



Corporate philosophy

"Striving to be a world class automotive components manufacturer in terms of quality, cost and thriving through excellence in all we do and in making customer satisfaction our highest priority."

Contents

for annual report 1999

Corporate Profile	2
Business Divisions	3
Notice Of Annual General Meeting	4
Corporate Information	5
Chairman's Statement/Laporan Pengerusi	6
Share Price and Volume Traded	11
Corporate Calendar	12
Shareholders' Statistics	14
Audit Committee	16
Financial Statements	17
Group Properties	48
Form Of Proxy	

CORPORATE PROFILE

The history of the APM Group began in 1978 with the manufacture of leaf springs. Subsequently, in response to the Government's local content programme for Malaysia's automotive industry, the Group expanded its manufacturing operations to include, amongst others, products such as shock absorbers, coils springs and air-conditioners.

The APM Group is today the largest automotive parts manufacturer in Malaysia, with a wide range of products, including suspension systems, heat exchange systems, electrical systems, plastic components and car interior parts and seating. These parts are supplied to various automotive manufacturers as well as for the replacement market in the country. The Group's products, including those of our associated companies, are also exported to countries in North America and the European Union as well as Australia, Japan and other Asian countries.

The Group's manufacturing facilities are located in Port Klang, Seri Kembangan, Batu Caves and Serendah in Selangor, Malaysia and in Perth, Australia. In addition, APM provides technical assistance to three companies engaged in automotive parts manufacturing in China.

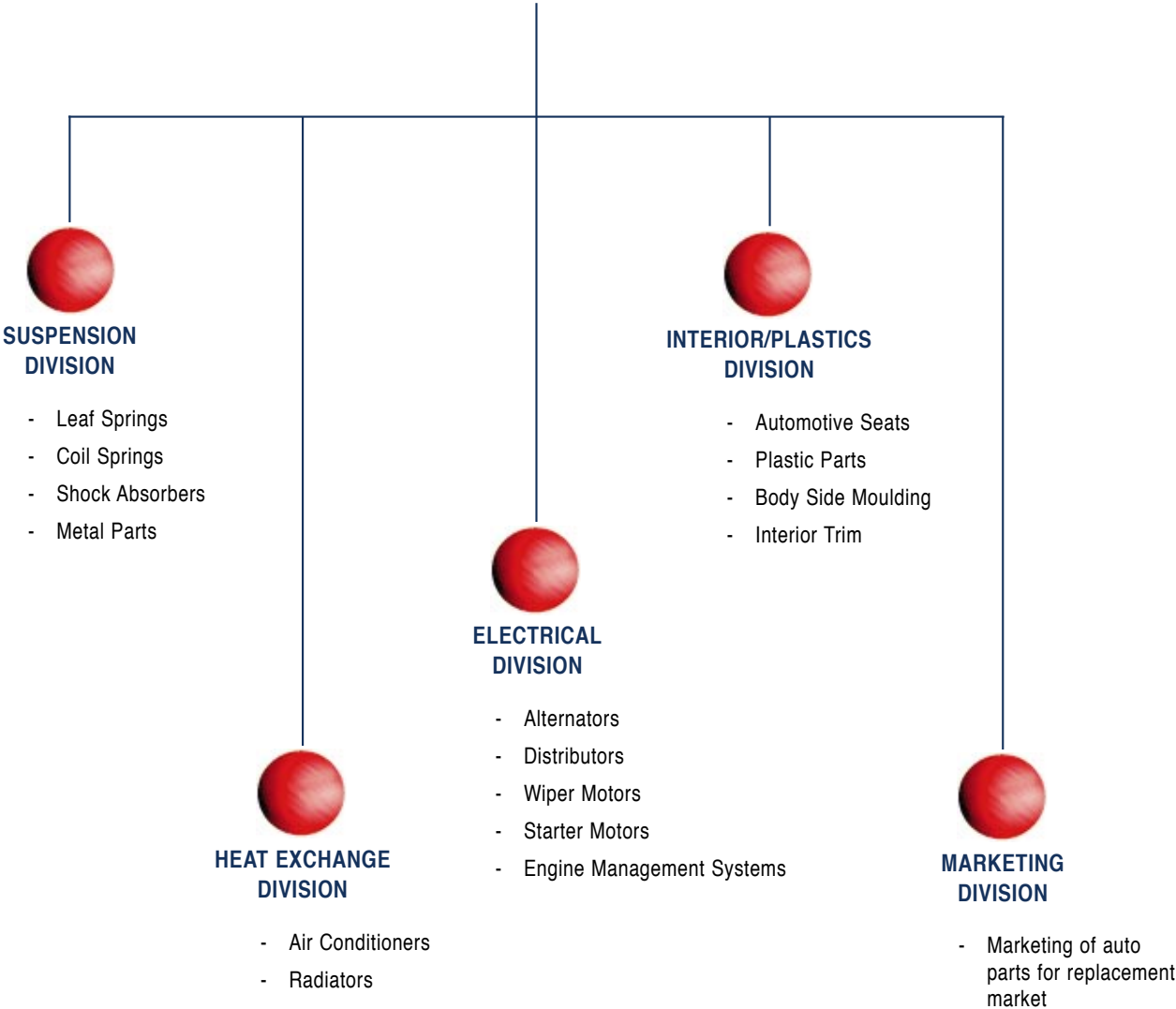
APM Automotive Holdings Berhad acquired the equity interests of all the subsidiaries of the APM Group in October 1999 and was subsequently listed on the Main Board of the Kuala Lumpur Stock Exchange on 15 December 1999.



BUSINESS DIVISIONS



APM AUTOMOTIVE HOLDINGS BERHAD



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of APM AUTOMOTIVE HOLDINGS BERHAD will be held at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia on Thursday, 25 May 2000 at 11.00 a.m. to transact the following ordinary businesses :

1. To receive and consider the Statement of Accounts for the financial year ended 31 December 1999 together with the Reports of the Directors and Auditors thereto. **Resolution 1**
2. To declare a final dividend of 3% tax exempt for the financial year ended 31 December 1999. **Resolution 2**
3. To re-appoint Dato' Tan Kim Hor as Director pursuant to Section 129(6) of the Companies Act, 1965. **Resolution 3**
4. To re-elect the following Directors in accordance with Article 79 of the Company's Articles of Association:
 - i. Encik Ahmad bin Abdullah **Resolution 4**
 - ii. Encik Azman bin Badrillah **Resolution 5**
 - iii. Dato' Kamaruddin @ Abas bin Nordin **Resolution 6**
 - iv. Mr. Koo Sian Chu **Resolution 7**
 - v. Dato' N. Sadasivan s/o N. N. Pillay **Resolution 8**
 - vi. Mr. Tan Eng Hwa **Resolution 9**
 - vii. Mr. Tan Eng Soon **Resolution 10**
 - viii. Dato' Tan Heng Chew **Resolution 11**
5. To approve Director's Fee for financial year ended 31 December 1999. **Resolution 12**
6. To re-appoint the Auditors and authorise the Directors to fix their remuneration. **Resolution 13**
7. 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
2 May 2000

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. In the case of a corporation, the form of proxy appointing a corporate representative must be executed under seal or under the hand of an officer or attorney duly authorised.
3. To be valid, 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.

CORPORATE INFORMATION

DIRECTORS

Dato' Tan Heng Chew DJMK, JP
Chairman

Azman bin Badrillah
Executive Director

Koo Sian Chu
Executive Director

Dato' Tan Kim Hor DPMS, KMN, JP

Ahmad bin Abdullah

Tan Eng Soon

Tan Eng Hwa

Dato' N. Sadasivan DPMP, JSM, KMN

Dato' Haji Kamaruddin @ Abas bin Nordin DSSA, KMN

AUDIT COMMITTEE MEMBERS

Dato' N. Sadasivan DPMP, JSM, KMN
Chairman (Independent Non-executive Director)

Dato' Haji Kamaruddin @ Abas bin Nordin DSSA, KMN
(Independent Non-executive Director)

Koo Sian Chu
(Executive Director)

COMPANY SECRETARIES

Lee Kwee Cheng
Chan Yoke-Lin

REGISTERED OFFICE

62 - 68 Jalan Ipoh
51200 Kuala Lumpur
Telephone : (603) 442 7644 / 441 1044
Fax : (603) 441 8846
E-mail : apmmal@po.jaring.my
Website : www.apm-automotive.com

REGISTRARS

M & C Services Sdn. Bhd.
11th Floor Wisma Damansara
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Telephone : (603) 255 7188

AUDITORS

KPMG
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange Main Board

CHAIRMAN'S STATEMENT/ LAPORAN PENERUSI



Awards received by APM for products excellence.
Anugerah-anugerah kecermerlangan bagi produk APM.

On behalf of the Board of Directors, it gives me great pleasure to present the first Annual Report and Audited Accounts of APM Automotive Holdings Berhad (hereinafter referred to as "APM Group" or "the Group") for the year ended 31st December 1999.

ADMISSION TO KLSE

APM Group was listed on the Main Board of Kuala Lumpur Stock Exchange on 15th December 1999. The Group came into existence as the result of the de-merger scheme of Tan Chong Motor Holdings Berhad (TCMH) as defined in the Circular to Shareholders dated 26th September 1999. APM Group is one of the largest auto parts groups in the country with dominant market positions in various automotive component sectors such as automotive suspension systems, electrical systems and seating & plastics.

FINANCIAL AND BUSINESS REVIEW

APM Group recorded an 85% improvement in its turnover from RM231.6 million in 1998 to RM428.8 million in 1999. Much of this was due to the overall strengthening of the Malaysian economy and, in particular, the motor industry.

Bagi pihak Lembaga Pengarah, saya berasa bangga dan gembira membentangkan Laporan Tahunan yang pertama dan Akaun Audit APM Automotive Holdings Berhad (dirujuk sebagai "Kumpulan APM" atau "Kumpulan") bagi tahun berakhir 31 Disember 1999.

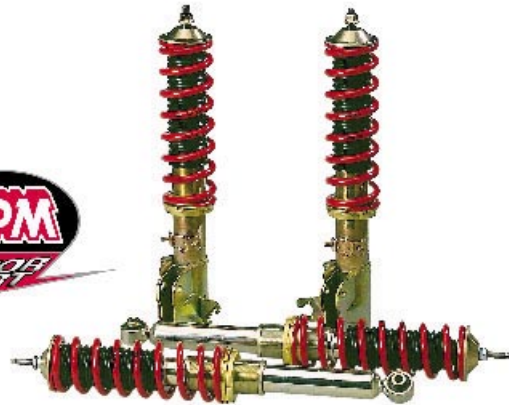
PENYENARAIAAN DI KLSE

Kumpulan APM telah disenaraikan di Papan Utama Bursa Saham Kuala Lumpur pada 15 Disember 1999. Kumpulan ditubuhkan berikutan skim pengasingan Tan Chong Motor Holdings Berhad (TCMH) seperti tercatat dalam Surat Perkeliling kepada Pemegang Saham yang bertarikh 26 September 1999. Kumpulan APM merupakan salah satu kumpulan alat gantian automotif yang terbesar dalam negara dengan menerajui kedudukan pasaran dominan dalam pelbagai sektor komponen automotif seperti sistem suspensi automotif, sistem elektrik dan tempat duduk & plastik.

TINJAUAN SEMULA KEWANGAN DAN PERNIAGAAN

Kumpulan APM mencatatkan satu peningkatan perolehan sebanyak 85% iaitu daripada RM231.6 juta pada tahun 1998 kepada RM428.8 juta pada tahun 1999. Kebanyakan ini disebabkan penguatan keseluruhan ekonomi Malaysia, khususnya industri kenderaan bermotor.

Height-adjustable sports shocks marketed by APM Motorsport Sdn. Bhd. Penyerap hentak yang boleh diubah ketinggiannya yang di pasarkan oleh APM Motorsport Sdn. Bhd.



The Group recorded consolidated profits before tax of RM31.1 million in 1999, a five-fold improvement from RM6.4 million in 1998. Higher capacity utilisation coupled with on-going efforts on localisation and alternate sourcing of materials, productivity improvements as well as greater factory automation, has reduced the unit production costs significantly.

ORIGINAL EQUIPMENT (OE) MARKET

Based on registration statistics, the total motor sales increased from a low of 163,851 units in 1998 to 288,547 units in 1999, reflecting the return of consumer confidence as a result of the lowering of interest rates and easing of financing for motor vehicles. As a major OE supplier in Malaysia, the Group benefited from this increased vehicle sales with the increase in supply of OE parts to local motor assemblers, notably seats, plastic parts, suspension coils, and electrical parts.

However, the overproduction of commercial vehicles in the past few years had resulted in an overhang of unsold vehicle stocks. With these unsold stocks, the assemblers of these vehicles had reduced their production volume during the year and consequently, our supply of OE parts to these commercial vehicles assemblers - leaf springs and metal component parts - experienced slower growth. We expect sales of these products to pick up again once the overhang of unsold commercial vehicle stocks are depleted.

Kumpulan mencatatkan keuntungan bersatu sebelum cukai sebanyak RM31.1 juta pada tahun 1999, satu peningkatan lima kali ganda daripada RM6.4 juta pada tahun 1998. Penggunaan kapasiti yang lebih tinggi berganding dengan usaha gigih berterusan dalam penggantian material tempatan dan alternatif, peningkatan produktiviti dan juga automasi pengilangan yang lebih tinggi telah berjaya mengurangkan unit kos pengeluaran.

PASARAN PERALATAN ASAL (OE)

Berdasarkan statistik pendaftaran, jumlah jualan kenderaan bermotor meningkat dari 163,851 unit pada tahun 1998 kepada 288,547 unit pada tahun 1999. Ini mencerminkan pemulihan keyakinan pelanggan berikutan penurunan kadar faedah dan kelonggaran kemudahan kredit bagi kenderaan bermotor. Selaku pembekal peralatan OE utama di Malaysia, Kumpulan telah menikmati faedah berikutan peningkatan jualan kenderaan bermotor dengan penambahan pembekalan peralatan OE kepada pemasang-pemasang kenderaan bermotor tempatan, terutamanya tempat duduk, peralatan plastik, gegelung suspensi dan peralatan elektrik.

CHAIRMAN'S STATEMENT/ LAPORAN PENERUS

(continued)



Components of Engine Management System.
Komponen-komponen Sistem Pengurusan Enjin.

The introduction of a new product range, Engine Management System (EMS), during the last quarter of the year for supply to the National cars had also contributed to the increased turnover during the year.

REPLACEMENT AND EXPORT MARKETS

The demand from the replacement and export markets had also improved considerably. The Group had recorded more than 50% growth in turnover, from RM55.2 million in 1998 to RM88.5 million in 1999 in the local replacement market, boosted by the improved domestic economy and the Group's continuous sales effort. In the export market, total sales grew by almost 22%, from RM37.6 million in 1998 to RM45.5 million in 1999. The establishment of several new export markets, most notably Paraguay, Ireland and France, also contributed to the increase in the Group's export sales.

NEW OVERSEAS UNIT

During the last quarter of the year, the Group entered into a new business venture in Canada for the distribution of furniture components and parts for the North American market. Although the contribution from this sector was insignificant for this year, we foresee good potential for these products in the region as well as opportunities to diversify into other non-automotive products by utilising our existing facilities and experience.

Walau bagaimanapun, pengeluaran lebih kenderaan perdagangan pada tahun-tahun yang lepas telah mengakibatkan stok kenderaan tidak dijual yang berlebihan. Dengan lebih stok ini, pemasang-pemasang kenderaan berkenaan telah mengurangkan jumlah pengeluaran dan seterusnya, pembekalan peralatan OE kami kepada pemasang kenderaan perdagangan ini - "leaf spring" dan komponen-komponen logam - telah mengalami pertumbuhan yang perlahan. Kami menjangka jualan produk ini dapat dipertingkatkan semula, sebaik sahaja stok kenderaan perdagangan lebih ini habis dijual.

Pelancaran produk baru iaitu Sistem Pengurusan Enjin (EMS) pada suku tahun terakhir tahun lepas dengan tujuan dibekalkan kepada Kereta-Kereta Nasional juga menyumbang kepada peningkatan perolehan Kumpulan.

PASARAN PENGGANTIAN DAN EKSPORT

Permintaan pasaran penggantian dan eksport telah meningkat. Kumpulan telah mencatatkan pertumbuhan perolehan melebihi 50% iaitu daripada RM55.2 juta pada tahun 1998 kepada RM88.5 juta pada tahun 1999 dalam pasaran penggantian tempatan yang dirangsangkan oleh ekonomi tempatan yang meningkat dan juga usaha penjualan berterusan Kumpulan. Di pasaran eksport, jumlah jualan meningkat lebih kurang 22% daripada RM37.6 juta pada tahun 1998 kepada RM45.5 juta pada tahun 1999. Pewujudan beberapa pasaran eksport baru, khususnya Paraguay, Ireland dan Perancis, telah mendorong peningkatan jualan eksport Kumpulan.



PVC moulded door panel.
Panel pintu kereta berasaskan PVC.

CURRENT YEAR PROSPECTS

The outlook for the Group is highly dependent on the domestic motor industry. The Malaysian Automotive Association has forecasted a growth of around 21% in total vehicle sales in 2000 over that of 1999. In view of this, the Group expects its OE parts supplied to both the National and non-National car assemblers to improve. This includes its supply of OE parts to the commercial vehicle assemblers as the overhang of commercial vehicle stocks is expected to run out by the end of this year.

In the near future, the regional economy is expected to be stable. With the improving Malaysian economy, consumer spending should improve further. Barring unforeseen circumstances, the Group therefore expects its profits for the year 2000 to improve.

UNIT LUAR NEGERI BARU

Pada suku tahun terakhir tahun lepas, Kumpulan menceburi perniagaan baru di Kanada dengan memasuki bidang pengagihan komponen-komponen dan peralatan perabot di pasaran Amerika Utara. Walaupun sumbangan sektor ini tidak ketara tahun lepas, kami meramalkan potensi yang cerah bagi produk-produk ini di rantau berkenaan dan juga peluang untuk mempelbagaikan perniagaan produk-produk bukan automotif yang lain sambil menggunakan kemudahan-kemudahan dan pengalaman kita yang sedia ada.

PROSPEK TAHUN SEMASA

Penampilan Kumpulan amat bergantung kepada industri kenderaan bermotor tempatan. Persatuan Otomobil Malaysia telah menjangka peningkatan jumlah jualan kenderaan sebanyak 21% dalam tahun 2000 berbanding dengan tahun 1999. Sejurusnya, Kumpulan jangkakan pembekalan barangan OE kepada pemasang-pemasang kenderaan Nasional dan bukan Nasional akan meningkat. Ini termasuklah pembekalan barangan OE kepada pemasang kenderaan komersial berikutan penghabisan stok lebihan kenderaan komersial tahun ini.

Di masa depan jangka pendek, ekonomi serantau dijangka kekal stabil. Dengan ekonomi Malaysia semakin bertambah kukuh, pembelanjaan pengguna pun akan meningkat. Jika tidak berlaku sebarang keadaan diluar jangkaan, Kumpulan menjangka keuntungan tahun 2000 akan bertambah.

CHAIRMAN'S STATEMENT/ LAPORAN PENERUSI

(continued)



Gas lifts for office furniture.
Pangkat gas untuk perabot pejabat.

APPRECIATION

On behalf of the Board, I wish to express my sincere appreciation to the merchant banks, advisors, and staff members who have contributed to the successful listing of the APM Group. Our appreciation is also extended to all our valued customers, suppliers, bankers, other business associates, as well as our shareholders for their continued support and confidence in the Group.

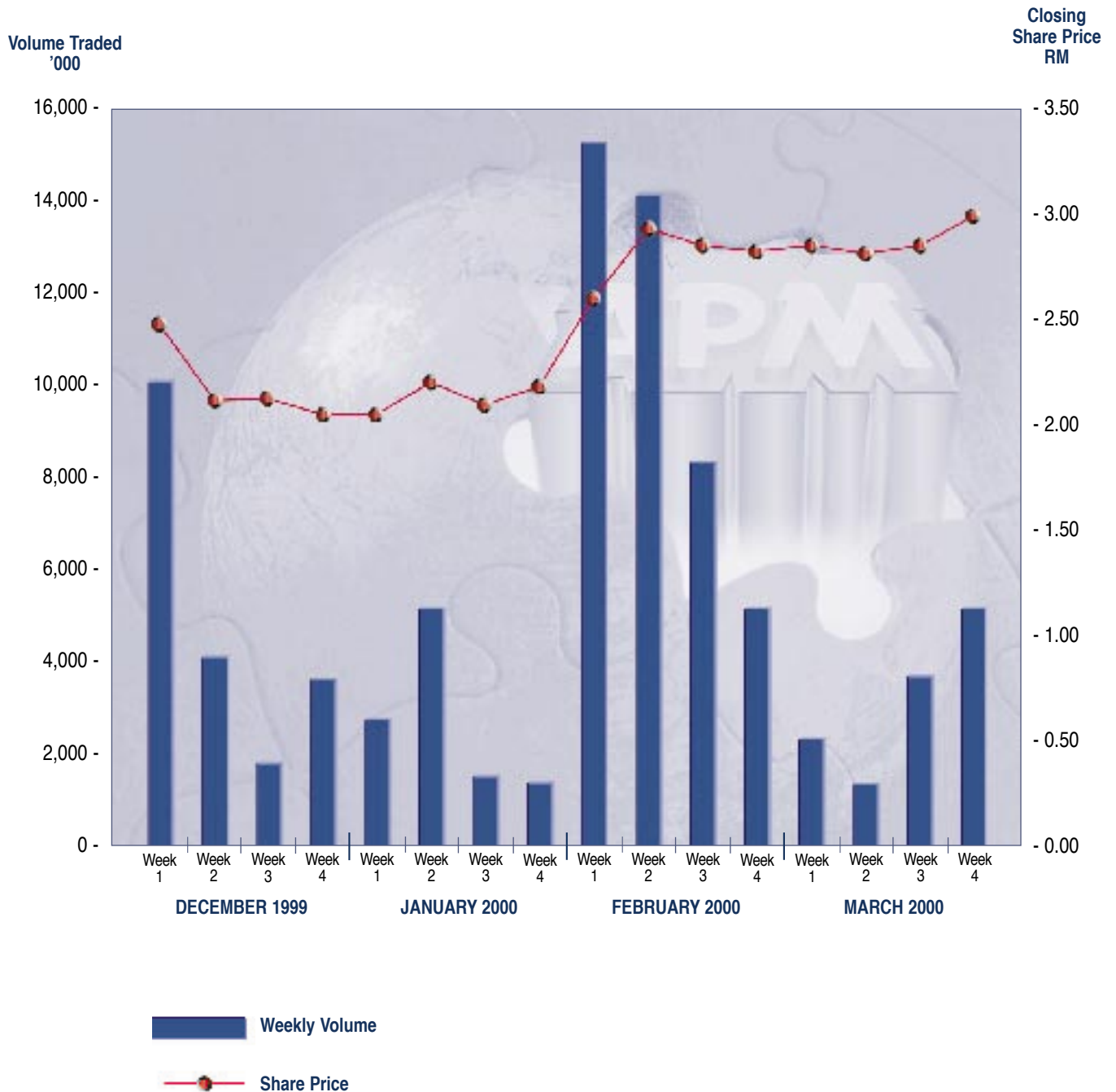
PENGHARGAAN

Saya bagi pihak Lembaga Pengarah ingin menyampaikan ucapan penghargaan ikhlas kepada bank-bank saudagar, penasihat-penasihat, dan kakitangan di atas sumbangan mereka dalam usaha menjayakan penyenaian Kumpulan APM. Penghargaan kami juga disampaikan kepada semua pelanggan yang dihormati, pembekal-pembekal, jurubank, rakan-rakan perniagaan serta para pemegang saham atas sokongan berterusan dan keyakinan mereka pada Kumpulan.

DATO' TAN HENG CHEW DJMK, JP
Chairman/Pengerusi

Kuala Lumpur
3 April 2000

SHARE PRICE AND VOLUME TRADED



CORPORATE CALENDAR



Feb 1999 APM Coil Springs Sdn. Bhd. commences export of coil springs to Saudi Arabia.

Mar 1999 APM Springs Sdn. Bhd. commences export of leaf springs to Vietnam.



June 1999 APM Springs Sdn. Bhd. commences export of leaf springs to Ireland.

June 1999 APM signs joint venture agreement to establish APM Chalmers Suspensions Sdn. Bhd. with Chalmers Suspensions International Inc., Canada to assemble and distribute air suspensions for commercial vehicles.



July 1999 APM Springs Sdn. Bhd. commences export of leaf springs to France.

July 1999 APM radiator division shifts its operations from Port Klang to upgraded facilities in Seri Kembangan, Selangor.

July 1999 APM seat division commences supply of parking brakes to MTB.



July 1999 APM enters into joint venture to establish APM Components America Inc., Canada, for the distribution of furniture components and parts in North American market.

Aug 1999 APM Auto Electrics Sdn. Bhd. commences mass production of Engine Management System for Proton.

Sept 1999 APM Shock Absorbers Sdn. Bhd. commences export of gas lifts to Canada.

Sept 1999 APM Air-Conditioners Sdn. Bhd. commences export of air-conditioner components to South Africa.

Oct 1999 APM Coil Springs Sdn. Bhd. commences export of coil springs to Finland.

Nov 1999 APM Plastics Sdn. Bhd. completes installation of PVC window frame line.

Nov 1999 APM Marketing Sdn. Bhd. participates in the 5th Dubai Motor Show.

Dec 1999 Launch of APM Motorsports line of products.

Dec 1999 Listing of APM shares on the Kuala Lumpur Stock Exchange.



SHAREHOLDERS' STATISTICS

as at 31 March 2000

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

TWENTY LARGEST SHAREHOLDERS

	No. of Shares Held	%
1. Parasand Limited	40,320,000	20.0000
2. Tan Chong Consolidated Sdn Bhd	19,539,999	9.6924
3. CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chong Consolidated Sdn Bhd	15,000,000	7.4405
4. The Central Depository (Pte) Limited	14,045,374	6.9670
5. Mayban Nominees (Tempatan) Sdn Bhd Tan Chong Consolidated Sdn Bhd (N14011984860)	6,750,000	3.3482
6. Cartaban Nominees (Asing) Sdn Bhd Daiwa Securities SB Capital Markets Co. Ltd. for Nissan Motor Co. Ltd.	5,599,998	2.7778
7. Permodalan Nasional Berhad	5,000,000	2.4802
8. Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	5,000,000	2.4802
9. Lembaga Tabung Haji	3,709,450	1.8400
10. Malaysian Assurance Alliance Berhad	3,202,000	1.5883
11. CIMSEC Nominees (Tempatan) Sdn Bhd Allied Investments Limited for Tan Chong Consolidated Sdn Bhd	3,000,000	1.4881
12. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Ahmad bin Abdullah (01-00734-000)	2,934,000	1.4554
13. Koperasi Pegawai-Pegawai Melayu Malaysia Berhad (MOCCIS)	2,873,000	1.4251
14. Employees Provident Fund Board	2,567,400	1.2735
15. Azman bin Badrillah	2,557,200	1.2684
16. Hong Leong Assurance Berhad As Beneficial Owner (Life Division)	2,200,000	1.0913
17. HSBC Nominees (Asing) Sdn Bhd DG Bank Lux for Uni EM Fernost Treuhandkonto, Luxembourg (010311)	2,087,600	1.0355
18. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Azman bin Badrillah (01-00736-000)	2,000,000	0.9921
19. Bank Kerjasama Rakyat Malaysia Berhad Pledged Securities Account for Yayasan Islam Perlis	2,000,000	0.9921
20. Cartaban Nominees (Asing) Sdn Bhd Clydesdale Bank Glasgow for Scottish Mutual Far Eastern Unit Trust	1,838,000	0.9117
	142,224,021	70.5476

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares held	%
1 - 499	6,101	48.941	1,396,757	0.6928
500 - 5000	5,377	43.133	9,496,896	4.7108
5,001 - 10,000	476	3.818	3,879,193	1.9242
10,001 - 100,000	406	3.257	11,764,304	5.8355
100,001 - 1,000,000	80	0.642	24,631,429	12.2180
Above 1,000,000	26	0.209	150,431,421	74.6187
	12,466	100.000	201,600,000	100.0000

SUBSTANTIAL SHAREHOLDERS (per register of Substantial Shareholders)

	No. of Shares Held	%
1. Parasand Limited	40,320,000	20.0000
2. Tan Chong Consolidated Sdn Bhd	45,639,999	22.6389
3. Nissan Motor Co Limited	5,599,998	2.7778
4. Permodalan Nasional Berhad	5,000,000 #	2.4802
5. Skim Amanah Saham Bumiputera	5,000,000	2.4802

* Dato' Tan Kim Hor, Dato' Tan Heng Chew, Dr. Tan Ban Leong, Messrs. Tan Beng Keong, Tan Boon Pun, Tan Eng Soon, Tan Hoe Pin, Dr. Tan Kang Leong and Mr. Tan Kheng Leong are deemed interested in the shares held by Tan Chong Consolidated Sdn Bhd ("TCC") and Parasand Limited by virtue of Section 6A of the Companies Act, 1965 and consequently, are substantial shareholders of APM Automotive Holdings Berhad.

Yayasan Pelaburan Bumiputera is deemed to have an indirect interest in the shares through its shareholding of 100% less one share in Permodalan Nasional Berhad, by virtue of Section 6A of the Companies Act, 1965.

AUDIT COMMITTEE

TERMS OF REFERENCE

1. Membership

The Audit Committee shall be appointed by the Board amongst the Directors of the Company and shall consist of not less than 3 members, a majority of whom shall be Non-executive Directors. A quorum shall be 2 members.

The Chairman of the Audit Committee shall be appointed by the members of the Committee and must be a Non-executive Director.

2. Attendance at Meetings

The Finance Director and Head of Internal Audit shall attend Audit Committee meetings.

The external Auditor or his representative has the right to appear and be heard at any meeting of the Audit Committee. The external Auditor shall appear before the Audit Committee when required to do so by the Committee.

The Audit Committee shall meet with the external Auditor without any officers of the Company present once a year.

The Company Secretary shall be the Secretary of the Audit Committee.

3. Frequency of Meetings

Audit Committee meetings shall be held not less than three times a year.

The external Auditor may request an Audit Committee meeting if he considers that one is necessary. The Chairman of the Audit Committee, upon the request of the external Auditor, shall convene a meeting of the Audit Committee to consider any matters the external Auditor believes should be brought to the attention of the Directors or Shareholders.

4. Reporting Procedures

The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

5. Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

6. Duties & Responsibilities

The following are the duties and responsibilities of the Audit Committee:

- To consider the appointment of the external Auditor, the audit fee and any questions of resignation or dismissal;
- To discuss with the external Auditor before the audit commences the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
- To review quarterly and annual financial statements before submission to the Board focusing particularly on:
 - any changes in accounting policies and practices
 - major judgemental areas
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with stock exchange and legal requirements
- To discuss problems and reservations arising from the interim and final audits, and any matters the external Auditor may wish to discuss (in the absence of management, if necessary);
- To review the internal audit programme, consider the major findings of internal audit investigations and management's response and ensure co-ordination between the internal and external Auditors;
- To keep under review the effectiveness of internal control systems and in particular, review the external Auditor's management letter and management's response; and
- To consider other matters as may be agreed to by the Audit Committee and the Board of Directors.



Financial Statements

for the year ended 31 December 1999

Directors' Report	18
Statutory Declaration	23
Report of the Auditors to the Members	24
Balance Sheets	25
Profit and Loss Accounts	26
Balance Sheet (in US\$ equivalent)	27
Profit and Loss Account (in US\$ equivalent)	28
Consolidated Cash Flow Statement	29
Notes to the Accounts	31

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts of the Group and the Company for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are stated in Note 22 to the accounts. There have been no significant changes in the nature of these activities during the year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year after taxation	34,335	6,992
Minority interest	170	-
Profit attributable to members of the company	34,505	6,992
Unappropriated profits brought forward	178,791	-
Profits available for appropriation	213,296	6,992
Appropriations:		
Proposed dividend	(6,048)	(6,048)
Dividend paid by subsidiary companies to former holding company	(145,000)	-
Unappropriated profits carried forward	62,248	944

As explained in Note 26 to the accounts, the unappropriated profit brought forward for the Group is arrived at based on the aggregate of the unappropriated profits of all the subsidiary companies as shown in the balance sheets of the companies as at 31 December 1998.

DIVIDEND

An amount of RM145,000,000 was paid to Tan Chong Motor Holdings Berhad ("TCMH") by way of dividends by certain subsidiary companies of the Group prior to the reorganisation and demerger of the Autoparts Division of TCMH Group. For a definition of terms please refer to TCMH's Circular To Shareholders dated 29 September 1999. Apart from the payment of dividends by certain subsidiary companies to TCMH, no other dividends were paid during the year.

The directors recommend a final dividend of 3%, tax exempt, amounting to RM6,048,000, which remains payable at the end of the financial year.

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year other than those disclosed in the accounts.

DIRECTORS OF THE COMPANY

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

Dato' Tan Heng Chew (resigned on 27.9.1999; re-appointed on 1.11.1999)
Koo Sian Chu (appointed on 25.9.1999)
Dato' Tan Kim Hor (appointed on 1.11.1999)
Ahmad Abdullah (appointed on 1.11.1999)
Azman Badrillah (appointed on 1.11.1999)
Tan Eng Soon (appointed on 1.11.1999)
Dato' Haji Kamaruddin @ Abas Nordin (appointed on 1.11.1999)
Tan Eng Hwa (appointed on 1.11.1999)
Dato' N. Sadasivan s/o N.N. Pillay (appointed on 1.11.1999)
Tan Eng Guan (resigned on 1.11.1999)

The shareholdings in the Company of those who were directors at year end are as follows:-

Name	Balance at 1.1.1999	Ordinary shares of RM1.00 each		Balance at 31.12.1999
		Bought	Sold	
Dato' Tan Heng Chew				
- direct interest	-	3,849	-	3,849
- deemed interest	-	85,959,999	-	85,959,999
Koo Sian Chu				
- direct interest	-	15,000	-	15,000
Dato' Tan Kim Hor				
- direct interest	-	461,225	-	461,225
- deemed interest	-	85,959,999	-	85,959,999
Azman Badrillah				
- direct interest	-	2,151,200	(1,127,000)	1,024,200
Tan Eng Soon				
- direct interest	-	210,000	-	210,000
- deemed interest	-	85,959,999	-	85,959,999
Dato' Haji Kamaruddin @ Abas Nordin				
- direct interest	-	25,448	-	25,448
Tan Eng Hwa				
- direct interest	-	669,908	-	669,908

None of the other directors held or dealt in the shares of the Company during the year.

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

Dato' Tan Kim Hor who is over the age of seventy years, retires under Section 129 of the Companies Act, 1965 and seeks re-appointment under the provision of Section 129 (6) of the said Act to hold office until the next Annual General Meeting.

DIRECTORS' REPORT

(continued)

In accordance with Article 79 of the Company's Articles of Association, Dato' Tan Heng Chew, Koo Sian Chu, Ahmad Abdullah, Azman Badrillah, Tan Eng Soon, Dato' Haji Kamaruddin @ Abas Nordin, Tan Eng Hwa and Dato' N. Sadasivan s/o N.N. Pillay who were appointed during the year retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

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

There were no arrangements during and at the end of the year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the allocation by the Ministry of International Trade and Industry ("MITI") to the following directors of the Company to purchase ordinary shares of RM1 each in the Company held by TCMH at at RM1.74 per ordinary share as follows:-

Name	Number of shares of RM1 each		
	Allocated and accepted	Purchased from TCMH	Balance at 31.12.1999
Ahmad Abdullah	13,235,000	-	13,235,000
Azman Badrillah	13,235,000	(2,150,000)	11,085,000
Dato' Haji Kamaruddin @ Abas Nordin	1,000,000	(25,000)	975,000
	27,470,000	(2,175,000)	25,295,000

As a condition for the listing of the Company on the Kuala Lumpur Stock Exchange, TCMH was required to dispose of 30% or 60,480,000 shares in the Company to Bumiputera investors approved by MITI.

The arrangement was undertaken pursuant to the reorganisation and demerger of the Autoparts Division of TCMH Group. As at 31 December 1999, 9.7% of the equity interest in the Company has been disposed by TCMH to Bumiputera investors approved by MITI.

SIGNIFICANT EVENTS DURING THE YEAR

The following were the significant events during the year:

The Company was a wholly owned subsidiary company of TCMH Group prior to the reorganisation and demerger of the Autoparts Division of TCMH Group ("TCMH Scheme"), the details of which were set out in TCMH's Circular To Shareholders dated 29 September 1999.

In October 1999, the Company acquired the entire equity interest of the companies comprising the Autoparts Division of TCMH for a total purchase consideration of RM201,599,999 pursuant to the Autoparts Scheme which was an integral part of the TCMH Scheme. The purchase consideration was satisfied by the granting of rights to allotment ("RTAs") of 201,599,999 ordinary shares of RM1.00 each in the Company to TCMH to be credited on issue as fully paid.

Subsequently, the Company and its subsidiary companies demerged from TCMH and the entire issued and paid up share capital of the Company comprising 201,600,000 ordinary shares of RM1.00 each were listed on the Main Board of the Kuala Lumpur Stock Exchange on 15 December 1999.

The details of the subsidiary companies acquired are stated in Note 22 to the accounts.

ISSUE OF SHARES

Pursuant to the TCMH Scheme which was approved by the shareholders of TCMH in an Extraordinary General Meeting held on 14 October 1999, the Company:

- (i) consolidated its ordinary shares of RM0.50 each to RM1.00 each,
- (ii) increased its authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each to RM300,000,000 comprising 300,000,000 ordinary shares of RM1.00 each, by the creation of 299,900,000 ordinary shares of RM1.00 each,
- (iii) increased its paid-up share capital of RM1.00 comprising 1 ordinary share of RM1.00 to RM201,600,000 comprising 201,600,000 ordinary shares of RM1.00 each by the issuance of 201,599,999 ordinary shares of RM1.00 each.

OPTIONS GRANTED OVER UNISSUED SHARES AND DEBENTURES

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

OTHER STATUTORY INFORMATION

Before the accounts 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) all current assets have been stated at the lower of cost and net realisable value.

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

- i) that would render the amount written off as bad debts or the amount of the 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 accounts 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 accounts, that would render any amount stated in the accounts 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.

DIRECTORS' REPORT

(continued)

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

In the opinion of the directors:

- i) the results of the operations of the Group and of the Company for the financial year ended 31 December 1999 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, and
- ii) the accounts of the Group and of the Company set out on pages 25 to 47, except for pages 27 and 28 which are expressed in US\$, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 1999 and of the results of their operations and cash flows of the Group for the year ended on that date.

AUDITORS

The retiring auditors, Messrs KPMG (formerly known as KPMG Peat Marwick), have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors:

DATO' TAN HENG CHEW
Chairman

KOO SIAN CHU
Executive Director

Kuala Lumpur,
3 April 2000

STATUTORY DECLARATION

I, KOO SIAN CHU, being the director primarily responsible for the financial management of APM AUTOMOTIVE HOLDINGS BERHAD, do solemnly and sincerely declare that the accounts set out on pages 25 to 47, except for pages 27 and 28 which are expressed in US\$, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
KOO SIAN CHU at Kuala Lumpur in the Federal Territory
this 3rd day of April 2000.

Before me:

MOHD. RADZI BIN YASIN

No. W327

Commissioner for Oaths

(Pesuruhjaya Sumpah)

Kuala Lumpur

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts set out on pages 25 to 47, except for pages 27 and 28 which are expressed in US\$. The preparation of the accounts is the responsibility of the Company's directors. Our responsibility is to express an opinion on the accounts based on our audit.

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

Without qualifying our opinion, we draw attention to the following:

During the last financial year, as explained in Note 21, the Company and its subsidiary companies were principally held as individually wholly owned subsidiary companies of TCMH. During the year due to the TCMH Group reorganisation, the wholly owned subsidiary companies in the Autoparts Division were regrouped under the Company as the holding company. Subsequently the Company and its subsidiaries were demerged from TCMH Group.

In order to show the Group's financial position for the previous year, the comparative figures for the Consolidated Balance Sheet and Consolidated Profit and Loss Account have been prepared on a proforma combined basis based on the audited accounts of the Company and its subsidiary companies for the year ended 31 December 1998, and on the premise that the merger took place before 1 January 1998, after adjusting for those transactions as explained in Note 24 to the accounts.

In our opinion:

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company at 31 December 1999 and of the results of their operations and cash flows of the Group for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts of the Group and of the Company;

and

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

The subsidiary companies of which we have not acted as auditors are identified in Note 22 to the accounts and we have considered their accounts and the auditors' reports thereon.

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

The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment under sub-section (3) of Section 174 of the Act.

KPMG

Firm Number: AF 0758
Public Accountants

Kuala Lumpur,
3 April 2000

JIMMY LEOW MIN FONG

Partner
Approval Number: 595/03/02(J/PH)

BALANCE SHEETS

at 31 December 1999

	Note	Group		Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
FIXED ASSETS	3	127,817	100,549	-	-
SUBSIDIARY COMPANIES	4	-	-	222,430	-
ASSOCIATED COMPANIES	5	3,927	3,227	-	-
INTANGIBLE ASSETS	6	1,313	448	956	2
CURRENT ASSETS					
Stocks	7	110,803	105,366	-	-
Debtors	8	121,433	120,467	-	-
Amount due from subsidiary companies	4	-	-	24,322	-
Amount due from associated company	5	1,551	1,395	-	-
Dividend receivable		-	-	7,000	-
Cash and bank balances	9	19,044	23,859	1,202	-
		252,831	251,087	32,524	-
CURRENT LIABILITIES					
Creditors	10	114,945	69,429	1,056	2
Amount due to subsidiary companies	4	-	-	27,410	-
Short term borrowings (unsecured)	11	8,067	1,928	-	-
Term loans	12	-	1,464	-	-
Taxation		1,776	14,088	-	-
Proposed dividend		6,048	50,000	6,048	-
		130,836	136,909	34,514	2
NET CURRENT ASSETS/(LIABILITIES)		121,995	114,178	(1,990)	(2)
		255,052	218,402	221,396	-
SHARE CAPITAL					
RESERVES	14	44,853	184,114	19,796	-
SHAREHOLDERS' FUNDS		246,453	209,924	221,396	-
MINORITY INTEREST		-	610	-	-
DEFERRED LIABILITIES					
Grant income	15	2,296	1,556	-	-
Term loans	12	-	1,084	-	-
Retirement benefits		5,197	4,256	-	-
Deferred taxation	16	812	782	-	-
HP Creditors	10	294	190	-	-
		255,052	218,402	221,396	-

The notes set out on pages 31 to 47 form an integral part of, and should be read in conjunction with, these accounts.

PROFIT AND LOSS ACCOUNTS

for the year ended 31 December 1999

	Note	Group		Company	
		1999 RM'000	Proforma 1998 RM'000	1999 RM'000	1998 RM'000
Turnover	2.10	428,844	231,642	7,011	-
Operating profit	17	30,689	5,586	6,992	-
Share of profit of associated companies		380	831	-	-
Profit before taxation		31,069	6,417	6,992	-
Taxation	18	3,266	1,636	-	-
Profit after taxation		34,335	8,053	6,992	-
Minority interest		170	83	-	-
Profit attributable to members of the Company		34,505	8,136	6,992	-
Unappropriated profits brought forward		178,791	226,328	-	-
		213,296	234,464	6,992	-
Appropriations:					
Proposed dividend	19	(6,048)	-	(6,048)	-
Dividends paid by subsidiary companies to former holding company		(145,000)	(55,673)	-	-
Unappropriated profits carried forward	14.1	62,248	178,791	944	-
Unappropriated profits retained in:-					
Company		944	-		
Subsidiary companies		58,966	176,833		
Associated companies		2,338	1,958		
		62,248	178,791		
Earnings per share (sen)	20	17.1	31.5		

The notes set out on pages 31 to 47 form an integral part of, and should be read in conjunction with, these accounts.

BALANCE SHEET

as at 31 December 1999

(in US\$ equivalent)

	1999 US\$'000	Group Proforma 1998 US\$'000
FIXED ASSETS	33,725	26,530
ASSOCIATED COMPANIES	1,036	852
INTANGIBLE ASSETS	346	118
CURRENT ASSETS		
Stocks	29,236	27,801
Debtors	32,040	31,786
Amount due from associated company	409	368
Cash and bank balances	5,025	6,295
	66,710	66,250
CURRENT LIABILITIES		
Creditors	30,328	18,319
Short term borrowings (unsecured)	2,128	509
Term loans	-	386
Taxation	469	3,717
Proposed dividends	1,596	13,193
	34,521	36,124
NET CURRENT ASSETS	32,189	30,126
SHARE CAPITAL	53,193	6,810
RESERVES	11,835	48,579
SHAREHOLDERS' FUNDS	65,028	55,389
MINORITY INTEREST	-	161
DEFERRED LIABILITIES		
Grant income	606	411
Term loans	-	286
Retirement benefits	1,371	1,123
Deferred taxation	214	206
HP Creditors	77	50
	67,296	57,626

The information contained on this page does not form part of the audited accounts of the Group. Figures for both 1999 and 1998 into US Dollar equivalent using the same exchange rate of RM3.79=US\$1.00, which approximates that prevailing on 31.12.1999.

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

(in US\$ equivalent)

	Group 1999 US\$'000	Proforma 1998 US\$'000
Turnover	113,151	61,119
Operating profit	8,098	1,474
Share of profit of associated companies	100	219
Profit before taxation	8,198	1,693
Taxation	862	432
Profit after taxation	9,060	2,125
Minority interest	45	22
Profit attributable to members of the Company	9,105	2,147
Unappropriated profits brought forward	47,174	59,717
	56,279	61,864
Appropriations:		
Proposed dividend	(1,596)	-
Dividends paid by subsidiary companies to former holding company	(38,259)	(14,690)
Unappropriated profits carried forward	16,424	47,174
Unappropriated profits retained in:-		
Company	249	-
Subsidiary companies	15,558	46,658
Associated companies	617	516
	16,424	47,174
Earnings per share (cents)	4.51	8.31

The information contained on this page does not form part of the audited accounts of the Group. Figures for both 1999 and 1998 into US Dollar equivalent using the same exchange rate of RM3.79=US\$1.00, which approximates that prevailing on 31.12.1999.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 1999

	1999 RM'000	1998 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,069	6,417
Adjustments for:		
Bad debts written off	-	1,060
Amortisation of goodwill	100	38
Depreciation and amortisation of fixed assets	16,034	17,367
Gain on disposal of fixed assets	(25)	(25)
Interest expenses	1,044	871
Interest income	(1,994)	(4,858)
Provision for doubtful debts	783	(3,627)
Bad debts recovered	(1,207)	(2)
Provision for retirement benefit	941	446
Provision for royalties	706	508
Provision for sales promotion	330	-
Provision for slow moving stocks	5,003	7,909
Share of profit of associated companies	(380)	(831)
Merger debit	(41,664)	-
Amortisation of deferred income	(220)	(646)
Operating profit before working capital changes	10,520	24,627
(Increase)/Decrease in stocks	(10,440)	17,386
(Increase)/Decrease in trade debtors	(49,191)	72,227
Decrease in other debtors	48,649	2,404
Increase/(Decrease) in trade creditors	31,153	(24,341)
Increase/(Decrease) in other creditors	13,431	(21,912)
Cash generated from operations	44,122	70,391
Taxation paid	(9,016)	(21,277)
Interest paid	(1,044)	(871)
Retirement benefits paid	-	(520)
Interest received	1,994	4,858
Grant income received	960	2,202
Net cash inflows from operating activities	37,016	54,783
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional deferred expenditure incurred	(965)	(466)
Purchase of fixed assets	(44,325)	(17,237)
Proceeds from disposal of fixed assets	802	202
Investment in associated companies	(320)	-
Minority interest acquired	(440)	-
Net cash used in investing activities	(45,248)	(17,501)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 1999 (continued)

	1999 RM'000	1998 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	(195,000)	(5,673)
Repayment of term loans	(2,548)	(1,464)
Issuance of shares	194,642	-
Amount due from associate companies	(156)	(1,287)
Net cash outflows from financing activities	(3,062)	(8,424)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(11,294)	28,858
EXCHANGE DIFFERENCE	340	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21,931	(6,927)
CASH AND CASH EQUIVALENTS AT END OF YEAR	10,977	21,931
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	19,044	23,859
Short term borrowings	(8,067)	(1,928)
	10,977	21,931

The notes set out on pages 31 to 47 form an integral part of, and should be read in conjunction with, these accounts.

NOTES TO THE ACCOUNTS

31 December 1999

1. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are stated in Note 22 to the accounts. There have been no significant changes in the nature of these activities during the year.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain land and buildings in subsidiary companies, and in compliance with approved accounting standard in Malaysia except for the non-inclusion of an additional disclosure requirement as follows:-

<u>IAS</u>	<u>Title</u>	<u>Additional disclosure requirement not included</u>
2	Inventories	Cost of goods sold

2.2 Basis of Consolidation

The directors consider that it is appropriate that the accounts of the Company and its subsidiary companies should be consolidated using the merger method of accounting on the ground that other than the regrouping of the Autoparts Division companies into the Company pursuant to the reorganisation and demerger of the Autoparts Division from TCMH Group, in substance, there were no changes in the operations and business of the companies of the Autoparts Division.

Under the merger method of accounting, the results of the subsidiary companies are included in the consolidated accounts on the basis that the combined Group had been together throughout the current and previous financial years.

The excess of the acquisition cost over the nominal value of the share capital of the subsidiary companies acquired is termed as "merger debit" and is included in the Group's reserves.

All intercompany balances and transactions have been eliminated on consolidation.

2.3 Depreciation

Leasehold land is amortised over the period of the lease which ranges from 25 years to 99 years. All other fixed assets are depreciated on a straight line basis to write off the cost or valuation of each asset over its estimated useful life.

The following annual depreciation rates are used by the Group:-

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

Work in progress comprises land development cost for which no depreciation is provided.

NOTES TO THE ACCOUNTS

31 December 1999 (continued)

2.3 Depreciation (continued)

It is the Group policy to state fixed assets at cost. Revaluation of certain properties in 1984 was carried out primarily for the purpose of issuing bonus shares then in TCMH and was not intended to effect a change in the accounting policy to one of revaluation of properties.

The directors are of the opinion that the current market price of the revalued freehold land and buildings are not less than their net book value as at 31 December 1999. The Company is following the transitional provision to International Accounting Standard No. 16 Property, Plant and Equipment as approved by the Malaysian Accounting Standards (MASB). The transitional provision allows the Company to retain the carrying amounts of the revalued assets on the basis of their previous revaluations subject to continuity in their depreciation policy and the requirement to write an asset down to its recoverable amount. Accordingly, the above valuations have not been updated.

2.4 Deferred Taxation

Provision for deferred taxation is made under the liability method in respect of all material timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

2.5 Foreign Currencies

Assets and liabilities in foreign currencies are translated at exchange rates approximating those ruling at balance sheet date or at contracted rates where applicable. Transactions in foreign currencies during the year have been translated at rates approximate to those prevailing on the transaction dates. Exchange differences arising from translations are included in the operating results of the year.

On consolidation, the assets and liabilities of foreign incorporated subsidiary companies are translated into Ringgit Malaysia at the exchange rates approximating those ruling at balance sheet date whilst the operating results are translated into Ringgit Malaysia at the average rates of exchange for the year. The resulting difference arising from such translation is taken to the Exchange Adjustment Account.

2.6 Stocks

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

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

Cost of trading stocks is determined on a weighted average basis.

Work-in-progress includes direct materials, labour and production overheads.

2.7 Intangible Assets

- (i) Incorporation expenses incurred are classified as preliminary expense while expenses incurred subsequent to the date of incorporation but before commencement of operation are classified as pre-operating expenses. Both preliminary and pre-operating expenses will be amortised to the profit and loss account over five(5) years commencing from the first year of operations.
- (ii) Listing expenses incurred are deferred and amortised over a period of three(3) years commencing from 1 January 2000.
- (iii) Goodwill arising from the acquisition of a business from the joint venture partner is amortised over a period of five(5) years.
- (iv) Pre-production expenses are written off upon commencement of operations.

2.8 Associated Companies

An associated company is defined as a company, not being a subsidiary company, in which the Group has a substantial interest (not less than 20% of the equity) and in whose financial and operating policy decisions the Group exercises significant influence.

Investment in associated companies is stated at cost. Provision is made for any permanent diminution in value of the investment.

The Group's share of profits less losses of associated companies is included in the consolidated profit and loss account while the Group's share of post-acquisition retained profits and reserves is added to the carrying value of the investment in the consolidated balance sheet.

2.9 Deferred Grant Income

Grant income from the World Bank arise from the installation of machinery for environment 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.

2.10 Turnover

The turnover of the Company comprises management fees income and gross dividends.

The turnover of the Group comprises the invoiced value of sales (including government duties and taxes) less returns and discounts.

2.11 Year 2000 Compliance Cost

Year 2000 compliance costs are expensed off to the Profit and Loss Account as and when they are incurred. When the cost incurred represents an enhancement to the hardware and software systems, these cost are capitalised.

2.12 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term, highly liquid investments with original maturity period of no more than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the cashflow statement, cash and cash equivalents are presented net of overdraft, if any.

NOTES TO THE ACCOUNTS

31 December 1999 (continued)

3. FIXED ASSETS

Group	At 1.1.1999 RM'000	Additions RM'000	Disposals RM'000	Transfer (out)/in RM'000	Foreign exchange adjustment RM'000	At 31.12.1999 RM'000
Valuation/Cost						
Building	22,055	19,255	-	(11)	-	41,299
Long leasehold land	32,597	8,707	-	-	-	41,304
Plant, machinery and equipment	139,858	14,258	(2,160)	692	92	152,740
Motor vehicle	5,149	566	(752)	-	(5)	4,958
Furniture, fittings and office equipment	11,070	834	(366)	11	(220)	11,329
Work in-progress	134	705	-	(692)	-	147
	210,863	44,325	(3,278)	-	(133)	251,777

	Cost RM'000	1984 Valuation RM'000	At 31.12.1999 RM'000
Representing:			
Building	34,649	6,650	41,299
Long leasehold land	24,567	16,737	41,304
Plant, machinery and equipment	152,740	-	152,740
Motor vehicle	4,958	-	4,958
Furniture, fittings and office equipment	11,329	-	11,329
Work in-progress	147	-	147
	228,390	23,387	251,777

	At 1.1.1999 RM'000	Charge for the year RM'000	Disposals RM'000	Transfer (out)/in RM'000	Foreign exchange adjustment RM'000	At 31.12.1999 RM'000
Accumulated depreciation						
Building	5,917	761	-	(8)	-	6,670
Long leasehold land	2,058	553	-	-	-	2,611
Plant, machinery and equipment	91,575	12,864	(1,547)	-	79	102,971
Motor vehicle	3,421	648	(630)	-	44	3,483
Furniture, fittings and office equipment	7,343	1,208	(324)	8	(10)	8,225
Work in-progress	-	-	-	-	-	-
	110,314	16,034	(2,501)	-	113	123,960

3. **FIXED ASSETS** (continued)

	Net book value		Depreciation charge
	1999	1998	for the year ended
	RM'000	RM'000	31 December 1998
			RM'000
Building	34,629	16,138	710
Long leasehold land	38,693	30,539	554
Plant machinery and equipment	49,769	48,283	13,844
Motor vehicle	1,475	1,728	878
Furniture, fittings and office equipment	3,104	3,727	1,381
Work in-progress	147	134	-
	127,817	100,549	17,367

The long term leasehold land and buildings were revalued in 1984 based on a valuation on the existing use basis by an independent professional valuer.

The net book value of the revalued fixed assets had they been stated at cost less accumulated depreciation calculated on original cost as required by International Accounting Standard (IAS) No. 16 on "Property, Plant and Equipment" is not shown as the records are not available since the revaluation was done in 1984.

4. **SUBSIDIARY COMPANIES**

	Company	
	1999	1998
	RM'000	RM'000
Unquoted shares, at cost	222,430	-
Amount due from subsidiary companies	24,322	-
Amount due to subsidiary companies	(27,410)	-
	(3,088)	-

Details of the subsidiary companies are shown in Note 22 to the accounts.

Amounts due to/from subsidiary companies are unsecured and are subject to interest at negotiated rates.

NOTES TO THE ACCOUNTS

31 December 1999 (continued)

5. ASSOCIATED COMPANIES

	Group	
	1999 RM'000	1998 RM'000
Unquoted shares, at cost	1,589	1,269
Share of retained profits	2,338	1,958
	3,927	3,227
Amount due from associated companies	1,551	1,395

Details of the associated companies are shown in Note 22 to the accounts.

Amount due from associated companies are unsecured and are subject to interest at negotiated rates.

6. INTANGIBLE ASSETS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
At cost:				
Pre-operating expenses	5	-	2	2
Pre-production expenses	-	24	-	-
Listing expenses	954	-	954	-
Goodwill arising from acquisition of business	492	462	-	-
	1,451	486	956	2
Less: Accumulated amortisation	(138)	(38)	-	-
	1,313	448	956	2

7. STOCKS

	Group	
	1999 RM'000	1998 RM'000
Raw materials	57,579	57,412
Work-in-progress	12,546	4,434
Finished goods and trading stocks	45,483	56,067
Spare parts and others	17,592	4,847
	133,200	122,760
Provision for slow moving stocks	(22,397)	(17,394)
	110,803	105,366

8. DEBTORS

	Group	
	1999 RM'000	1998 RM'000
Trade debtors (less provision for doubtful debts of RM5,843,000; 1998 - RM6,267,000)	113,467	63,852
Other debtors, deposits and prepayment	7,966	56,615
	121,433	120,467

Included in trade debtors and other debtors are amounts totalling RM11,351,741 and RM324,754 (1998 : RM4,343,792 and RM28,617,740) owing from certain companies of the TCMH and WTCH Group respectively.

TCMH and WTCH Group refers to the companies in the Tan Chong Motor Holdings Berhad Group ("TCMH Group") and Warisan TC Holdings Berhad ("WTCH Group") respectively. The WTCH Group was previously subsidiary companies of the TCMH Group.

The amount owing by TCMH and WTCH Group which have been included under other debtors are unsecured and are subject to interest at negotiated rates.

9. CASH AND BANK BALANCES

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Deposits with licensed banks	11,444	14,187	1,200	-
Other financial institutions	7,600	9,672	2	-
	19,044	23,859	1,202	-

10. CREDITORS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Trade creditors	65,667	34,514	-	-
Others creditors and accruals	49,147	34,875	1,056	2
HP Creditors-due within 12 months	131	40	-	-
	114,945	69,429	1,056	2
HP Creditors-due after 12 months	294	190	-	-

Included in trade creditors and other creditors are amounts totalling RM27,016,373 (1998 - RM62,335,203) and owing to certain companies of the TCMH Group.

The amount owing by TCMH and WTCH Group which have been included under other debtors are unsecured and are subject to interest at negotiated rates.

NOTES TO THE ACCOUNTS

31 December 1999 (continued)

11. SHORT TERM BORROWINGS (UNSECURED)

	Group	
	1999 RM'000	1998 RM'000
Bills payable	2,767	1,812
Bank overdrafts	2,921	116
Revolving credit	2,379	-
	8,067	1,928

Interest levied on short term borrowings ranged from 5% to 13% per annum.

12. TERM LOANS (UNSECURED)

	Group	
	1999 RM'000	1998 RM'000
Repayable within one year	-	1,464
Repayable after one year	-	1,084
	-	2,548

The term loan bears interest at 1.5% above the lender's base lending and is repayable in thirty-six equal monthly instalment of RM122,000 each which commenced on 4 September 1997 with a final instalment of RM108,000.

13. SHARE CAPITAL

	1999 RM'000	1998 RM'000
Authorised:		
Ordinary shares of RM0.50 each		
Balance at 1 January	100	100
Consolidation into ordinary shares of RM1.00 each	(100)	-
Balance at 31 December	-	100
Ordinary shares of RM1.00 each		
Balance at 1 January	-	-
Consolidation into ordinary shares of RM1.00 each	100	-
Created during the year - 299,900,000 new ordinary shares	299,900	-
Balance at 31 December	300,000	-

13. SHARE CAPITAL (continued)

	1999 RM'000	1998 RM'000
Issued and fully paid:		
Ordinary shares of RM0.50 each		
Balance at 1 January	*	*
Consolidation of two (2) subscribers' shares of RM0.50 each to one (1) share of RM1.00 each	*	-
Balance at 31 December	-	*
Ordinary shares of RM1.00 each		
Balance at 1 January	-	-
Consolidation of two (2) subscribers' shares of RM0.50 each to one (1) share of RM1.00 each	**	-
Issued during the year - 201,599,999 new ordinary shares	201,600	-
Balance at 31 December	201,600	- #

The movements in the share capital of the Company were due to the reorganisation and demerger of the Autoparts Division of TCMH as explained in Note 21 to the accounts.

* Share capital of RM1.00 which comprises two (2) ordinary shares of RM0.50 each.

** Share capital of RM1.00 which comprises one (1) ordinary share of RM1.00 each.

For the purpose of the proforma comparative figures, it was assumed that the Group has a paid-up share capital of RM25,810,000 which was the aggregate share capital of all the subsidiary companies as at 31 December 1998.

14. RESERVES

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Unappropriated profits (Note 14.1)	62,248	178,791	944	-
Capital Reserve (Note 14.2)	5,447	5,447	-	-
Exchange Reserve (Note 14.3)	(30)	(124)	-	-
Share Premium Reserve (Note 14.4)	18,852	-	18,852	-
Merger Debit	(41,664)	-	-	-
Total	44,853	184,114	19,796	-

NOTES TO THE ACCOUNTS

31 December 1999 (continued)

14.1 Unappropriated profits

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Distributable:				
Balance at 1 January	178,791	226,328	-	-
Profit during the year	34,505	8,136	6,992	-
Dividends	(151,048)	(55,673)	(6,048)	-
Balance at 31 December	62,248	178,791	944	-

14.2 Capital Reserve

	Group	
	1999 RM'000	1998 RM'000
Surplus on revaluation of properties - non distributable	5,447	5,447

14.3 Exchange Reserve

	Group	
	1999 RM'000	1998 RM'000
Non-distributable		
Arising from translation of foreign subsidiary companies:		
Balance at 1 January	(124)	-
Net amount from exchange adjustment	94	(124)
Balance at 31 December	(30)	(124)

14.4 Share Premium Reserve

	Group/Company	
	1999 RM'000	1998 RM'000
Non-distributable:		
Balance at 1 January	-	-
Premium on share, issued during the year	18,852	-
Balance at 31 December	18,852	-

Subject to agreement with the Inland Revenue Board, the Company has sufficient tax exempt income to frank the payment of dividends out of all its unappropriated profits as at 31 December 1999.

15. DEFERRED GRANT INCOME

	Group	
	1999 RM'000	1998 RM'000
Balance at 1 January	2,202	-
Received during the year	960	2,202
	3,162	2,202
Cumulative amortisation	(866)	(646)
Balance at 31 December	2,296	1,556

16. DEFERRED TAXATION

	Group	
	1999 RM'000	1998 RM'000
At 1 January	782	782
Transferred from profit and loss account	30	-
At 31 December	812	782

17. OPERATING PROFIT

Operating profit for the Group and the Company is arrived at after charging/(crediting):

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Auditors remuneration	127	95	-	-
Depreciation of fixed assets	16,034	17,367	-	-
Director's remuneration:				
- fees	52	48	4	-
- emoluments	702	586	-	-
- benefits-in-kind	29	29	-	-
Term loan interest	155	391	-	-
Interest expense	889	480	-	-
Amortisation of goodwill	100	38	-	-
Bad debts written off	-	1,060	-	-
Provision for doubtful debts	783	284	-	-
Provision for sales promotion	330	-	-	-
Provision for royalties	706	508	-	-
Provision for retirement benefits	941	446	-	-
Rental of premises	4,275	1,575	-	-
Provision for slow moving stocks	5,312	8,054	-	-
Interest income	(1,994)	(4,858)	-	-
Provision for doubtful debts written back	-	(3,911)	-	-

NOTES TO THE ACCOUNTS

31 December 1999 (continued)

17. OPERATING PROFIT (continued)

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Bad debts recovered	(1,207)	(2)	-	-
Gain on disposal of fixed assets	(25)	(25)	-	-
Provision for slow moving stocks written back	(309)	(145)	-	-
Foreign exchange gain	(1)	(2,901)	-	-
Rental Income	(89)	(40)	-	-
Tax exempt dividend receivable from subsidiaries	-	-	(7,000)	-

18. TAXATION

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Current taxation - Malaysia	-	3,549	-	-
- foreign	20	22	-	-
Overprovision in prior years	(3,316)	(5,767)	-	-
	(3,296)	(2,196)	-	-
Deferred taxation (Note 16)	30	-	-	-
	(3,266)	(2,196)	-	-
Share of associated companies' taxation	-	560	-	-
	(3,266)	(1,636)	-	-

There is no Malaysian taxation charge for the current financial year in view of the tax waiver in 1999 which has been gazetted in the Income Tax Amendment (1999) Act.

The overprovision in prior years of RM3,316,000 is principally in respect of tax refund from the Inland Revenue Board received during the year.

19. PROPOSED DIVIDEND

	Group/Company	
	1999 RM'000	1998 RM'000
Proposed final dividend - 3% tax exempt (1998 -Nil)	6,048	-

20. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit after tax and minority interest of RM34,505,000 for the Group dividend by 201,600,000 ordinary shares in issue.

The calculation of earnings per share for 1998 is based on the profit after tax and minority interest of RM8,136,000 for the Group divided by 25,810,000 ordinary shares in issue. For comparable purposes, the earnings per share would have been 4.0 sen if it was calculated based on 201,600,000 ordinary shares of RM1.00 each.

21. SIGNIFICANT EVENTS DURING THE YEAR

The following are the significant events during the year:

The Company was a wholly owned subsidiary company of Tan Chong Motor Holdings Berhad ("TCMH") Group prior to the reorganisation and demerger of the Autoparts Division of TCMH Group ("TCMH Scheme"), the details of which were set out in TCMH's Circular To Shareholders dated 29 September 1999.

In October 1999, the Company acquired the entire equity interest of the companies comprising the Autoparts Division of TCMH for a total purchase consideration of RM201,599,999 pursuant to the Autoparts Scheme which was an integral part of the TCMH Scheme. The purchase consideration was satisfied by the granting of rights to allotment ("RTAs") of 201,599,999 ordinary shares of RM1.00 each in the Company to TCMH to be credited on issue as fully paid.

Subsequently, the Company and its subsidiary companies demerged from TCMH and the entire issued and paid up share capital of the Company comprising 201,600,000 ordinary shares of RM1.00 each were listed on the Main Board of the Kuala Lumpur Stock Exchange on 15 December 1999.

The details of the subsidiary companies acquired are stated in Note 22 to the accounts.

NOTES TO THE ACCOUNTS

31 December 1999 (continued)

22. SUBSIDIARY AND ASSOCIATED COMPANIES

Subsidiary companies	Principal activities	Group interest*	
		1999 %	1998 %
APM Air-Conditioners Sdn. Bhd.	Manufacture of automotive air-conditioners	100	100
APM Auto Electrics Sdn. Bhd.	Manufacture of automotive electrical components	100	100
APM Coil Springs Sdn. Bhd.	Manufacture of automotive coil springs	100	100
APM Metal Industries Sdn. Bhd.	Manufacture of automotive metal component parts	100	100
APM Plastics Sdn. Bhd.	Manufacture of PVC body side moulding and plastic parts	100	100
APM Shock Absorbers Sdn. Bhd.	Manufacture of shock absorbers and related components	100	100
APM Springs Sdn. Bhd.	Manufacture of tapered leaf springs	100	100
APM Trim Parts Sdn. Bhd.	Manufacture of vehicle interior linings	100	100
Auto Parts Holdings Sdn. Bhd.	Investment holding	100	100
Auto Parts Manufacturers Co. Sdn. Bhd.	Manufacture of automotive leaf springs, seats and radiators	100	100
Auto Parts Marketing Sdn. Bhd.	Distribution of automotive parts and accessories	100	100
KAB Otomotif Sdn. Bhd.	Property holding	100	100
Perusahaan Tilam Kereta Sdn. Bhd.	Property holding	100	100
Radiators Australia (2000) Pty. Ltd +	Distribution and assembly of automotive radiators	100	70
APM Auto Mechanisms Sdn. Bhd.	Property holding	100	100

22. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Subsidiary companies	Principal activities	Group interest*	
		1999 %	1998 %
APM Chalmers Suspensions Sdn. Bhd.	Dormant	100	100
APM Motorsport Sdn. Bhd. (formerly known as APM Communications Sdn. Bhd.)	Dormant	100	100
APM Radiators Sdn. Bhd.	Dormant	100	100
APM Tooling Centre Sdn. Bhd.	Dormant	100	100
Atsugi Parts Manufacturing Sdn. Bhd.	Dormant	100	100
Pandamaran Special Steel Sdn. Bhd.	Dormant	100	100
TC-Kinugawa Rubber Sdn. Bhd.	Dormant	100	100

Radiators Australia (2000) Pty Ltd is a company incorporated in Australia. The other subsidiary companies are incorporated in Malaysia.

+ Audited by overseas KPMG Firm

Associated companies	Principal activities	Group interest*	
		1999 %	1998 %
APM-Coachair Sdn. Bhd.	Manufacture of coach air-conditioners	50	50
APM Irwin Seating Sdn. Bhd.	Manufacture of auditorium seats	50	50
Auto Culture Supplies Sdn. Bhd.	Manufacture of seat covers	45	45
APM Components America Inc	Distribution of furniture components	50	-
APM Holdings Inc	Investment holding	50	-

APM Components America Inc and APM Holdings Inc are companies incorporated in Canada. The other associated companies are incorporated in Malaysia

* This is the proforma Group interest shown for comparative purposes on the basis that the Group has been in existence as at 31 December 1998.

NOTES TO THE ACCOUNTS

31 December 1999 (continued)

23. SIGNIFICANT TRANSACTIONS WITH RELATED COMPANIES

	Company	
	1999 RM'000	1998 RM'000
Management fees receivable	11	-
Gross dividend received	7,000	-

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

24. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Other than as disclosed in Notes 5, 8 and 10 to the accounts, the significant related party transactions are:-

	Group	
	1999 RM'000	1998 RM'000
Management fees payable to TCMH Group	12	-
Purchases from - TCMH Group	816	109
- WTCH Group	1,413	847
Sales to - TCMH Group	38,022	13,041
- WTCH Group	93	68
Interest payable to TCMH Group	554	761
Interest receivable from TCMH Group	1,493	2,576
Rental of premises from - TCMH Group	908	955
- WTCH Group	3,079	3,179
Gross dividends to TCMH Group	191,667	77,323
Commissions on policies purchased from TCMH Group	127	98

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

25. SEGMENTAL REPORTING

There is no segmental reporting prepared for the Group as all the subsidiary companies are in the similar industry and operating principally in Malaysia.

26. COMPARATIVE FIGURES

In order to show the Group's financial position for the previous year, the comparative figures for the Consolidated Balance Sheet and Consolidated Profit and Loss Account have been prepared on a proforma combined basis of the Group based on the audited accounts of the Company and its subsidiary companies for the year ended 31 December 1998, on the premise that the merger took place before 1 January 1998, after adjusting for items (i) and (ii) but excluding items (iii) and (iv) below:-

- i) Consolidation of the share capital of the Company into shares of RM1.00 each instead of share of RM0.50 each.
- ii) Re-grouping of TCMH's interest in the companies comprising the Autoparts Division under the Company based on the aggregate of the issued and paid up share capital of the subsidiary companies of RM25,810,000, their reserves, assets and liabilities and the aggregate of their results as shown in the respective companies' audited balance sheets as at 31 December 1998 and profit and loss accounts for the year ended on that date.

As part of the reorganization and demerger scheme,

- iii) Cash distributions from retained earnings of an amount of RM145,000,000 by the subsidiary companies in the Autoparts Division to TCMH and the subsequent capitalization of RM135,000,000 by TCMH, via the Company, into shares in certain of the subsidiary companies.
- iv) The purchase of a piece of property, bearing title H.S. (M) 6587, Lot 600, Mukim and District of Kelang, Port Kelang and bearing postal address Lot 600 Jalan Raja Lumu, Kawasan Perindustrian Pandamaran, 42000 Port Klang by APM Auto Mechanisms Sdn Bhd ("APMAM") from Tung Pao Sdn Bhd for a purchase consideration of RM27,800,000. The capital of APMAM was increased by an amount of RM18,000,000 in conjunction with the purchase of the property through a capital injection by TCMH via the Company.

Had transactions (iii) and (iv) been undertaken in 1998, the net tangible assets as at 31 December 1998 would have been as follows:

	RM'000
Net tangible assets per accounts of Proforma Autoparts Division as at 31 December 1998	211,032
Adjusted for the effects of:-	
i) Cash distribution	(135,000)
ii) Capitalised into certain subsidiary companies	135,000
iii) Listing expenses	(1,092)
iv) Capital injection to APMAM	18,000
Adjusted Net Tangible Assets per accounts of Proforma Group as at 31 December 1998	227,940
Number of issued and paid-up ordinary shares of RM1.00 each	201,600
Net tangible assets cover per ordinary share of RM1.00 each (RM)	1.13

GROUP PROPERTIES

Location	Description	Land Area (sq m)	Tenure/ Expiry Date	Net Book Value (RM'000)	Age of Building (years)
Lot 1 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office & warehouse	40,545	Leasehold/ 21.06.2092	12,137	2
Lot 3 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office & warehouse	42,046	Leasehold/ 21.06.2092	11,377	5
Lot 600 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	40,354	Leasehold/ 19.10.2076	27,811	13
Lot 601 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	20,234	Leasehold/ 19.10.2076	7,846	21
Lot 1621 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	22,573	Leasehold/ 6.4.2079	14,358	3
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	353	3



APM AUTOMOTIVE HOLDINGS BERHAD

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

FORM OF PROXY

I/We
of (address)

being a member/members of APM AUTOMOTIVE HOLDINGS BERHAD, hereby appoint (Name of Proxy/Proxies/Corporate Representative) ,
or failing him (name) of
(address)

or failing the abovenamed proxy/proxies/corporate representative, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Third Annual General Meeting of the Company to be held at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia, on Thursday, 25 May 2000 at 11.00 a.m., and at any adjournment thereof, as indicated below:

		For	Against
Resolution 1	Reports and Accounts		
Resolution 2	Final Dividend		
Resolution 3	Dato' Tan Kim Hor		
Resolution 4	Encik Ahmad bin Abdullah		
Resolution 5	Encik Azman bin Badrillah		
Resolution 6	Dato' Kamaruddin @ Abas bin Nordin		
Resolution 7	Mr. Koo Sian Chu		
Resolution 8	Dato' N. Sadasivan s/o N.N. Pillay		
Resolution 9	Mr. Tan Eng Hwa		
Resolution 10	Mr. Tan Eng Soon		
Resolution 11	Dato' Tan Heng Chew		
Resolution 12	Director's Fee		
Resolution 13	Auditors		

(If you wish to instruct your proxy how to vote, insert a tick 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 may think fit.)

If the member is an individual:


No of shares held:

.....
Signature Date:

If the member is a corporation:

The Common Seal of
was hereunto affixed in accordance with its
Articles of Association in the presence of

.....
Director Director/Secretary Date:



Notes to Form of Proxy:

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. In the case of a corporation, the form of proxy appointing a corporate representative must be executed under seal or under the hand of an officer or attorney duly authorised.
3. To be valid, 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.

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Affix stamp here

The Company Secretaries
APM Automotive Holdings Berhad
62-68 Jalan Ipoh
51200 Kuala Lumpur

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