

**THIS STATEMENT/ CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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**APM AUTOMOTIVE HOLDINGS BERHAD**

Registration No. 199701009342 (424838-D)  
(Incorporated in Malaysia)

**PART A**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF  
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES**

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHAREHOLDERS'  
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR  
TRADING NATURE**

The ordinary resolutions in respect of the above proposals will be tabled at the Twenty-Sixth Annual General Meeting ("26th AGM") of the Company. The date, time and venue of the 26th AGM are as follows:

Date and time of the Annual General Meeting : Thursday, 1 June 2023 at 10.30 a.m.  
Broadcast Venue : Tricor Business Centre, Gemilang Room  
Unit 29-01, Level 29, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia

The 26th AGM will be conducted virtually through live streaming from the Broadcast Venue, using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via TIIH Online website at <https://tjih.online>. The shareholders will not be allowed to attend the 26th AGM in person at the Broadcast Venue on the day of the meeting.

This Statement/ Circular together with the Notice, Form of Proxy and Administrative Notes for the 26th AGM can be downloaded from the Company's website at <http://www.apm.com.my>. The Form of Proxy should be completed and returned in accordance with the instructions therein.

Last date and time for lodging the form of proxy : **Tuesday, 30 May 2023 at 10.30 a.m.**

This Statement/ Circular is dated 28 April 2023

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## DEFINITIONS

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Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act, 2016 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
APM or Company	:	APM Automotive Holdings Berhad
APM Group	:	APM and its subsidiaries
APM Shares	:	Ordinary shares in the Company
Arm's Length	:	Price which would have been determined if such transactions are made between independent parties under the same or similar circumstances
Audit Committee	:	Audit Committee of APM, comprising Lee Min On, Dato' N. Sadasivan s/o N.N. Pillay, Dato' Chan Choy Lin and Dato' Azmil bin Mohd Zabidi, all of whom are Non-Executive Directors, with a majority of them being Independent Directors
Board	:	Board of Directors of APM
Bursa Securities	:	Bursa Malaysia Securities Berhad
Code	:	Malaysian Code on Take-Overs and Mergers 2016, including any amendment that may be made from time to time.
Director	:	The meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Shareholders' Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of APM, its subsidiary or holding company or a chief executive of APM, its subsidiary or holding company
EPS	:	Earnings per share
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 March 2023, being the latest practicable date prior to the printing of this Statement/Circular
Major Shareholder	:	A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate of those shares, is:  (i) 10% or more of the total number of voting shares in the corporation; or (ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8(4) of the Act.

In relation to the Proposed Shareholders' Mandate, a major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of APM or any other corporation which is its subsidiary or holding company.

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**DEFINITIONS** *(Cont'd)*

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NA	:	Net assets defined as net assets attributable to ordinary equity holders of the listed issuer
Proposed Share Buy-Back	:	Proposed renewal of authority for the Company to purchase its own ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company
Proposed Shareholders' Mandate	:	Proposed renewal of Shareholders' Mandate for RRPT of the APM Group as set out in this Circular
Related Party	:	Director, Major Shareholder or person connected with such Director or Major Shareholder; and "Related Parties" shall be construed accordingly
Related Party Transaction	:	Transaction entered into by APM or its subsidiaries which involves the interest, direct or indirect, of a Related Party
RM and sen	:	Ringgit Malaysia and sen respectively
RRPT	:	Related Party Transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations and in the ordinary course of business of APM or its subsidiaries
Shareholders' Mandate	:	Shareholders' general mandate pursuant to Paragraph 10.09 of the Listing Requirements in respect of RRPT
SH	:	Solomon House Sdn. Bhd.
TCC	:	Tan Chong Consolidated Sdn. Bhd.
TCIL	:	Tan Chong International Limited
TCIL Group	:	TCIL and its subsidiaries
TCMH	:	Tan Chong Motor Holdings Berhad
TCMH Group	:	TCMH and its subsidiaries
WH	:	Wealthmark Holdings Sdn. Bhd.
WTCH	:	Warisan TC Holdings Berhad
WTCH Group	:	WTCH and its subsidiaries

Words importing the singular shall, where applicable, include plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless other specified.

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**PART A**

**STATEMENT TO SHAREHOLDERS IN  
RELATION TO THE PROPOSED SHARE BUY-  
BACK**

## 1. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board had, during the 25th AGM held on 1 June 2022, obtained shareholders' approval to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company. In accordance with the Listing Requirements governing the purchase of own shares by a listed corporation, the aforesaid approval will continue in force until the conclusion of the forthcoming 26th AGM of the Company, which will be held on 1 June 2023.

The Board proposes to seek renewal of the authority to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company through its appointed stockbrokers, subject to compliance with the provisions of the Act, Listing Requirements and/or any other relevant authorities.

The authorised period for the Proposed Share Buy-Back, if approved at the forthcoming AGM, shall be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Share Buy-Back and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time it will lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

## 2. QUANTUM AND FUNDING

The shareholders' approval for the Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own shares but will allow the Board to exercise the power of the Company to purchase its own ordinary shares at any time within the abovementioned time period.

For illustration purpose, the maximum number of APM Shares that may be bought back under the Proposed Share Buy-Back based on the total number of issued shares and the treasury shares held as at LPD are as follows:

	<u>No. of shares</u>
Total number of issued shares	201,600,000
Proposed Share Buy-Back	20,160,000
Purchased and held as treasury shares as at LPD	<u>(6,105,700)</u>
Maximum number of APM Shares that may be further purchased	14,054,300

The Board proposes to allocate a sum of not exceeding the retained profits of the Company for the purchase of the APM Shares subject to compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. The audited retained profits of the Company as at 31 December 2022 amounted to RM411 million.

The funding for the Proposed Share Buy-Back will be sourced wholly from internally generated funds. The amount of internal funds to be utilised will only be determined later depending on the availability of internally generated funds, actual number of APM Shares to be purchased and other cost factors. The actual number of APM Shares to be purchased will depend on the market conditions as well as the retained profits and financial resources available to the Company. The Proposed Share Buy-Back will reduce the cashflow of the Company by an amount dependent on the purchase price of APM Shares and the actual number of APM Shares bought back.

### **3. TREATMENT OF APM SHARES PURCHASED**

The purchased shares may be cancelled or retained as treasury shares or a combination of both. The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits of the Company. Where the Company retains the purchased shares as treasury shares, the Directors of the Company may:

- (a) distribute the shares as share dividends to the shareholders;
- (b) resell the shares through Bursa Securities in accordance with the rules of Bursa Securities;
- (c) transfer the shares for the purpose of or under an employees' share scheme;
- (d) transfer the shares as purchase consideration;
- (e) cancel the shares; or
- (f) sell, transfer or otherwise use the shares for such other purposes as permitted by the Act.

It is the present intention of the Board to retain the APM Shares purchased as treasury shares and subsequently resell them on Bursa Securities if the opportunity arises for the Company to realise gains from the resale on Bursa Securities. Conversely, the Company may decide to cancel the purchased shares if it is of the opinion that it no longer requires the funds. The Company may also distribute the treasury shares as share dividends, which can serve to reward shareholders.

While the purchased shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions, whether cash or otherwise, of the Company's assets are suspended. The treasury shares shall also not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including substantial shareholding, takeovers, notices, requisition of meetings, quorum for a meeting and result of a vote on a resolution at a meeting.

Appropriate announcement(s) and notification(s) will be made to Bursa Securities and relevant authorities in respect of the Board's decision on the treatment of APM Shares bought back in compliance with the Listing Requirements and the Act.

### **4. PRICING**

APM shall only purchase its own ordinary shares at a price which is not more than fifteen per centum (15%) above the weighted average market price for the five (5) market days immediately before the purchase(s).

The Company may only resell/ transfer the treasury shares at a price which is not less than the weighted average market price for the five (5) market days immediately before the resale/ transfer or a discounted price of not more than five per centum (5%) to the weighted average market price for the shares for the five (5) market days immediately before the resale/ transfer provided that (i) the resale/ transfer takes place not earlier than thirty (30) days from the date of the purchase; and (ii) the resale/ transfer price is not less than the cost of purchase of the APM shares being resold/ transferred.

### **5. PUBLIC SHAREHOLDING SPREAD**

As at LPD, the public shareholding spread of the Company was 46.48%. Assuming that the Proposed Share Buy-Back is carried out in full on LPD, the public shareholding spread of the Company is expected to be reduced to 42.33%.

### **6. RATIONALE/POTENTIAL ADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back will enable APM to utilise its surplus financial resources to purchase APM Shares as and when the Board deems fit, during the tenure in which the authority granted is in effect. The Proposed Share Buy-Back is expected to stabilise the supply and demand as well as the prices of APM Shares. In addition, the purchased shares may be held as treasury shares and resold on Bursa Securities with the opportunity of realising potential capital gains. Alternatively, the treasury shares may also be distributed as share dividends to reward shareholders.

## 7. RISK FACTORS/POTENTIAL DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back may result in the APM Group foregoing other investment opportunities that may emerge in the future and may also reduce the amount of resources available for distribution in the form of dividends to the shareholders of APM. However, the financial resources of the APM Group may recover and increase upon reselling of the purchased shares held as treasury shares.

Nevertheless, the Board will be mindful of the interests of APM and its shareholders in undertaking the Proposed Share Buy-Back.

## 8. EFFECTS OF THE PROPOSED SHARE BUY-BACK

Based on the assumption that the Proposed Share Buy-Back is carried out in full, the effects of the Proposed Share Buy-Back on the total number of issued shares, NA, working capital, earnings and substantial shareholders' and Directors' shareholdings as well as the implications relating to the Code are as set out below.

### 8.1 Total Number of Issued shares

The effect of the Proposed Share Buy-Back on the total number of issued shares of APM, assuming APM buys and subsequently cancels up to 20,160,000 APM Shares, representing an amount not exceeding ten per centum (10%) of the existing total number of issued shares, as at LPD, is as follows:

	<u>No. of shares</u>
Total number of issued shares	201,600,000
Purchased and held as treasury shares as at LPD	(6,105,700)
Proposed Share Buy-Back if the maximum number of shares are purchased	(14,054,300)
Resultant total number of issued shares, if the treasury shares are cancelled	181,440,000

However, if all the APM Shares purchased are retained as treasury shares, the share purchased would not have any effect on the total number of issued shares of APM.

### 8.2 NA

The effect of the Proposed Share Buy-Back on the NA per share of the APM Group is dependent on the purchase prices of the APM Shares. The shares purchased would reduce the NA per share of the APM Group if the purchase price exceeds the NA per share at the relevant point in time. Conversely, the NA per share of the APM Group would increase if the purchase price is less than the NA per share at the relevant point in time. Based on the audited financial statements for the financial year ended 31 December 2022, the NA per share of the APM Group is RM6.59.

### 8.3 Working capital

The Proposed Share Buy-Back will result in an outflow of cash and thereby reduce the working capital of the APM Group, the quantum of which is dependent on the purchase prices of the APM Shares and the number of APM Shares purchased. Nevertheless, the Board is mindful of the interests of the shareholders when undertaking the Proposed Share Buy-Back and will assess the working capital needs of the APM Group prior to any purchase of APM Shares.

### 8.4 Earnings

The effect of the Proposed Share Buy-Back on the EPS of the APM Group is dependent on the purchase prices of the APM Shares and the effective funding cost and/or interest income foregone to the Company thereof. For instance, the share buy-back will increase the EPS of the APM Group if the effective funding cost and/or interest income foregone to the Company attributable to every purchased share is lower than the EPS of the APM Group and vice versa.



## 8.5 Dividends

Assuming that the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at the previous financial years' dividend quantum, the share buy-back will have the effect of increasing the dividend rate of APM as a result of a decrease in the number of shares in APM, which are entitled to participate in the dividends. For the financial year ended 31 December 2022, APM declared a first interim single tier dividend of 7 sen per share on 21 November 2022 and a second interim single tier dividend of 7 sen per share on 24 February 2023.

## 8.6 Substantial Shareholders' and Directors' Shareholdings

The effects of the Proposed Share Buy-Back on the shareholdings of substantial shareholders and Directors based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at LPD are as follows:

Substantial shareholders	<-----No. of APM shares held----->							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
TCC	73,382,326	37.54	-	-	73,382,326	40.44	-	-
WH	15,260,600	7.81	-	-	15,260,600	8.41	-	-
Dato' Tan Heng Chew	7,771,899	3.98	88,642,926 <sup>1</sup>	45.34	7,771,899	4.28	88,642,926 <sup>1</sup>	48.86
Tan Eng Soon	-	-	73,382,326 <sup>2</sup>	37.54	-	-	73,382,326 <sup>2</sup>	40.44

Directors *	<-----No. of APM shares held----->							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Tan Heng Chew	7,771,899	3.98	96,647,584 <sup>3</sup>	49.44	7,771,899	4.28	96,647,584 <sup>3</sup>	53.27
Dato' Tan Eng Hwa	207,008	0.11	7,128 <sup>4</sup>	- <sup>5</sup>	207,008	0.11	7,128 <sup>4</sup>	- <sup>5</sup>

\*The remaining Directors, Dato' N. Sadasivan s/o N.N. Pillay, Low Seng Chee, Lee Min On, Dato' Chan Choy Lin, Nicholas Tan Chye Seng, Khoo Peng Peng and Dato' Azmil bin Mohd Zabidi do not have any APM Shares, whether direct or indirect, in the Company.

Notes:

<sup>1</sup> Deemed interested by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act.

<sup>2</sup> Deemed interested by virtue of interests in TCC pursuant to Section 8(4) of the Act.

<sup>3</sup> Deemed interested by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests held by spouse and daughter pursuant to Section 59(11)(c) of the Act.

<sup>4</sup> Deemed interested by virtue of interest in SH pursuant to Section 8(4) of the Act and interest held by spouse pursuant to Section 59(11)(c) of the Act.

<sup>5</sup> Less than 0.01%.

## 8.7 Implication Relating to the Code

The Proposed Share Buy-Back, if carried out in full, will result in the equity interest of TCC in APM increasing from 37.54% as at LPD to 40.44%.

If the Proposed Share Buy-Back results in the equity interest of TCC and persons acting in concert with it in APM to increase by more than 2% in any six (6) months period, pursuant to the Code, TCC and persons acting in concert with it may be obliged to undertake a mandatory offer for all the APM shares not held by them collectively. However, an exemption may be granted by the Securities Commission under the provisions of the Capital Markets and Services Act 2007 to TCC and persons acting in concert with it.

## 9. SHARE PRICES

The monthly highest and lowest prices of APM shares traded on Bursa Securities for the last twelve (12) months from April 2022 to March 2023 are as follows:

	High (RM)	Low (RM)
<b>2022</b>		
April	2.26	2.04
May	2.28	2.00
June	2.17	1.91
July	2.02	1.88
August	1.98	1.81
September	1.90	1.77
October	1.81	1.70
November	2.00	1.72
December	2.05	1.80
<b>2023</b>		
January	1.94	1.83
February	1.83	1.92
March	1.88	2.09

  

The last transacted price of APM Shares on LPD	2.05
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(Source: The Wall Street Journal)

## 10. PURCHASES, RESALE/TRANSFER AND CANCELLATION OF APM SHARES IN THE PREVIOUS TWELVE (12) MONTHS

The Company did not purchase any APM Shares in the previous 12 months up to the LPD.

The total number of shares bought back as at LPD was 6,105,700 APM Shares, all of which were held as treasury shares. APM did not cancel, re-sell or transfer any of its treasury shares during the said period.

## 11. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacity as the shareholders of the Company pursuant to the Proposed Share Buy-Back, none of the Directors and/or Major Shareholders of the Company have any interest, direct or indirect, in the Proposed Share Buy-Back and the resale of the treasury shares. In addition, none of the persons connected with the Directors and/or Major Shareholders of the Company have any interest, direct or indirect, in the Proposed Share Buy-Back and the resale of the treasury shares.

## 12. DIRECTORS' RECOMMENDATION

The Board is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interest of the Company and its shareholders and therefore recommends that you vote in favour of the ordinary resolution in relation to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

## 13. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to the approval of the shareholders of APM at the forthcoming AGM.

#### 14. AGM

The 26th AGM of the Company, the Notice of which is enclosed in the 2022 Annual Report of the Company, will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Thursday, 1 June 2023 at 10.30 a.m., using Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Sdn. Bhd. (“Tricor”) via its TIIH Online website at <https://tjih.online>, for the purpose of considering and, if thought fit, passing the resolution on the Proposed Share Buy-Back.

Shareholders will not be allowed to attend this 26th AGM in person at the Broadcast Venue on the day of the 26th AGM.

**Please read the Notes in the Notice of the 26th AGM carefully and follow the procedures in the Administrative Notes for 26th AGM in order to participate and vote remotely via RPV.**

The completed instrument appointing a proxy (the “Form of Proxy”) and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the “Proxy Authorisation Documents”) shall be deposited at the office of the Company’s Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: 03-2783 9299), or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for the 26th AGM or not later than 30 May 2023 at 10.30 a.m. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

The Form of Proxy and Proxy Authorisation Documents can also be submitted electronically via Tricor’s TIIH Online website at <https://tjih.online> or email to Tricor’s email address at [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com). Please follow the procedures set out in the Administrative Notes for the 26th AGM.

#### 15. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I attached for further information.

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**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION  
TO THE PROPOSED SHAREHOLDERS'  
MANDATE**



## **APM AUTOMOTIVE HOLDINGS BERHAD**

Registration No. 199701009342 (424838-D)  
(Incorporated in Malaysia)

**Registered Office:**  
62-68 Jalan Sultan Azlan Shah  
51200 Kuala Lumpur  
Malaysia

28 April 2023

### **Board of Directors:**

Dato' Tan Heng Chew (*President*)  
Dato' Tan Eng Hwa (*Chief Executive Officer*)  
Khoo Peng Peng (*Executive Vice President – Finance and Corporate*)  
Lee Min On (*Senior Independent Non-Executive Director*)  
Dato' Chan Choy Lin (*Independent Non-Executive Director*)  
Dato' Azmil bin Mohd Zabidi (*Independent Non-Executive Director*)  
Dato' N. Sadasivan s/o N.N. Pillay (*Non-Independent Non-Executive Director*)  
Low Seng Chee (*Non-Independent Non-Executive Director*)  
Nicholas Tan Chye Seng (*Non-Independent Non-Executive Director*)

### **To: The Shareholders of APM AUTOMOTIVE HOLDINGS BERHAD**

Dear Shareholders,

### **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

#### **1. INTRODUCTION**

At the Company's 25th AGM held on 1 June 2022, the Directors had obtained shareholders' approval for the Company and its subsidiaries to enter into RRPT.

The above approval shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless a fresh approval is obtained.

On 24 February 2023, the Company announced to Bursa Securities that it would seek approval from its shareholders for the Proposed Shareholders' Mandate at the forthcoming 26th AGM of the Company.

The Proposed Shareholders' Mandate would become effective immediately upon passing of the proposed resolutions and will expire at the conclusion of the next AGM of the Company unless the authority and mandate are further renewed by resolution passed at a general meeting (either unconditionally or subject to conditions) or upon the expiration of the period within which the next AGM after that is required by law to be held, or if earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting, whichever occurs first.

The purpose of this Circular is to provide you with the information on the Proposed Shareholders' Mandate and to seek your approval for the proposed resolutions to be tabled at the forthcoming AGM of the Company. The Notice of the 26th AGM and the Form of Proxy of the Company are separately sent to you.

## **2. PRINCIPAL ACTIVITIES OF THE APM GROUP**

APM is principally an investment holding company. The principal activities of the subsidiaries are mainly manufacturing and distribution of a wide-range of automotive products and components ranging from suspension systems, heat exchange systems, electrical systems, plastic components to car interiors and seating. The APM Group also involves in casting, machining and assembly of aluminium parts, developing Internet of Things telematics platform, provision of vehicle tracking services and provision of engineering, design and development services.

## **3. LISTING REQUIREMENTS**

Under Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a Shareholders' Mandate subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) the Shareholders' Mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1) of the Listing Requirements;
- (iii) issuance of a Circular to shareholders by the listed issuer;
- (iv) the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder and where it involves the interest of a person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolutions to approve the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolutions to approve the transactions; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer and its subsidiaries exceeds the estimated value of the RRPT disclosed in the Circular by per centum (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The definitions for "Director", "Major Shareholder" and "Related Party" under the Listing Requirements are set out in the Definitions section.

The estimated transaction values as set out in Section 5 are based on the actual transaction values for the period from 1 June 2022 to the LPD and the projected business volume for the current period. Due to the nature of the transactions, the actual value of transactions may vary from the estimated value disclosed.

Nevertheless, disclosures will be made in accordance with the Listing Requirements in the Annual Report of the Company for the financial year ending 31 December 2023 of the actual breakdown of the aggregate value of the RRPT entered into pursuant to the Proposed Shareholders' Mandate during the financial year including, amongst others, the following information:

- (i) The types of RRPT; and
- (ii) The names of the Related Parties involved in each type of the RRPT entered into and their relationship with the APM Group.

## **4. VALIDITY PERIOD FOR THE PROPOSED SHAREHOLDERS' MANDATE**

As the mandate to allow the Company and its subsidiaries to enter into RRPT approved at the 25th AGM of the Company held on 1 June 2022 will expire at the conclusion of the forthcoming 26th AGM of the Company, the Board wishes to seek the approval of the shareholders of APM for the Proposed Shareholders' Mandate to enable the APM Group to continue entering into existing RRPT, provided that such transactions are in the ordinary course of business and undertaken at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the Related Parties than

those generally available to the public and are not to the detriment of the minority shareholders. These include transactions such as those described in Section 5 below.

The Proposed Shareholders' Mandate, if approved by the shareholders at the forthcoming 26th AGM, shall continue to be in force until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at a general meeting of the Company, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by shareholders in general meeting;

whichever is the earlier.

Thereafter, if the Audit Committee and the Board decide that the Proposed Shareholders' Mandate is desirable, subject to a satisfactory review of its continued application to RRPT, a shareholders' approval for such renewal will be sought at each subsequent AGM of the Company.

## 5. CLASSES OF RELATED PARTIES

The classes of Related Parties with whom the RRPT are carried out are as follows:

### 5.1 TCMH Group

TCMH Group is principally involved in the assembly and distribution of motor vehicles, provision of after-sales services, provisions of financial services such as hire purchase financing and insurance agency, and property investment.

The Directors and Major Shareholders of the APM Group who are interested in the RRPT with the TCMH Group and the nature of their interests as at the LPD are as follows:

Related Party	APM					TCMH				
	Directorship in the APM Group	Shareholding in APM				Directorship in the TCMH Group	Shareholding in TCMH			
		Direct	%	Indirect	%		Direct	%	Indirect	%
TCC	-	73,382,326	37.54	-	-	-	263,828,240	40.46	-	-
Dato' Tan Heng Chew	Director	7,771,899	3.98	96,647,584	49.44 <sup>1</sup>	Director	32,616,462	5.00	290,363,430	44.53 <sup>2</sup>
Dato' Tan Eng Hwa	Director	207,008	0.11	7,128 <sup>3</sup>	- <sup>4</sup>	Director <sup>6</sup>	1,380,058	0.21	47,524 <sup>3</sup>	- <sup>4</sup>
Tan Eng Soon	-	-	-	73,382,326	37.54 <sup>5</sup>	-	-	-	263,828,240	40.46 <sup>5</sup>
Nicholas Tan Chye Seng	Director	-	-	-	-	Director <sup>6</sup>	-	-	-	-

**Notes:**

<sup>1</sup> Deemed interested by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and daughter pursuant to Section 59(11)(c) of the Act.

<sup>2</sup> Deemed interested by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and children pursuant to Section 59(11)(c) of the Act.

<sup>3</sup> Deemed interested by virtue of interest in SH pursuant to Section 8(4) of the Act and interest of spouse pursuant to Section 59(11)(c) of the Act.

<sup>4</sup> Less than 0.01%.

<sup>5</sup> Deemed interested by virtue of interests in TCC pursuant to Section 8(4) of the Act.

<sup>6</sup> Director of the subsidiaries of TCMH to which the relevant RRPT relate.

The RRPT between the APM Group and the TCMH Group, which are carried out at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the TCMH Group than those generally available to the public and are not to the detriment of the minority shareholders, are detailed as follows:

Types of transaction	Details	Estimated value as disclosed in the preceding year's circular (RM'000)	<sup>(1)</sup> Actual value transacted from the date of last AGM held on 1 June 2022 to 31 March 2023 (RM'000)	Estimated value from the forthcoming AGM to the next AGM (RM'000)
<b>Income</b>				
Sale of goods	Parts and components supply to TCMH Group for the following:  (a) to be installed in motor vehicles sold by TCMH Group; (b) to be sold to TCMH Group's customers as replacement parts; and (c) sale of Internet of Things device and provision of vehicle tracking services.	70,000	25,337	70,000
Rental income (received on a monthly basis; the tenures of the rental agreements are for a period of not more than 3 years)	Office and factory premises at Lots 1 and 3, Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor rent to TCMH Group.	2,000	1,499	2,000
Provision of services	Provision of engineering, design and development services and/or manufacturing and assembly works.  The APM Group sells motor vehicle insurance products (act as an agent to TCMH Group).	300	26	300
<b>Expenses</b>				
Insurance agency services	Insurance products such as property, motor and marine policies acquired through TCMH Group.	8,500	4,631	8,500
Rental expense (paid on a monthly basis; the tenures of the rental agreements are for a period of not more than 3 years)	Renting of office space at (a) Pending Industrial Estate, Kuching, Sarawak and Berkeley Town Centre, Klang, Selangor and (b) factory space at 249, Jalan Segambut, 51200 Kuala Lumpur from TCMH Group.	300	9	300
Purchase of goods and services	Purchase of components, motor vehicles (passenger and commercial vehicle) and its related workshop services and other products from TCMH Group.  Vehicle assembly and related localisation and technical services provided by TCMH Group.  Provision of engineering, design and technical services.  Leasing of motor vehicles from TCMH Group	67,000	2,111	67,000
Administrative, consultancy and corporate services	Administrative, consultancy and corporate services such as payroll processing, human resources development, information technology, tax consultancy services, training, security services and other supports etc. provided by TCMH Group.	3,500	671	3,500
<b>Total</b>		<b>151,600</b>	<b>34,284</b>	<b>151,600</b>

Note:

- (1) The actual value of the RRPT (for the period from 1 June 2022 up to 31 March 2023) did not exceed 10% or more of the estimated value approved under the previous shareholders' mandate granted to the Company at the 25th AGM held on 1 June 2022.



The abovementioned RRPT with TCMH Group occur as and when the transactions are required.

#### Outstanding RRPT Receivables

The breakdown of the total outstanding amount due under the RRPT with TCMH Group which exceeded the credit term as at 31 December 2022 is as follows:

Exceeded Credit Term For :	Amount of Outstanding RRPT Receivables as at 31 December 2022 (RM'000)	Amount Collected as at 31 March 2023 (RM'000)
a period of 1 year or less	206	206
a period of more than 1 to 3 years	-	-
a period of more than 3 to 5 years	-	-
a period of more than 5 years	-	-

There is no late payment interest imposed on the overdue trade receivables as they are trade in nature and the terms and conditions of the contract do not include a late payment interest. Continuous and assertive efforts have been taken by Management to meet up with the debtors for early settlement of the outstanding amounts.

The Board is of the opinion that the outstanding amounts were trade in nature and there was no recoverability issue as the debtors are long trading partners and with sound credit standing.

## 5.2 WTCH Group

WTCH Group is principally involved in the distribution and rental of industrial machinery and equipment, manufacturing and/or assembly and distribution of commercial and passenger vehicles, provision of used vehicles auction services and car sharing, provision of travel and air ticketing services as well as rental of cars and coaches.

The Directors and Major Shareholders of the APM Group who are interested in the RRPT with the WTCH Group and the nature of their interests as at the LPD are as follows:

Related Party	APM					WTCH				
	Directorship in the APM Group	Shareholding in APM				Directorship in the WTCH Group	Shareholding in WTCH			
		Direct	%	Indirect	%		Direct	%	Indirect	%
TCC	-	73,382,326	37.54	-	-	-	23,446,509	36.02	-	-
Dato' Tan Heng Chew	Director	7,771,899	3.98	96,647,584	49.44 <sup>1</sup>	Director	3,747,033	5.76	31,869,028	48.95 <sup>2</sup>
Tan Eng Soon	-	-	-	73,382,326	37.54 <sup>3</sup>	-	-	-	23,446,509	36.02 <sup>3</sup>

**Notes:**

<sup>1</sup> Deemed interested by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and daughter pursuant to Section 59(1)(c) of the Act.

<sup>2</sup> Deemed interested by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest of spouse and children pursuant to Section 59(1)(c) of the Act.

<sup>3</sup> Deemed interested by virtue of interests in TCC pursuant to Section 8(4) of the Act.

The RRPT between the APM Group and the WTCH Group, which are carried out at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the WTCH Group than those generally available to the public and are not to the detriment of the minority shareholders, are detailed below:

Types of transaction	Details	Estimated value as disclosed in the preceding year's circular (RM'000)	<sup>(1)</sup> Actual value transacted from the date of last AGM held on 1 June 2022 to 31 March 2023 (RM'000)	Estimated value from the forthcoming AGM to the next AGM (RM'000)
<b>Income</b>				
Sale of goods	Parts and components supply to WTCH Group for the following:  (a) to be sold to the WTCH Group's customers as replacement parts or to be installed in motor vehicles sold by WTCH Group; and (b) sales of motor vehicles for WTCH Group's car leasing; sale of Internet of Things device and provision of vehicle tracking services.	4,000	393	24,000
Rental income (received on a monthly basis; the tenures of the rental agreements are for a period of not more than 3 years)	Office and factory premises at Lots 1 and 3, Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor rented to WTCH Group.	700	430	700
<b>Expenses</b>				
Rental expense (paid on a monthly basis; the tenures of the rental agreements are for a period of not more than 3 years)	Renting of factory space at No. 249, Jalan Segambut, 51200 Kuala Lumpur from WTCH Group.	100	-	100
Purchase of goods and services	Purchase and renting of heavy equipment and industrial machinery, and motor vehicles (passenger and commercial vehicle) as well as related workshop services from WTCH Group. (Rental of heavy equipment, industrial machinery and motor vehicles are paid monthly.)  Provision of motor vehicles auction services.	2,800	1,658	2,800
Air tickets and tour expenses	Air ticketing and tour packages purchased from WTCH Group.	3,000	984	3,000
<b>Total</b>		<b>10,600</b>	<b>3,465</b>	<b>30,600</b>

Note:

(1) The actual value of the RRPT (for the period from 1 June 2022 up to 31 March 2023) did not exceed 10% or more of the estimated value approved under the previous shareholders' mandate granted to the Company at the 25th AGM held on 1 June 2022.

The abovementioned RRPT with WTCH Group occur as and when the transactions are required.

#### Outstanding RRPT Receivables

The breakdown of the total outstanding amount due under the RRPT with WTCH Group which exceeded the credit term as at 31 December 2022 is as follows:

Exceeded Credit Term For :	Amount of Outstanding RRPT Receivables as at 31 December 2022 (RM'000)	Amount Collected as at 31 March 2023 (RM'000)
a period of 1 year or less	9	5
a period of more than 1 to 3 years	-	-
a period of more than 3 to 5 years	-	-
a period of more than 5 years	-	-

There is no late payment interest imposed on the overdue trade receivables as they are trade in nature and the terms and conditions of the contract do not include a late payment interest. Continuous and assertive efforts have been taken by Management to meet up with the debtors for early settlement of the outstanding amounts.

The Board is of the opinion that the outstanding amounts were trade in nature and there was no recoverability issue as the debtors are long trading partners and with sound credit standing.

### 5.3 TCIL Group

TCIL's principal activity is investment holding. The businesses of its principal subsidiaries include (a) distribution and after-sales of motor vehicles in Singapore, Hong Kong, Thailand, Taiwan, Philippines, Malaysia, Vietnam and Cambodia, and the sales and after-sales of motor vehicles in southern part of the China; (b) distribution of industrial equipment in Singapore, Vietnam and Thailand; (c) property development and rental in Singapore and Hong Kong; (d) vehicle seat manufacturing in China; (e) assembly of automobiles in Thailand; (f) provision of car rental services, automotive leasing and capital financing in Singapore, Malaysia and China; and (g) provision of vehicle transportation service and human resources management service in relation to transportation business in Japan.

The Directors and Major Shareholders of the APM Group who are interested in the RRPT with the TCIL Group and the nature of their interests as at the LPD are as follows:

Related Party	APM					TCIL				
	Directorship in the APM Group	Shareholding in APM				Directorship in the TCIL Group	Shareholding in TCIL			
		Direct	%	Indirect	%		Direct	%	Indirect	%
TCC	-	73,382,326	37.54	-	-	-	705,819,720	35.06	-	-
Dato' Tan Heng Chew	Director	7,771,899	3.98	96,647,584	49.44 <sup>1</sup>	-	52,093,286	2.59	755,530,890	37.53 <sup>2</sup>
Tan Eng Soon	-	-	-	73,382,326	37.54 <sup>3</sup>	Director	152,460,000	7.57	1,140,297,392	56.64 <sup>4</sup>

Notes:

<sup>1</sup> Deemed interested by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and daughter pursuant to Section 59(1)(c) of the Act.

<sup>2</sup> Deemed interested by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest of spouse pursuant to Section 59(1)(c) of the Act.

<sup>3</sup> Deemed interested by virtue of interest in TCC pursuant to Section 8(4) of the Act.

<sup>4</sup> Deemed interested by virtue of interests in TCC and corporation controlled by him pursuant to Section 8(4) of the Act, including deemed interest pursuant to Section 8(7) of the Act.

The RRPT between the APM Group and the TCIL Group, which are carried out at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the TCIL Group than those generally available to the public and are not to the detriment of the minority shareholders, are detailed below:

Types of transaction	Details	Estimated value as disclosed in the preceding year's circular (RM'000)	<sup>(1)</sup> Actual value transacted from the date of last AGM held on 1 June 2022 to 31 March 2023 (RM'000)	Estimated value from the forthcoming AGM to the next AGM (RM'000)
<b>Income</b>				
Provision of services	Provision of engineering, design and development services.	100	-	100
Sale of goods	Parts and components supply to TCIL Group for the following:  (a) to be installed in the motor vehicles sold by TCIL Group; and	5,000	149	5,000

Types of transaction	Details	Estimated value as disclosed in the preceding year's circular (RM'000)	<sup>(1)</sup> Actual value transacted from the date of last AGM held on 1 June 2022 to 31 March 2023 (RM'000)	Estimated value from the forthcoming AGM to the next AGM (RM'000)
	(b) to be sold to TCIL Group's customers as replacement parts.			
<b>Expenses</b>				
Purchase of goods and services	Purchase of motor vehicles and renting of heavy equipment and industrial machinery from TCIL Group.  Purchase of vehicle parts, components and related workshop services from TCIL Group.	300	163	300
<b>Total</b>		5,400	312	5,400

Note:

<sup>(1)</sup> The actual value of the RRPT (for the period from 1 June 2022 up to 31 March 2023) did not exceed 10% or more of the estimated value approved under the previous shareholders' mandate granted to the Company at the 25th AGM held on 1 June 2022.

The abovementioned RRPT with the TCIL Group occur as and when the transactions are required.

#### Outstanding RRPT Receivables

As at 31 December 2022, there is no outstanding amount due under the RRPT with TCIL Group which exceeded the credit term for any period.

## 6. PRICING OF THE RRPT

Consistent with the APM Group's business pricing practices and policies, the RRPT are entered into at Arm's Length and on normal commercial terms. The RRPT pricing are based on prevailing market rates/prices with regular comparisons made with at least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable.

In the event that the quotation or comparative pricing from third party/unrelated party suppliers cannot be obtained, the Group's pricing of RRPT will be determined in accordance with the Group's usual business pricing practices and policies for the same or substantially similar type of transactions made by the Group with unrelated third parties. This will ensure that the pricing of RRPT is not more favourable to the Related Parties than to the public and not to the detriment of the minority shareholders of APM.

## 7. RATIONALE

All transactions with Related Parties are entered into for the long-term benefit of the APM Group. The Related Parties represent an existing market with reliable payment terms for the APM Group's products and provide a good source for certain components purchased by the APM Group. Sales to Related Parties also contribute to overall higher sales for the APM Group thus increasing trading volume, higher production efficiency and better bargaining power when negotiating with the vendors. This is consistent with the APM Group's objectives of brand building and maintaining a competitive edge.

The RRPT are carried out in a manner similar to other business activities which the APM Group conducts with parties other than the Related Parties. The RRPT are in the ordinary course of business and undertaken at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the Proposed Shareholders' Mandate on an annual basis, the necessity to make regular announcements to Bursa Securities and to convene separate general meetings from time to time to

seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the making of such announcements or the convening of such meetings, without compromising the corporate objectives of the APM Group or adversely affecting the business opportunities available to the APM Group.

## **8. REVIEW AND DISCLOSURE PROCEDURES**

To supplement existing internal procedures, the APM Group has implemented the following methods and procedures to ensure that the RRPT of the APM Group are undertaken at Arm's Length, on normal commercial terms of the APM Group, which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of minority shareholders:

- (a) A list of Related Parties has been circulated to the subsidiaries of APM and to notify them that all RRPT are required to be undertaken at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- (b) APM and each of its subsidiaries are to record all RRPT which are entered into pursuant to the Shareholders' Mandate;
- (c) Each of the subsidiaries of APM is to submit its reports of RRPT to the finance department of APM on a periodical basis;
- (d) The internal audit team will monitor and verify the reports to ensure that the review procedures and Listing Requirements in respect of the RRPT are adhered to. The internal audit team will report their findings to the Audit Committee;
- (e) The Audit Committee will periodically review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with;
- (f) The Audit Committee, having reviewed the procedures, will continue to review the procedures as and when required, with the authority to sub-delegate the review process to individuals or committees within the APM Group as they deemed appropriate. If a member of the Audit Committee has an interest in the transaction to be reviewed, he shall abstain from participating in the deliberation and voting in respect of that transaction;
- (g) Disclosure will be made in the Company's Annual Report of the breakdown of the aggregate value, type of transactions and the names of the Related Parties involved in each type of the RRPT made and their relationship with the respective companies involved made pursuant to the Proposed Shareholders' Mandate during the financial year; and
- (h) All subsidiary companies are required to observe the Policy and Procedures for Monitoring and Reporting of Related Party Transaction and RRPT.

The APM Group has in place internal approving procedures and levels of authority limits governing day-to-day business transactions. There is no specific threshold for the approval of RRPT within the Group. All RRPT are subject to the same procedures and levels of authority limits as that established by the senior management of the respective business units, the subcommittees of the Board and/or the Board from time to time.

## **9. AUDIT COMMITTEE'S STATEMENT**

The Audit Committee has reviewed the terms of the Proposed Shareholders' Mandate and is satisfied that the review procedures for RRPT as well as the periodic reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the RRPT are undertaken in the ordinary course of business and at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The APM Group has in place adequate procedures and processes to monitor track and identify RRPT on a timely and orderly manner. The review of these procedures and processes are conducted at least once every twelve months and whenever the need arises.

## **10. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital of APM and substantial shareholders' shareholding in APM but is expected to have a positive effect on the earnings and NA of the APM Group as a result of the increase in business volume and revenue.

## **11. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save as disclosed below, none of the other Directors, Major Shareholders and/or persons connected with the Directors and/or Major Shareholders of APM have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

The Directors of APM, who are interested in the Proposed Shareholders' Mandate as set out in section 5 (namely Dato' Tan Heng Chew, Dato' Tan Eng Hwa and Nicholas Tan Chye Seng) ("Interested Directors"), where applicable, have abstained and will continue to abstain from deliberating and voting on the resolutions in respect of the Proposed Shareholders' Mandate which involve their respective interests at the relevant meetings of the Board.

The Interested Directors, Major Shareholders of APM, who are interested in the Proposed Shareholders' Mandate as set out in section 5 (namely TCC, Dato' Tan Heng Chew and Tan Eng Soon) ("Interested Major Shareholders"), and persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the relevant resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

The Interested Directors and Interested Major Shareholders had undertaken both to abstain and to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the relevant resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## **12. DIRECTORS' RECOMMENDATION**

The Board (with the exception of the Interested Directors as disclosed in Section 11) is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and therefore recommends that shareholders vote in favour of the ordinary resolutions in relation to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## **13. APPROVAL REQUIRED**

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of APM at the forthcoming AGM.

## **14. AGM**

The 26th AGM of the Company, the Notice of which is enclosed in the 2022 Annual Report of the Company, will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") on Thursday, 1 June 2023 at 10.30 a.m., using Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tjih.online>, for the purpose of considering and, if thought fit, passing the resolutions on the Proposed Shareholders' Mandate.

Shareholders will not be allowed to attend this 26th AGM in person at the Broadcast Venue on the day of the 26th AGM.

**Please read the Notes in the Notice of the 26th AGM carefully and follow the procedures in the Administrative Notes for 26th AGM in order to participate and vote remotely via RPV.**

The completed instrument appointing a proxy (the “Form of Proxy”) and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the “Proxy Authorisation Documents”) shall be deposited at the office of the Company’s Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: 03-2783 9299), or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for the 26th AGM or not later than 30 May 2023 at 10.30 a.m. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

The Form of Proxy and Proxy Authorisation Documents can also be submitted electronically via Tricor’s TIIH Online website at <https://tiih.online> or email to Tricor’s email address at [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com). Please follow the procedures set out in the Administrative Notes for the 26th AGM.

## 15. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I attached for further information.

Yours faithfully  
For and on behalf of the Board of  
**APM AUTOMOTIVE HOLDINGS BERHAD**

Lee Min On  
Senior Independent Non-Executive Director

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**FURTHER INFORMATION****1. RESPONSIBILITY STATEMENT**

This Statement/ Circular has been seen and approved by the Directors of APM and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquires and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

**2. MATERIAL LITIGATION**

Neither APM nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board of APM is not aware of any proceedings, pending or threatened, against APM or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of APM or its subsidiaries.

**3. MATERIAL CONTRACTS**

Neither APM nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years up to 31 March 2023 (being the latest practicable date before the finalisation of this Circular).

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company following the publication of this Circular, during normal hours, from Mondays to Fridays (except public holidays) up to and including the date of the AGM:

- (a) Constitution of APM;
- (b) Audited financial statements of APM for the two (2) financial years ended 31 December 2021 and 31 December 2022; and
- (c) Material Contract referred to in Section 3 of this Appendix.



**PROPOSED RESOLUTIONS****EXTRACT OF THE NOTICE OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING****AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolutions:

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

“THAT, subject to the Companies Act, 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) 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 in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that -

- (i) the aggregate number of shares purchased and/or held pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the purchase; and
- (ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the treasury shares or otherwise 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 Securities and any other relevant authorities for the time being in force.

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

THAT the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and shall continue to be in force until -

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the said authority will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date 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 Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be 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 authorities.”

**(Ordinary Resolution 8)**

## **2. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG MOTOR HOLDINGS BERHAD AND ITS SUBSIDIARIES**

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution 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 interests 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 5.1 of Part B of the Company's Circular to Shareholders dated 28 April 2023 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 (where applicable) and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until -

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first.

THAT the Directors of the Company be 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."

**(Ordinary Resolution 9)**

## **3. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH WARISAN TC HOLDINGS BERHAD AND ITS SUBSIDIARIES**

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution 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 5.2 of Part B of the Company's Circular to Shareholders dated 28 April 2023 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 (where applicable) and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until -

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first.

THAT the Directors of the Company be 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."

**(Ordinary Resolution 10)**

**4. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution 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 International Limited 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 5.3 of Part B of the Company's Circular to Shareholders dated 28 April 2023 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 (where applicable) and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until -

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

THAT the Directors of the Company be 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."

**(Ordinary Resolution 11)**