mr Oei Kok Eong, Mr Low Seng Chee and Mr Heng Ji Keng do not have any shares, whether direct or indirect, in the Company.

* Percentage is based on issued shares less treasury shares

Notes:

1 Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd ("WH") pursuant to Section 6A of the Companies Act, 1965 ("Act") and interest of spouse by virtue of Section 134 (12) (c) of the Act

2 Deemed interest by virtue of interests in TCC, WH and Lung Ma Investments Pte Ltd pursuant to Section 6A of the Act

3 Deemed interest by virtue of interests in WH and Solomon House Sdn Bhd pursuant to Section 6A of the Act and interest of spouse by virtue of Section 134 (12) (c) of the Act

4 Less than 0.01%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of APM Automotive Holdings Berhad ("Company") will be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Wednesday, 25 May 2011 at 10:00 a.m. to transact the following businesses:

Ordinary Business:

1. To receive and consider the Financial Statements for the financial year ended 31 December 2010 together with the Reports of the Directors and Auditors thereto. **Resolution 1**

2. To declare a final dividend of 12% less income tax for the financial year ended 31 December 2010. **Resolution 2**

3. To re-elect the following Directors, who are eligible and have offered themselves for re-election, in accordance with Article 76 of the Company's Articles of Association:

   i LOW SENG CHEE **Resolution 3**
   ii HENG JI KENG **Resolution 4**

4. To re-elect the following Directors, who are eligible and have offered themselves for re-election, in accordance with Article 96 of the Company's Articles of Association:

   i TAN ENG SOON **Resolution 5**
   ii DATO' TAN ENG HWA **Resolution 6**

5. To consider and if thought fit, to pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:

   i. "THAT DATO' HAJI KAMARUDDIN @ ABAS NORDIN be and is hereby re-appointed a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next annual general meeting of the Company. " **Resolution 7**

   ii "THAT DATO' N SADASIVAN be and is hereby re-appointed a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next annual general meeting of the Company. " **Resolution 8**

6. To re-appoint the Auditors for the financial year ended 31 December 2011 and to authorise the Directors to fix their remuneration. **Resolution 9**

Special Business:

7. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

   PROPOSED GRANT OF AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT, subject always to the Companies Act, 1965 ("Act"), the Articles of Association of the Company and approvals and requirements of the relevant governmental/regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 132D of the Act to allot and issue new ordinary shares of RM1.00 each in the Company from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 per centum of the issued and paid-up share capital excluding treasury shares for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 10**

8. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares of RM1.00 each in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed 10 per centum of the issued and paid-up share capital of the Company.

THAT an amount not exceeding the Company's share premium and retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT authority be and is hereby given to the Directors of the Company to do all acts and things to give effect to the Proposed Share Buy-Back and to decide at their discretion to retain the shares so purchased as treasury shares (as defined in Section 67A of the Act) and/or to cancel the shares so purchased and/or to resell them and/or to deal with the shares so purchased in such other manner as may be permitted and prescribed by the Act, rules, regulations, guidelines, requirements and/or orders pursuant to the Act and/or the rules, regulations, guidelines, requirements and/or orders of Bursa Malaysia and any other relevant authorities for the time being in force.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will expire at:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authority."

Resolution 11

9. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG MOTOR HOLDINGS BERHAD AND ITS SUBSIDIARIES

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("APM Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group ("Related Parties") including those set out under section 3.2.1 of the circular to shareholders dated 29 April 2011 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders (the "Shareholders' Mandate").

THAT such approval shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at a general meeting, the authority of the Shareholders' Mandate is renewed or the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting, whichever is earlier.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Resolution 12**

10. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH WARISAN TC HOLDINGS BERHAD AND ITS SUBSIDIARIES

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("APM Group") to enter into all arrangements and/or transactions with Warisan TC Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group ("Related Parties") including those set out under section 3.2.2 of the circular to shareholders dated 29 April 2011 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders (the "Shareholders' Mandate").

THAT such approval shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at a general meeting, the authority of the Shareholders' Mandate is renewed or the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting, whichever is earlier.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Resolution 13**

11. To consider and if thought fit, to pass the following resolution as a special resolution:

PROPOSED AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the Articles of Association of the Company be amended by substituting the following new Article for Article 127:

127. Dividend, interest or other money payable

Unless otherwise directed, any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled as it appears in the register and/or the Record of Depositors or paid by way of electronic transfer or other methods of remittance to the bank account or other account based on the account information provided by such member or the person entitled or provided in the Record of Depositors or any other record provided by the Central Depository containing such information. Every such cheque or warrant or electronic transfer or other methods of remittance shall be made payable to such member or person entitled and shall be sent, transferred, paid or remitted at the risk of such member or person entitled. Payment of the cheque or warrant by the bank on which it is drawn or payment into the bank account or other account based on the account information provided by such member or the person entitled or provided in the Record of Depositors or any other record provided by the Central Depository containing such information shall constitute a good discharge to the Company." **Resolution 14**

12. To transact any other business of the Company of which due notice shall have been received.

By order of the Board
LEE KWEE CHENG
CHAN YOKE-LIN
Company Secretaries

Kuala Lumpur
29 April 2011

Notes:

1. A member entitled to vote is entitled to appoint a proxy or proxies (but not more than two) to attend and vote for him. A proxy need not be a member of the Company, and, where there are two proxies, the number of shares to be represented by each proxy must be stated.

2. Where the form of proxy is executed by a corporation, it must be executed under seal or under the hand of an officer or attorney duly authorised.

3. An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

4. The form of proxy must be deposited at the Registered Office of the Company, 62 - 68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

5. Explanatory Statement on Special Businesses in relation to:

Resolution 10

The Company continues to consider opportunities to broaden the operating base and earnings potential of the Company. If any of the expansion or diversification proposals involve the issue of new shares, the Directors of the Company, under normal circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued share capital of the Company.

In order to avoid delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company of up to an amount not exceeding in total 10% of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being for such purpose. This authority, unless revoked or varied at a general meeting, shall continue to be in force until the conclusion of the next annual general meeting of the Company.

The Company is seeking approval to renew the general mandate given by the shareholders at the last Annual General Meeting held on 19 May 2010. No proceeds were raised from the previous mandate.

Resolution 11

The proposed resolution, if passed, will empower the Directors to purchase the Company's shares of up to 10% of the issued and paid-up share capital of the Company by utilising the funds allocated out of the retained profits and share premium of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in force until the conclusion of the next annual general meeting of the Company.

Further information on Resolution 11 is set out in the circular to shareholders dated 29 April 2011 dispatched together with the Annual Report.

Resolutions 12 and 13

Proposed Resolutions 12 and 13 if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Details on the recurrent related parties transactions are set out in the circular to shareholders dated 29 April 2011 dispatched together with the Annual Report.

Resolution 14

The proposed amendment of Article 127 of the Articles of Association of the Company ("the Articles") is to ensure that the Articles are consistent with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad pertaining to electronic dividend payment or eDividend to shareholders who have provided the relevant bank account particulars to Bursa Malaysia Depository Sdn Bhd and to clarify the responsibility of the Company and of each shareholder in regard to payment and remittances of dividend, interest or other money payable in cash in respect of shares in the Company.

The full text of the proposed new Article 127 of the Articles, marked to show changes from the existing Article 127 is set out below:

"127.Dividend~~s payable by post~~, interest or other money payable

Unless otherwise directed, any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled as it appears in the register and/or the Record of Depositors. or paid by way of electronic transfer or other methods of remittance to the bank account or other account based on the account information provided by such member or the person entitled or provided in the Record of Depositors or any other record provided by the Central Depository containing such information. Every such cheque or warrant or electronic transfer or other methods of remittance shall be made payable to ~~the order of the~~ such member or person ~~to whom it is sent~~. entitled and shall be sent, transferred, paid or remitted at the risk of such member or person entitled. Payment of the cheque or warrant by the bank on which it is drawn or payment into the bank account or other account based on the account information provided by such member or the person entitled or provided in the Record of Depositors or any other record provided by the Central Depository containing such information shall constitute a good discharge to the Company."

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fourteenth Annual General Meeting of APM Automotive Holdings Berhad, a final dividend of 12% less income tax for the financial year ended 31 December 2010 will be paid on 28 June 2011. The entitlement date is 8 June 2011.

A depositor shall qualify for the entitlement to the dividend only in respect of:

(1) shares transferred into the depositor's securities account before 4:00 p.m. on 8 June 2011 in respect of ordinary transfers; and

(2) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the rules of Bursa Malaysia Securities Berhad.

By order of the Board
LEE KWEE CHENG
CHAN YOKE-LIN
Company Secretaries

Kuala Lumpur
29 April 2011

This page has been deliberately left blank

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
(Incorporated in Malaysia)

Form of Proxy

CDS Account No.	
Number of shares held	

I/We ____

(Name of shareholder, NRIC no /Company no)

of ____

(Full address)

being a member of APM AUTOMOTIVE HOLDINGS BERHAD, hereby appoint as proxy ______________________________

____

(Name and NRIC no)

or failing him/her ____

____

(Name and NRIC no)

or failing them, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Wednesday, 25 May 2011 at 10:00 a.m., and at any adjournment thereof, as indicated below:

		For	Against
Resolution 1	Financial Statements and Reports of the Directors and Auditors		
Resolution 2	Final dividend		
Resolution 3	Re-election of Low Seng Chee		
Resolution 4	Re-election of Heng Ji Keng		
Resolution 5	Re-election of Tan Eng Soon		
Resolution 6	Re-election of Dato' Tan Eng Hwa		
Resolution 7	Re-appointment of Dato' Haji Kamaruddin @ Abas Nordin in accordance with Section 129 (6) of the Companies Act, 1965		
Resolution 8	Re-appointment of Dato' N Sadasivan in accordance with Section 129 (6) of the Companies Act, 1965		
Resolution 9	Re-appointment of Auditors		
Resolution 10	Proposed grant of authority pursuant to Section 132D of the Companies Act, 1965		
Resolution 11	Proposed renewal of authority for the Company to purchase its own ordinary shares		
Resolution 12	Proposed renewal of shareholders' mandate for recurrent related party transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
Resolution 13	Proposed renewal of shareholders' mandate for recurrent related party transactions with Warisan TC Holdings Berhad and its subsidiaries		
Resolution 14	Proposed amendment of Articles of Association of the Company		

(If you wish to instruct your proxy how to vote, insert a "√" or a "x" in the appropriate box. Subject to any voting instructions so given, the proxy will vote or may abstain from voting on any resolution as he/she may think fit.)

For the appointment of two proxies, percentage of shareholdings to be represented by each proxy:

Number of shares	**%**
Proxy 1	
Proxy 2	
Total	100%

____

Signature/Common Seal

Date:

Notes:

1. A member entitled to vote is entitled to appoint a proxy or proxies (but not more than two) to attend and vote for him. A proxy need not be a member of the Company, and, where there are two proxies, the number of shares to be represented by each proxy must be stated.

2. Where the form of proxy is executed by a corporation, it must be executed under seal or under the hand of an officer or attorney duly authorised.

3. An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

4. The form of proxy must be deposited at the Registered Office of the Company, 62 - 68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

fold here

affix
stamp
here

Company Secretaries
APM AUTOMOTIVE HOLDINGS BERHAD
62-68 Jalan Ipoh
51200 Kuala Lumpur
Malaysia

fold here

APM AUTOMOTIVE HOLDINGS BERHAD
(Company No. 424838-D)

Lot 1 Jalan 6/3
Kawasan Perusahaan Seri Kembangan
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Telephone : (603) 8946 3333
Facsimile : (603) 8948 4400
Website : www.apm.com.my
E-mail : apmah@apm.com.my