

Financial Statements

Directors' Report	26
Statement by Directors	29
Statutory Declaration	29
Report of the Auditors	30
Balance Sheets	31
Income Statements	32
Balance Sheets (In US\$ equivalent)	33
Income Statements (In US\$ equivalent)	34
Consolidated Statement of Changes in Equity	35
Statement of Changes in Equity	36
Cash Flow Statements	37
Notes to the Financial Statements	39

Directors' Report

for the year ended 31 December 2004

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2004.

Principal activities

The Company is principally engaged in investment holding and the provision of management and information technology services to companies in the Group. The principal activities of the subsidiaries are as stated in Note 26 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	58,668	30,647

Reserves and provisions

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

Dividends

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

- a) a final dividend of 6% less 28% tax totalling RM8,698,320 in respect of the year ended 31 December 2003 on 5 July 2004;
- b) an interim dividend of 5% less 28% tax totalling RM7,248,600 in respect of the year ended 31 December 2004 on 8 October 2004.

The final dividend recommended by the Directors in respect of the year ended 31 December 2004 is 7% less 28% tax totalling RM10,148,040.

Directors of the Company

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

Dato' Tan Heng Chew
 Dr. Fun Woh Peng
 Azman bin Badrillah
 Tan Eng Hwa
 Tan Eng Soon
 Ahmad bin Abdullah
 Dato' N. Sadasivan s/o N.N. Pillay
 Dato' Haji Kamaruddin @ Abas bin Nordin
 Mohd Sharif bin Haji Yusof

Directors' Report

for the year ended 31 December 2004

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

Name	Ordinary shares of RM1.00 each			At 31.12.2004
	At 1.1.2004	Bought	Sold	
Shareholdings in which Directors have direct interest				
Interests in the Company:				
Dato' Tan Heng Chew	41,849	1,256,600	-	1,298,449
Azman bin Badrillah	1,547,000	-	(10,000)	1,537,000
Tan Eng Soon	210,000	-	-	210,000
Dato' Haji Kamaruddin @ Abas bin Nordin	9,448	-	(9,000)	448
Tan Eng Hwa	669,908	-	-	669,908
Shareholdings in which Directors have deemed interest				
Interests in the Company:				
Dato' Tan Heng Chew	85,959,999	-	-	85,959,999
Tan Eng Soon	85,959,999	-	-	85,959,999
Tan Eng Hwa	1,650	-	-	1,650

Dato' Tan Heng Chew and Tan Eng Soon by virtue of their shareholdings in the Company are deemed interested in the shares of the subsidiaries during the financial year to the extent that APM Automotive Holdings Berhad has an interest. Details of their deemed shareholdings in non-wholly owned subsidiary are shown in note 26 to the financial statement.

None of the other Directors holding office at 31 December 2004 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

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

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

Issue of shares and debentures

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

Options granted over unissued shares

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

Directors' Report

for the year ended 31 December 2004

Other statutory information

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

- i) all known bad debts have been written off and adequate 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 are not aware of any circumstances:

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

At the date of this report there does not exist:

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

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

In the opinion of the Directors, except for as disclosed in Note 18 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2004 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

Signed in accordance with a resolution of the Directors:

Dr. Fun Woh Peng

Azman bin Badrillah

Kuala Lumpur,
8 April 2005

Statements by Directors

pursuant to Section 169(15) for the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 31 to 69, except for pages 33 to 34 which are expressed in US\$ equivalent, are 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 the state of affairs of the Group and of the Company at 31 December 2004 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

Dr. Fun Woh Peng

Azman bin Badrillah

Kuala Lumpur,
8 April 2005

Statutory Declaration

pursuant to Section 169(16) for the Companies Act, 1965

I, **Lee Kwee Cheng**, the officer primarily responsible for the financial management of APM Automotive Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 31 to 69, except for pages 33 to 34 which are expressed in US\$ equivalent, 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 **Lee Kwee Cheng** (MIA 9160) in Kuala Lumpur on 8 April 2005.

Before me:
Mohd Radzi bin Yasin
No. W327
Commissioner for Oaths
Kuala Lumpur

Report of the Auditors

to the members of APM Automotive Holdings Berhad

We have audited the financial statements set out on pages 31 to 69, except for pages 33 to 34 which are expressed in US\$ equivalent. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 December 2004 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 26 to the financial statements and we have considered their financial statements and the auditors' reports thereon, where applicable.

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

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

KPMG

Firm Number: AF 0758
Chartered Accountants

Jimmy Leow Min Fong

Partner
Approval Number: 595/03/06(J/PH)

Kuala Lumpur,
8 April 2005

Balance Sheets

at 31 December 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Property, plant and equipment	2	163,843	151,663	553	470
Investments in subsidiaries	3	-	-	221,970	220,070
Investments in jointly controlled entities	4	12,710	12,436	-	-
Deferred development expenditure	5	1,572	4,391	-	-
Deferred tax assets	6	9,284	8,624	528	359
		187,409	177,114	223,051	220,899
Current assets					
Inventories	7	162,390	124,665	-	-
Trade and other receivables	8	194,476	143,784	31,621	22,543
Tax recoverable		4,967	8,513	749	1,136
Cash and deposits	9	68,848	86,593	30,973	25,666
		430,681	363,555	63,343	49,345
Current liabilities					
Trade and other payables	10	117,635	88,902	26,490	25,315
Borrowings	11	23,237	18,132	-	-
Taxation		3,274	2,505	-	-
Provisions	12	8,396	7,181	-	-
		152,542	116,720	24,490	25,315
Net current assets		278,139	246,835	36,853	24,030
		465,548	423,949	259,904	244,929
Financed by:					
Capital and reserves					
Share capital	13	201,600	201,600	201,600	201,600
Reserves		249,445	206,735	57,812	43,112
Treasury shares	13	(552)	(552)	(552)	(552)
		450,493	407,783	258,860	244,160
Minority shareholders' interests	15	1,712	1,709	-	-
Long term and deferred liabilities					
Borrowings	11	-	1,250	-	-
Deferred grant income	16	717	1,012	-	-
Deferred tax liabilities	6	2,428	3,162	-	-
Employee benefits	17	10,198	9,033	1,044	769
		13,343	14,457	1,044	769
		465,548	423,949	259,904	244,929

The financial statement were approved and authorised for issue by the Board of Directors on 8 April 2005

The notes set out on pages 39 to 69 form an integral part of, and should be read in conjunction with, these financial statements.

Income Statements

for the year ended 31 December 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	18	789,049	664,399	31,851	42,009
Cost of sales					
- Sale of goods		(635,522)	(534,724)	-	-
Gross profit		153,527	129,675	31,851	42,009
Distribution costs		(40,461)	(30,817)	-	-
Administration expenses		(36,765)	(35,232)	(5,007)	(4,569)
Other operating expenses		(4,727)	(2,083)	-	-
Other operating income		3,257	2,778	10,773	13
Operating profit	18	74,831	64,321	37,617	37,453
Financing cost		(1,172)	(1,165)	(7)	(131)
Interest income		2,159	1,737	429	295
Share of profit/(loss) of jointly controlled entities	4	1,013	(412)	-	-
Profit before taxation		76,831	64,481	38,039	37,617
Tax expense	20	(19,131)	(15,590)	(7,392)	(10,059)
Profit after taxation		57,700	48,891	30,647	27,558
Minority interests		968	(209)	-	-
Net profit for the year		58,668	48,682	30,647	27,558
Basic earnings per ordinary share (sen)	21	29.1	24.2		
Dividends per ordinary share (sen)	22	12	11		

The notes set out on pages 39 to 69 form an integral part of, and should be read in conjunction with, these financial statements.

Balance Sheets (in US\$ equivalent)

at 31 December 2004

	Group	
	2004	2003
	US\$'000	US\$'000
Property, plant and equipment	43,117	39,911
Investments in jointly controlled entities	3,345	3,273
Deferred development expenditure	414	1,156
Deferred tax assets	2,443	2,269
	49,319	46,609
Current assets		
Inventories	42,734	32,807
Trade and other receivables	51,178	37,838
Tax recoverable	1,307	2,240
Cash and deposits	18,118	22,788
	113,337	95,673
Current liabilities		
Trade and other payables	30,957	23,395
Borrowings	6,115	4,772
Taxation	862	659
Provisions	2,209	1,890
	40,143	30,716
Net current assets	73,194	64,957
	122,513	111,566
Financed by:		
Capital and reserves		
Share capital	53,053	53,053
Reserves	65,643	54,404
Treasury shares	(145)	(145)
	118,551	107,312
Minority shareholders' interests	451	450
Long term and deferred liabilities		
Borrowings	-	329
Deferred grant income	188	266
Deferred tax liabilities	639	832
Employee benefits	2,684	2,377
	3,511	3,804
	122,513	111,566

The information contained on this page does not form part of the audited Financial Statements of the Group.

The figures for both 2004 and 2003 were converted into US\$ equivalent using the same exchange rate of RM3.80 = US\$1.00, which approximates that prevailing on 31.12.2004.

Income Statements (in US\$ equivalent)

for the year ended 31 December 2004

	Group	
	2004	2003
	US\$'000	US\$'000
Revenue	207,644	174,842
Cost of sales		
- Sale of goods	(167,243)	(140,717)
Gross profit	40,401	34,125
Distribution costs	(10,647)	(8,109)
Administration expenses	(9,675)	(9,272)
Other operating expenses	(1,244)	(548)
Other operating income	857	731
Operating profit	19,692	16,927
Financing cost	(308)	(307)
Interest income	568	457
Share of profit/(loss) of jointly controlled entities	267	(108)
Profit before taxation	20,219	16,969
Tax expense	(5,035)	(4,103)
Profit after taxation	15,184	12,866
Minority interests	255	(55)
Net profit for the year	15,439	12,811
Basic earnings per ordinary share (cents)	7.7	6.4
Dividends per ordinary share (cents)	3.2	2.9

The information contained on this page does not form part of the audited Financial Statements of the Group.

The figures for both 2004 and 2003 were converted into US\$ equivalent using the same exchange rate of RM3.80 = US\$1.00, which approximates that prevailing on 31.12.2004.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2004

Group	← Non distributable →					→ Distributable		Total
	Share capital	Treasury shares	Share premium	Revaluation reserve	Exchange adjustment	Merger deficit	Retained profits	
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2003	201,600	-	17,898	562	(97)	(42,339)	198,909	376,533
Shares repurchased	-	(552)	-	-	-	-	-	(552)
Foreign exchange differences arising from translation	-	-	-	-	517	-	-	517
Transfer to retained profits on realisation of asset	-	-	-	(161)	-	-	161	-
Net gains and losses not recognised in the income statement	-	-	-	(161)	517	-	161	517
Net profit for the year	-	-	-	-	-	-	48,682	48,682
Dividends paid								
- 2002 final	22	-	-	-	-	-	(10,148)	(10,148)
- 2003 interim	22	-	-	-	-	-	(7,249)	(7,249)
At 31 December 2003/ 1 January 2003	201,600	(552)	17,898	401	420	(42,339)	230,355	407,783
Foreign exchange differences arising from translation	-	-	-	-	(11)	-	-	(11)
Transfer to retained profits on realisation of asset	-	-	-	(161)	-	-	161	-
Net gains and losses not recognised in the income statement	-	-	-	(161)	(11)	-	161	(11)
Net profit for the year	-	-	-	-	-	-	58,668	58,668
Dividends paid								
- 2003 final	22	-	-	-	-	-	(8,698)	(8,698)
- 2004 interim	22	-	-	-	-	-	(7,249)	(7,249)
At 31 December 2004	201,600	(552)	17,898	240	409	(42,339)	273,237	450,493

The notes set out on pages 39 to 69 form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2004

Company	Note	← Non distributable →		Distributable		Total RM'000
		Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Retained profits RM'000	
At 1 January 2003		201,600	-	17,898	15,053	234,551
Shares repurchased		-	(552)	-	-	(552)
Net profit for the year		-	-	-	27,558	27,558
Dividends paid						
- 2002 final	22	-	-	-	(10,148)	(10,148)
- 2003 interim	22	-	-	-	(7,249)	(7,249)
At 31 December 2003/ 1 January 2004		201,600	(552)	17,898	25,214	244,160
Net profit for the year		-	-	-	30,647	30,647
Dividends paid						
- 2003 final	22	-	-	-	(8,698)	(8,698)
- 2004 interim	22	-	-	-	(7,249)	(7,249)
At 31 December 2004		201,600	(552)	17,898	39,914	258,860
				Note 13	Note 14	

The notes set out on pages 39 to 69 form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flow Statements

for the year ended 31 December 2004

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash flows from operating activities				
Profit before taxation	76,831	64,481	38,039	37,617
Adjustments for				
Depreciation of property, plant and equipment	26,258	27,332	135	122
Gain on disposal of property, plant and equipment	(321)	(687)	(1)	(13)
Loss on disposal of property, plant and equipment	-	47	-	-
Interest expenses	1,172	1,165	7	131
Interest income	(2,159)	(1,737)	(429)	(308)
Retirement benefits charged	1,596	1,608	290	121
Share of (profits)/losses in jointly controlled entities	(1,013)	412	-	-
Amortisation of grant income	(295)	(312)	-	-
Amortisation of deferred development expenditure	141	-	-	-
Deferred development expenditure expensed off	3,954	-	-	-
Property, plant and equipment written off	611	715	-	-
Provisions made	3,836	4,329	-	-
Provisions reversed	(248)	(482)	-	-
Operating profit before working capital changes	110,363	96,871	38,041	37,670
(Increase)/Decrease in working capital:				
Inventories	(37,725)	(9,127)	-	-
Trade and other receivables	(50,692)	3,832	(9,078)	(6,880)
Trade and other payables	28,733	2,114	1,175	6,731
Cash generated from operations	50,679	93,690	30,138	37,521
Income tax paid	(16,057)	(19,507)	(7,174)	(10,952)
Interest paid	(1,172)	(1,165)	(7)	(131)
Interest received	2,159	1,737	429	308
Retirement benefits paid	(455)	(1,176)	(15)	(1,007)
Provisions paid	(2,373)	(3,309)	-	-
Deferred development expenditure incurred	(1,276)	-	-	-
Net cash generated from operating activities	31,505	70,270	23,371	25,739

Cash Flow Statements

for the year ended 31 December 2004

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(39,620)	(33,470)	(223)	(66)
Proceeds from disposal of property, plant and equipment	912	1,943	6	71
Investment in jointly controlled entities	(1,140)	(341)	-	-
Incorporation of new subsidiaries (note 27)	-	-	(1,900)	-
Dividends from jointly controlled entities	1,620	-	-	-
Net cash (used in)/generated from investing activities	(38,228)	(31,868)	(2,117)	5
Cash flows from financing activities				
Dividend paid to shareholders	(15,947)	(17,397)	(15,947)	(17,397)
(Repayment) /drawdown of revolving credit	(1,400)	1,400	-	-
Drawdown of foreign currency trade loan	17,141	-	-	-
Repayment of term loan	(5,000)	(5,128)	-	-
Purchase of own shares	-	(552)	-	(552)
Investment by minority shareholders	971	-	-	-
Net cash used in financing activities	(4,235)	(21,677)	(15,947)	(17,949)
Net (decrease)/increase in cash and cash equivalents	(10,958)	16,725	5,307	7,795
Exchange difference	99	283	-	-
Cash and cash equivalents at beginning of year	74,861	57,853	25,666	17,871
Cash and cash equivalents at end of year	64,002	74,861	30,973	25,666
Cash and cash equivalents comprise:				
Cash and bank balances	68,848	86,593	30,973	25,666
Bills payable	(2,907)	(8,663)	-	-
Overdrafts	(1,939)	(3,069)	-	-
	64,002	74,861	30,973	25,666

The notes set out on pages 39 to 69 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2004

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of MASB 31, Accounting for Government Grants and Disclosure of Government Assistance.

Apart from the new policy and extended disclosures where required by this new standard, there is no effect on these financial statements.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis, except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

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

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

The Group came into existence resulting from an internal reorganization in 1999. Subsidiaries acquired pursuant to the reorganisation are consolidated using the merger method of accounting, whilst all subsequently acquired subsidiaries are consolidated using the acquisition method of accounting.

Under the merger method of accounting, the results of the subsidiaries are presented as if the companies had been combined throughout the current and previous financial years. The difference between the cost of acquisition and nominal value of the share capital and reserves of the merged subsidiaries is taken to merger reserve (or adjusted against any suitable reserve in the case of debit differences).

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

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

Notes to the Financial Statements

for the year ended 31 December 2004

1. Summary of significant accounting policies (cont'd)

(c) Property, plant and equipment

Freehold land and capital work-in-progress are stated at cost. All other property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses.

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

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

The Directors are of the opinion that the current market values of the revalued properties are not less than their net book values as at 31 December 2004.

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

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

Depreciation

Freehold land and capital work-in-progress are not amortised. Leasehold land is amortised in equal instalments over the period of the respective leases which range from seventy-seven to ninety-nine years.

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

Buildings	2%	-	4%
Plant, machinery and equipment	10%	-	50%
Furniture, fixtures, fittings and office equipment	10%	-	33.3%
Motor vehicles	10%	-	20%

(d) Investments

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

Notes to the Financial Statements for the year ended 31 December 2004

1. Summary of significant accounting policies (cont'd)

(e) Jointly controlled entities

A joint venture is a contractual arrangement whereby the Group and other parties have joint control over an economic activity.

In respect of its interest in jointly controlled entities, the Group uses the equity method to account for its interest.

The results of the joint venture are normally accounted for based on the audited financial statements of the respective joint ventures. In the event that audited financial statements are not available, the financial statements prepared by management are used instead.

Unrealised profits or losses arising from transactions between the Group and its joint venturers are recognised only to the extent of that portion of the gain or loss which is attributable to the interests of the other venturers. Unrealised losses are recognised in full when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

(f) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred.

Capitalised development expenditure is amortised and recognised as an expense on a systematic basis so as to reflect the pattern in which the related economic benefits are recognised over 3 to 5 years. Capitalised development expenditure which is impaired is written down to its recoverable amount.

(g) Inventories

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

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

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

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

Notes to the Financial Statements

for the year ended 31 December 2004

1. Summary of significant accounting policies (cont'd)

(h) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(i) Cash and cash equivalents

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

(j) Impairment

The carrying amount of assets, other than inventories, deferred tax assets and financial assets (other than investments in subsidiaries and jointly controlled entities), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(k) Liabilities

Borrowings and trade and other payables are stated at cost.

(l) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes to the Financial Statements

for the year ended 31 December 2004

1. Summary of significant accounting policies (cont'd)

(l) Income tax (cont'd)

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(m) Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

(i) Provision for product warranty/rectification

Provision for product warranty and rectification are recognised when the underlying products or services are sold. It is based on historical warranty data and a weighting of all possible outcomes against the associated probabilities.

(ii) Provision for prompt payment discount

A provision for prompt payment discount is recognised based on sales and past payment pattern of customers.

(n) Share capital

Repurchase of shares

When shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are reclassified as treasury shares and presented as a deduction from total equity.

(o) Deferred grant income

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

Notes to the Financial Statements

for the year ended 31 December 2004

1. Summary of significant accounting policies *(cont'd)*

(p) Employee benefits

i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

iii) Retirement benefits

The Group and Company's net obligation under its employees' terms of employment is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value. The discount rate used is the market yield at the balance sheet date on high quality corporate bonds or government bonds. The calculation was performed by an actuary using the projected unit credit method.

Any increase in benefits to employees is recognised as an expense in the income statement on a straight-line basis, over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

In calculating the Group and Company's obligation to its employees, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the benefit obligation, that portion is recognised in the income statement over the expected average remaining working lives of the employees. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the Group and Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(q) Foreign currency

(i) Foreign currency transactions

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

Notes to the Financial Statements

for the year ended 31 December 2004

1. Summary of significant accounting policies (cont'd)

(q) Foreign currency (cont'd)

(ii) Financial statements of foreign operations

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

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

1AUD	-	RM2.98	(2003 : 1AUD	-	RM2.87)
1USD	-	RM3.80	(2003 : 1USD	-	RM3.80)
100JPY	-	RM3.74	(2003 : 100JPY	-	RM3.58)
1CAD	-	RM3.19	(2003 : 1CAD	-	RM2.97)
1RMB	-	RM0.46	(2003 : 1RMB	-	RM0.46)
10,000IDR	-	RM4.32	(2003 : 10,000IDR	-	RM4.68)
100 THB	-	RM9.96	(2003 : 100 THB	-	RM9.78)

(r) Revenue

i) Goods sold and services rendered

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

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

ii) Dividend income

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

(s) Interest income

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

(t) Financing costs

Financing costs comprise interest payable on borrowings.

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

Notes to the Financial Statements

for the year ended 31 December 2004

2. Property, plant and equipment

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost/valuation								
Opening balance	8,571	43,395	50,352	210,099	18,373	7,895	4,328	343,013
Additions	-	-	4,301	24,172	2,816	1,377	6,954	39,620
Transfers	-	-	3,065	-	-	-	(3,065)	-
Disposals	-	-	-	(1,740)	(95)	(968)	-	(2,803)
Written off	-	-	-	(1,376)	(266)	(112)	-	(1,754)
Foreign exchange adjustment	-	-	-	24	-	17	-	41
Closing balance	8,571	43,395	57,718	231,179	20,828	8,209	8,217	378,117
Representing items at:								
Cost	8,571	26,303	51,068	231,179	20,828	8,209	8,217	354,375
1984 valuation	-	17,092	6,650	-	-	-	-	23,742
	8,571	43,395	57,718	231,179	20,828	8,209	8,217	378,117
Accumulated depreciation								
Opening balance	-	5,275	11,618	157,202	12,891	4,364	-	191,350
Charge for the year	-	720	1,583	20,585	2,106	1,264	-	26,258
Disposals	-	-	-	(1,370)	(81)	(761)	-	(2,212)
Written off	-	-	-	(779)	(266)	(98)	-	(1,143)
Foreign exchange adjustment	-	-	-	14	-	7	-	21
Closing balance	-	5,995	13,201	175,652	14,650	4,776	-	214,274
Net book value								
At 31 December 2004	8,571	37,400	44,517	55,527	6,178	3,433	8,217	163,843
At 31 December 2003	8,571	38,120	38,734	52,897	5,482	3,531	4,328	151,663
Depreciation charge for the year ended 31 December 2003	-	730	1,500	22,068	1,836	1,198	-	27,332

Notes to the Financial Statements

for the year ended 31 December 2004

2. Property, plant and equipment *(cont'd)*

Revaluation

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

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

Company	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost			
Opening balance	282	379	661
Additions	26	197	223
Disposal	(6)	-	(6)
Closing balance	302	576	878
Accumulated depreciation			
Opening balance	108	83	191
Charge for the year	50	85	135
Disposal	(1)	-	(1)
Closing balance	157	168	325
Net book value			
At 31 December 2004	145	408	553
At 31 December 2003	174	296	470
Depreciation charge for the year ended 31 December 2003	42	80	122

Notes to the Financial Statements

for the year ended 31 December 2004

3. Investments in subsidiaries

	Company	
	2004 RM'000	2003 RM'000
Unquoted shares, at cost	225,005	223,105
Less: Allowance for diminution in value	(3,035)	(3,035)
	221,970	220,070

Details of the subsidiaries are shown in Note 26.

4. Investments in jointly controlled entities

The Group's interest in the assets and liabilities, revenue and expenses of jointly controlled entities are as follows:

	2004 RM'000	2003 RM'000
Long-term assets	4,179	2,763
Current assets	21,270	19,324
Long-term liabilities	(114)	(162)
Current liabilities	(12,625)	(9,489)
Net assets	12,710	12,436
Income	26,872	16,751
Expenses	(25,859)	(17,163)
Share of profits/(losses) of jointly controlled entities	1,013	(412)

Details of jointly controlled entities are as follows:

Name of company	Principal activities	Proportion of ownership interest	
		2004 %	2003 %
APM-Coachair Sdn. Bhd.*	Distribution of coach air-conditioners.	50	50
APM Irwin Seating Sdn. Bhd.*	Manufacture and sale of auditorium seats.	50	50

Notes to the Financial Statements

for the year ended 31 December 2004

4. Investments in jointly controlled entities (cont'd)

Name of company	Principal activities	Proportion of ownership interest	
		2004 %	2003 %
Auto Culture Supplies Sdn. Bhd.*	Manufacture and sale of seat covers and related products.	50	50
Diversified Furniture Systems Sdn. Bhd.*	Dormant	50	50
PT APM Armada Autoparts*	Manufacture and sale of automotive, bus and train seating products in Indonesia	50	50
Anhui Winking Auto Parts Co. Ltd.*	Manufacture and sale of automotive seats, interior parts and seating components in China	60	60

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

During the financial year, the Group subscribed to an additional 300,000 shares of USD1 each in PT APM Armada Autoparts, a company incorporated in the Republic of Indonesia, at par, for a total consideration of RM1,140,090. The subscription represents 50% of the additional issuance of shares of PT APM Armada Autoparts

PT APM Armada Autoparts and Anhui Winking Auto Parts Co. Ltd. are incorporated in the Republic of Indonesia and Peoples' Republic of China respectively. The other jointly controlled entities are incorporated in Malaysia.

5. Deferred development expenditure

	Group RM'000
Cost	
Opening balance	4,391
Additions	1,276
Write off	(3,954)
	<hr/>
Closing balance	1,713
	<hr/>

Notes to the Financial Statements

for the year ended 31 December 2004

5. Deferred development expenditure (cont'd)

	Group RM'000
Amortisation and impairment losses	
Opening balance	-
Amortisation charge for the year	141
	<hr/>
Closing balance	141
	<hr/>
Net book value	
At 31 December 2004	1,572
	<hr/>
At 31 December 2003	4,391
	<hr/>

6. Deferred tax

The amounts, determined after appropriate offsetting, are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deferred tax assets	(9,284)	(8,624)	(528)	(359)
Deferred tax liabilities	2,428	3,162	-	-
	<hr/>		<hr/>	
	(6,856)	(5,462)	(528)	(359)
	<hr/>		<hr/>	

Deferred tax liabilities and assets are offset above where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority

Notes to the Financial Statements

for the year ended 31 December 2004

6. Deferred tax (cont'd)

The recognised deferred tax assets and liabilities (before offsetting) are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Property, plant and equipment				
- capital allowances	5,102	4,121	38	32
- revaluation	1,935	2,008	-	-
Unrealised foreign exchange gain	153	260	-	-
Provisions	(13,941)	(11,773)	(461)	(313)
Unabsorbed capital allowances	(104)	(77)	(104)	(77)
Unutilised tax losses	(1)	(1)	(1)	(1)
	(6,856)	(5,462)	(528)	(359)

No deferred tax has been recognised for the following items:

	Group	
	2004 RM'000	2003 RM'000
Unutilised tax losses	790	264
Unabsorbed capital allowances	393	5
Deductible temporary differences	1,821	293
	3,004	562
Deferred tax asset not recognised at 28%	841	157

The unutilised tax losses, unabsorbed capital allowances and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

The Group has tax losses carried forward of RM794,000 (2003 - RM268,000) which give rise to the recognised and unrecognised deferred tax assets in respect of unutilised tax losses above.

Notes to the Financial Statements

for the year ended 31 December 2004

7. Inventories

	Group	
	2004 RM'000	2003 RM'000
Raw materials	81,463	57,726
Work-in-progress	12,762	11,536
Manufactured inventories and trading inventories	60,979	51,315
Spare parts and others	7,186	4,088
	162,390	124,665

The following inventories are carried at net realisable value:

Raw materials	6,711	6,575
Work-in-progress	30	64
Manufactured inventories and trading inventories	5,172	6,606
Spare parts and others	883	541
	12,796	13,786

8. Trade and other receivables

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade receivables				
- third parties	162,797	112,812	-	-
- jointly controlled entities	2,505	2,768	-	-
- related parties	19,577	21,947	-	-
	184,879	137,527	-	-
Less: Allowance for doubtful debts	(3,464)	(5,254)	-	-
	181,415	132,273	-	-
Non-trade:				
Subsidiaries	-	-	31,480	33,254
Less: Allowance for doubtful debts	-	-	-	(10,772)
			31,480	22,482
Jointly controlled entities	212	454	21	54
Related parties	250	38	-	-
	13,599	12,019	120	7
Less: Allowance for doubtful debts	(1,000)	(1,000)	-	-
	12,599	11,019	120	7
	194,476	143,784	31,621	22,543

Notes to the Financial Statements

for the year ended 31 December 2004

8. Trade and other receivables (cont'd)

Group

Included in other receivables is an amount of RM3.9 million (2003 - RM2.1 million) incurred on product development which is recoverable from the Group's customer.

Group and Company

Except for RM2,500,000 included in the amount due from subsidiaries, the amounts due from subsidiaries, jointly controlled entities and related parties are unsecured, interest free and have no fixed terms of repayments.

The amount due from subsidiaries of RM2,500,000 (2003 - nil) is unsecured, has no fixed term of repayment and subject to interest at 3% per annum.

9. Cash and deposits

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash and bank balances	19,548	22,656	324	653
Deposits with financial institutions	49,300	63,937	30,649	25,013
	68,848	86,593	30,973	25,666
Deposits are placed with:				
Licensed banks	14,500	25,367	3,349	1,700
Finance companies	2,000	1,400	2,000	1,400
Other financial institutions	32,800	37,170	25,300	21,913
	49,300	63,937	30,649	25,013

10. Trade and other payables

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade payables				
- third parties	63,310	43,895	-	-
- related parties	47	167	-	-
	63,357	44,062	-	-
Non-trade:				
Subsidiaries	-	-	24,624	23,425
Jointly controlled entities	56	43	-	43
Related parties	1,337	1,021	-	2
Other payables and accruals	52,885	43,776	1,866	1,845
	117,635	88,902	26,490	25,315

Notes to the Financial Statements

for the year ended 31 December 2004

10. Trade and other payables (cont'd)

Group and Company

The non-trade amounts due to subsidiaries, jointly controlled entities and related parties are unsecured, interest free and have no fixed terms of repayment.

Company

The amount due to subsidiaries includes funds amounting to RM23,367,254 (2003 - RM21,342,248) which the Company places on behalf of its subsidiaries as deposits with banks and other financial institutions and bear interest ranging from 2.6% to 3.2 % (2003 - 2.50% to 4.15%) per annum.

11. Borrowings

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current				
Bills payable - unsecured	2,907	8,663	-	-
Overdrafts - unsecured	1,939	3,069	-	-
Revolving credit - unsecured	-	1,400	-	-
Foreign currency trade loan - unsecured	17,141	-	-	-
Term loan - secured	1,250	5,000	-	-
	23,237	18,132	-	-
Non-current				
Long term loan - secured	-	1,250	-	-

The borrowings of the Group are subject to interest at 2.98% to 7.80% (2003 - 2.98% to 7.80%) per annum.

Term and debt repayment schedule

	Total RM'000	Under 1 year RM'000	1 - 2 years RM'000
Term loan	1,250	1,250	-

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

Notes to the Financial Statements

for the year ended 31 December 2004

12. Provisions

	Group	
	2004 RM'000	2003 RM'000
Balance at 1 January	7,181	6,643
Provision made during the year	3,836	4,329
Provision paid during the year	(2,373)	(3,309)
Provision reversed during the year	(248)	(482)
	<hr/>	<hr/>
Balance at 31 December	8,396	7,181

Provisions are made for product warranty/rectification and prompt payment discount.

13. Share capital

	Group and Company	
	2004 RM'000	2003 RM'000
Authorised:		
Ordinary shares of RM1.00 each	300,000	300,000
	<hr/>	<hr/>
Issued and fully paid:		
Ordinary shares of RM1.00 each	201,600	201,600

On 5 March 2003, the Company purchased 250,000 of its issued shares from the open market. The average price paid for the shares was RM2.2086 per ordinary share. The purchase transactions were financed by internally generated funds. The purchased shares are currently held as treasury shares and carried at cost. The number of outstanding shares in issue after deducting the treasury shares held is 201,350,000 ordinary shares of RM1.00 each. Treasury shares have no rights to voting, dividends and participation in other distribution.

There were share buy back activities during the year.

14. Distributable retained profits

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all its retained profits at 31 December 2004 if paid out as dividends.

Notes to the Financial Statements

for the year ended 31 December 2004

15. Minority shareholder's interests

This consists of the minority shareholder's proportion of share capital and reserves of a subsidiary which is not wholly owned by the Group.

16. Deferred grant income

	Group	
	2004 RM'000	2003 RM'000
At cost	3,563	3,563
Accumulated amortisation	(2,846)	(2,551)
	717	1,012

17. Employee benefits

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Recognised liability for retirement benefits	10,198	9,033	1,044	769

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

Movements in the net liability recognised in the balance sheets

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Net liability at 1 January	9,033	8,546	769	1,655
Benefits paid	(455)	(1,176)	(15)	(1,007)
Expense recognised in the income statement	1,596	1,608	165	121
Transfer from subsidiaries	-	-	125	-
Foreign exchange adjustment	24	55	-	-
Net liability at 31 December	10,198	9,033	1,044	769

Notes to the Financial Statements
for the year ended 31 December 2004

17. Employee benefits (cont'd)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Expense recognised in the income statement:				
Current service cost	1,017	963	118	40
Interest on obligation	579	645	47	81
	1,596	1,608	165	121

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

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cost of sales	611	463	-	-
Distribution cost	71	14	-	-
Administration expenses	914	1,131	165	121
	1,596	1,608	165	121

Liability for retirement benefits

Principal actuarial assumptions used at the balance sheet date (expressed as weighted averages):

	2004 %	2003 %
Discount rate	7.0	7.0
Future salary increases	6.5	6.5
Price inflation	3.5	3.5

Notes to the Financial Statements

for the year ended 31 December 2004

18. Operating profit

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue				
- Sale of goods	789,049	664,399	-	-
- Services rendered	-	-	3,571	3,022
- Dividend income	-	-	28,280	38,987
	789,049	664,399	31,851	42,009
Operating profit is arrived at after crediting:				
Allowance for doubtful debts written back	1,163	1,060	10,772	-
Amortisation of grant income	295	312	-	-
Foreign exchange gain				
- realised	443	503	-	-
- unrealised	793	340	-	-
Gain on disposal of property, plant and equipment	321	687	1	13
Provisions reversed	248	482	-	-
Taxable dividend received from				
- unquoted subsidiaries	-	-	27,280	38,987
Tax exempt dividend received from				
- unquoted subsidiaries	-	-	1,000	-
and after charging:				
Allowance for doubtful debts	423	1,986	-	-
Amortisation of deferred development expenditure	141	-	-	-
Audit fee				
- current year	197	200	24	23
- prior year	(4)	24	-	5
Deferred development expenditure written off	3,954	-	-	-
Depreciation of property, plant and equipment	26,258	27,332	135	122
Directors of the Company:				
- fees	152	180	152	180
- emoluments	1,260	2,271	1,260	2,271
- benefit in kind	45	56	45	56
Doubtful debts written off	-	310	-	-
Inventories written down	4,162	5,922	-	-
Loss on disposal of property, plant and equipment	-	47	-	-
Operating lease rental	322	279	-	-
Property, plant and equipment written off	611	715	-	-
Provisions made	3,836	4,329	-	-
Retirement benefits charged	1,596	1,608	165	121
Rental of premises	1,137	2,023	-	-

Notes to the Financial Statements

for the year ended 31 December 2004

18. Operating profit (cont'd)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
and after charging: (cont'd)				
Royalties	2,510	2,488	-	-
Unrealised foreign exchange loss	245	147	-	-

19. Employee information

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Staff costs	99,647	89,512	3,887	2,852

The number of employees of the Group (including Directors) and of the Company (including Directors) at the end of the year was 3,638 (2003 - 3,198) and 38 (2003 - 38) respectively.

The defined contributions paid to the Employee Provident Fund of the Group and of the Company during the financial year are RM7,369,000 (2003-RM6,775,000) and RM346,000 (2003-RM317,000), respectively.

20. Tax expense

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Income tax expense				
Malaysia - current	19,839	14,976	7,586	10,405
- prior year	(71)	(1,120)	(25)	(589)
Overseas - current	218	75	-	-
Overseas withholding tax	376	4	-	-
	20,362	13,935	7,561	9,816
Deferred tax expense				
- Origination and reversal of temporary differences	(1,123)	843	(158)	243
- (Over)/Under provision in prior years	(251)	717	(11)	-
- Changes in accounting policy	-	(10)	-	-
	(1,374)	1,550	(169)	243
Tax expense on share of profits of jointly controlled entities				
- current year	143	105	-	-
	19,131	15,590	7,392	10,059

Notes to the Financial Statements

for the year ended 31 December 2004

20. Tax expense (cont'd)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Reconciliation of tax expense				
Profit before taxation	76,831	64,481	38,039	37,617
Income tax using Malaysian tax rates	21,513	18,055	10,651	10,533
Effect of different tax rates in foreign jurisdictions	12	13	-	-
Non-deductible expenses	1,393	1,421	109	115
Allowance for doubtful debts written back not subject to tax	-	-	(3,016)	-
Tax exempt income	(402)	(6)	(280)	-
Tax incentives	(3,968)	(3,596)	-	-
Effect of deferred tax benefit not recognised	684	24	-	-
Other items	(155)	78	(36)	-
	19,077	15,989	7,428	10,648
(Over)/Under provision in prior years				
- income tax	(71)	(1,120)	(25)	(589)
- deferred tax	(251)	717	(11)	-
Overseas withholding tax	376	4	-	-
Tax expense	19,131	15,590	7,392	10,059

21. Earnings per share - Group

The calculation of earnings per share is based on the net profit attributable to shareholders of RM58,668,000 (2003 - RM48,682,000) and the weighted average number of outstanding ordinary shares in issue during the year of 201,350,000 (2003 - 201,393,835).

22. Dividends paid

	Group and Company	
	2004 RM'000	2003 RM'000
Final in respect of previous year 6% less tax (2003 - 7% less tax)	8,698	10,148
Interim in respect of current year 5% less tax (2003 - 5% less tax)	7,249	7,249
	15,947	17,397

Notes to the Financial Statements

for the year ended 31 December 2004

22. Dividends paid (cont'd)

Proposed final dividend for the financial year ended 31 December 2004

The Directors have recommended the payment of a final dividend of 7% less 28% tax amounting to RM10,148,040 in respect of the year ended 31 December 2004, subject to approval by the shareholders at the forthcoming Annual General Meeting.

The proposed final dividend has not been accounted for in the financial statements of the Group and of the Company as at 31 December 2004.

Dividend per share

Ordinary dividend

The calculation of dividend per share is based on the ordinary dividend declared and proposed for the financial year ended 31 December 2004 and the number of outstanding ordinary shares in issue during the year of 201,350,000 (2003 - 201,350,000).

	2004 RM'000	2003 RM'000	2004 Sen per share (Gross)	2003 Sen per share (Gross)
Ordinary dividend paid	7,249	7,249	5	5
Proposed final dividend	10,148	8,698	7	6
Ordinary dividend including proposed final dividend	17,397	15,947	12	11

23. Segmental information

Segmental information has not been presented as the Group predominantly manufactures and sells automotive components and spare parts, and operates principally in Malaysia.

24. Capital commitments

	Group	
	2004 RM'000	2003 RM'000
Capital commitments:		
Property, plant and equipment		
Contracted but not provided for in the financial statements	11,663	9,966
Investments		
Authorised but not contracted for	12,540	1,900

Notes to the Financial Statements

for the year ended 31 December 2004

25. Related parties

Controlling related party relationships are as follows:

- i) The subsidiaries as disclosed in Note 26.
- ii) The substantial shareholders of the Company are Tan Chong Consolidated Sdn. Bhd. ("TCC") and Parasand Limited ("PL"). TCC and PL are also substantial shareholders of Warisan TC Holdings Berhad Group ("WTCH") whereas TCC is also a substantial shareholder of Tan Chong Motor Holdings Berhad Group ("TCMH Group") and Tan Chong International Limited Group ("TCIL Group").

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

Transactions with related parties

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

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
With TCMH Group				
Sales	111,597	84,436	-	-
Trade purchases	1,165	1,219	-	-
Other purchases	332	1,855	197	50
Rental expenses	915	916	-	-
Management fees	41	41	41	41
<hr/>				
With TCIL Group				
Sales	3,039	2,867	-	-
<hr/>				
With WTCH Group				
Sales	160	79	-	-
Trade purchases	252	328	-	-
Other purchases	1,382	951	-	-
<hr/>				

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

Notes to the Financial Statements

for the year ended 31 December 2004

25. Related Parties (cont'd)

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

	Company	
	2004	2003
	RM'000	RM'000
Subsidiaries		
Management and information technology fees receivable	3,571	3,027
Dividends received	12,458	38,987
Interest expense	7	131
Interest Income	33	-

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

26. Subsidiaries

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

Name of Company	Principal activities	Group effective interest	
		2004	2003
		RM'000 %	RM'000 %
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 Plastics Sdn. Bhd.	Manufacture of plastic injection and extrusion moulded parts and components	100	100
APM Shock Absorbers Sdn. Bhd.	Manufacture of shock absorbers and related component parts	100	100
APM Springs Sdn. Bhd.	Manufacture of automotive leaf springs	100	100
Auto Parts Holdings Sdn. Bhd.	Investment holding	100	100

Notes to the Financial Statements

for the year ended 31 December 2004

26. Subsidiaries (cont'd)

Name of Company	Principal activities	Group effective interest	
		2004	2003
		RM'000 %	RM'000 %
Auto Parts Manufacturers Co. Sdn. Bhd.	Manufacture of automotive seats and radiators	100	100
Auto Parts Marketing Sdn. Bhd.	Marketing of automotive parts and accessories	100	100
KAB Otomotif Sdn. Bhd.	Property investment	100	100
Perusahaan Tilam Kereta Sdn. Bhd.	Property investment	100	100
APM Auto Mechanisms Sdn. Bhd.	Property investment	100	100
APM Motorsport Sdn. Bhd.	Trading and sale of automotive parts and accessories	100	100
Fuji Seats (Malaysia) Sdn. Bhd.	Manufacture and sale of automotive seats and components	60	70
APM Automotive International Ltd, Labuan*	Investment holding	100	-
Radiators Australia (2000) Pty. Ltd ** (owned via 100% subsidiary, Auto Parts Holdings Sdn. Bhd.)	Distribution and assembly of automotive radiators and other automotive components.	100	100
APM Holdings Inc.* (owned via 100% subsidiary, Auto Parts Holdings Sdn. Bhd.)	Investment holding	100	100
APM Components America Inc.* (owned via 100% subsidiary, APM Holdings Inc.)	Dormant	100	100

Notes to the Financial Statements

for the year ended 31 December 2004

26. Subsidiaries (cont'd)

Name of Company	Principal activities	Group effective interest	
		2004 RM'000 %	2003 RM'000 %
APM Metal Industries Sdn. Bhd.	Dormant	100	100
APM Interiors Sdn. Bhd.	Dormant	100	100
APM Chalmers Suspensions Sdn. Bhd.	Dormant	100	100
APM Radiators Sdn. Bhd.	Dormant	100	100
APM Tooling Centre Sdn. Bhd.	Dormant	100	100
Atsugi Parts Manufacturing Sdn. Bhd.	Dormant	100	100
Pandamaran Special Steel Sdn. Bhd.	Dormant	100	100
TC-Kinugawa Rubber Sdn. Bhd.	Dormant	100	100
APM Components (USA) Inc.* (owned via 100% subsidiary, Auto Parts Holdings Sdn. Bhd.)	Marketing, distribution and sale of automotive and related products	100	100
APM Springs (Vietnam) Co., Ltd.* (owned via 100% subsidiary, APM Automotive International Ltd.)	Manufacture and sale of automotive suspension parts	100	-

Radiators Australia (2000) Pty Ltd is a company incorporated in Australia. APM Components America Inc. and APM Holdings Inc. are companies incorporated in Canada. APM Components (USA), Inc is a company incorporated in the United States of America. APM Spring (Vietnam) Co., Ltd. is a company incorporated in Vietnam. The other subsidiary companies are incorporated in Malaysia.

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

** Audited by another firm of Public Accountants

Notes to the Financial Statements

for the year ended 31 December 2004

26. Subsidiaries (cont'd)

The Company's shareholdings in non-wholly subsidiary are as follows:

	Ordinary shares of RM1.00 each			
	At 1.1.2004	Bought	Sold	At 31.12.2004
Fuji Seat(Malaysia) Sdn. Bhd.	3,500,000	-	-	3,500,000

27. Changes in Group composition

On 26 October 2004, the Company incorporated APM Automotive International Ltd. ("APM AI"), an offshore company in Labuan, Malaysia. APM AI is an investment holding company with an authorised share capital of USD5,000,000 made up of 1,000,000 ordinary shares of per value USD1.00 each and 4,000,000 redeemable non-cumulative preference shares with par value of USD1.00 each. The initial issued and paid up share capital was USD1.00 which was subsequently increased to USD500,000 through the issuance of an additional 99,999 ordinary shares of USD1.00 each at par and 400,000 redeemable non-cumulative preference shares of USD1.00 each at par, fully subscribed by the Company.

On 1 December 2004, APM Springs (Vietnam) Co., Ltd., ("APM Vietnam"), a limited liability enterprise under the Laws of Vietnam was established to manufacture automotive suspension parts for sale in Vietnam and overseas market. APM Vietnam has a registered investment capital of USD4,000,000. APM Vietnam is wholly owned via APM AI.

On 6 September 2004, the issued and paid up share capital of Fuji Seats (Malaysia) Sdn. Bhd. ("FSMSB") was increased from RM5,000,000 to RM5,833,000 by the issuance of 833,000 ordinary shares of RM1.00 each, at RM1.166 per ordinary share to Fuji Seats Co. Ltd, Japan. As a result, the Group's effective interest in FSMSB was reduced from 70% to 60%.

28. Event subsequent to the balance sheet date

Subsequent to the balance sheet date, the Company's wholly-owned subsidiary, Auto Parts Holdings Sdn. Bhd. ("APH") entered into an agreement to purchase the remaining 50% shareholding in APM Irwin Seating Sdn. Bhd. ("APM Irwin") from Irwin Seating US at the adjusted net tangible assets value as at 31 January 2005. Subsequent to the purchase, APM Irwin will become a wholly-owned subsidiary of APH and shall cease its manufacture and sale of chairs under the joint-venture agreement with Irwin Seating US. APM Irwin will remain dormant until management decides to inject new business into APM Irwin.

The above acquisition is not expected to have material effect on the earnings and net tangible assets of the Group for the financial year ending 31 December 2005.

29. Financial instruments

Financial risk, management objectives and policies

Exposure to credit, interest rate and currency risk arises in the normal course of the Group and the Company's business. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Notes to the Financial Statements

for the year ended 31 December 2004

29. Financial instruments (cont'd)

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. All customers requiring credit are subject to credit evaluation and approval.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each financial asset.

The Group and Company's customers' performance are dependent on the outlook of the local automotive industry.

Interest rate risk

The Group exposure to changes in interest rates relates primarily to the interest - bearing bank loans and deposits placed with financial institutions. The management considers interest rate risks on borrowings to be low as the level of borrowings are relatively insignificant.

Effective interest rates and repricing analysis

	2004				2003			
	Effective interest rate %	Total RM'000	Within 1 year RM'000	1-5 years RM'000	Effective interest rate %	Total RM'000	Within 1 year RM'000	1-5 years RM'000
Group								
Financial assets								
Short term deposits	2.77	49,300	49,300	-	2.95	63,937	63,937	-
Financial liabilities								
Unsecured bills payable	2.85	2,907	2,907	-	3.63	8,663	8,663	-
Unsecured overdrafts	7.01	1,939	1,939	-	6.46	3,069	3,069	-
Unsecured revolving credit	-	-	-	-	3.98	1,400	1,400	-
Unsecured foreign currency trade loan	2.87	17,141	17,141	-	-	-	-	-
Secured term loans	7.38	1,250	1,250	-	7.80	6,250	5,000	1,250
Company								
Financial assets								
Short term deposits	2.94	30,649	30,649	-	3.18	25,013	25,013	-
Financial liabilities								
Amount due to subsidiaries	2.99	23,367	23,367	-	3.34	21,342	21,342	-

Notes to the Financial Statements

for the year ended 31 December 2004

29. Financial instruments (cont'd)

Foreign currency risk

The Group and the Company incur foreign currency risk on sales, purchases and investment that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily US dollars, Australian dollars, Canadian dollars, Japanese Yen, Chinese Renmenbi and Indonesian Rupiah, Euro and Thai Baht.

Hedging

The Group partially hedge purchases that are denominated in currency other than Ringgit Malaysia, at the discretion of management.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair value

Recognised financial instruments

The carrying amounts of the Group and Company's financial assets and liabilities recorded at the balance sheet date are approximate to their fair values.

Unrecognised financial instruments

The valuation of financial instruments not recognised in the balance sheet reflects their current market rates at the balance sheet date.

The contracted amount and fair value of financial instruments not recognised in the balance sheet as at 31 December are:

	Group	
	2004	2003
	RM'000	RM'000
Forward foreign exchange purchase contracts		
- contractual value	15,326	3,717
- unrealised gains	532	79
Fair value	15,858	3,796
Forward foreign exchange sales contracts		
- contractual value	570	-
- unrealised gains	-	-
Fair value	570	-

The fair value of the above forward exchange contracts is based on foreign currency contracts translated at year end rates. These foreign exchange contracts would all expire within a year from balance sheet date.

Notes to the Financial Statements

for the year ended 31 December 2004

30. Comparative figures

The presentation and classification of certain items in the financial statements have been amended. Accordingly, comparative amounts for those items have been reclassified to ensure comparability with the current financial year.

	Group	
	As restated	As previously
	RM'000	stated
Notes to financial statements	RM'000	RM'000
Note 7 Inventories		
Raw materials	57,726	52,482
Work-in-progress	11,536	11,501
Manufactured inventories and trading inventories	51,315	51,021
Good-in-transit	-	5,573
	-	5,573

Group Properties

31 December 2004

Location	Description	Land Area (sq m)	Tenure/ Expiry Date	Net Book Value (RM'000)	Age of Building (years)	Date of Last Revaluation	Date of Acquisition
Lot 1 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office & warehouse	40,545	Leasehold/ 21.06.2092	10,259	7	1984	1984
Lot 3 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office & warehouse	42,046	Leasehold/ 21.06.2092	10,663	10	1984	1984
Lot 600 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	40,354	Leasehold/ 19.10.2076	30,431	18	-	1999
Lot 601 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	20,234	Leasehold/ 19.10.2076	5,926	26	1984	1974
Lot 1621 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	22,573	Leasehold/ 06.04.2079	12,864	8	-	1996
Lot 13 Lorong Durian 3 Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu, Sabah	Light industrial building	195	Leasehold/ 16.11.2922	297	8	-	1995
Lot 14 Lorong Durian 3 Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu, Sabah	Light industrial building	195	Leasehold/ 16.11.2922	353	8	-	2001
No. 2 (Lot 40) Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Vacant industrial land	8,094	Freehold	1,054	-	-	2002
No. 4 (Lot 41) Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office & warehouse	8,094	Freehold	4,102	-	-	2002

Group Properties

31 December 2004

Location	Description	Land Area (sq m)	Tenure/ Expiry Date	Net Book Value (RM'000)	Age of Building (years)	Date of Last Revaluation	Date of Acquisition
No. 6 (Lot 42) Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office & warehouse	8,094	Freehold	5,103	2	-	2002
No. 8 (Lot 43) Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office & warehouse	8,094	Freehold	5,011	2	-	2002
No. 7 & 9 (Lots 34 & 35) Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Vacant industrial land	16,188	Freehold	2,152	-	-	2002
No. 8 & 10 (Lots 26 & 27) Jalan Jasmine 4 Bandar Bukit Beruntung 48300 Rawang, Selangor	Vacant industrial land	16,188	Freehold	2,152	-	-	2003
Lots 20A, 20B & 20C Proton City Vendors Park Tanjung Malim, Perak	Vacant industrial land	39,699	Freehold	4,615	-	-	2004

Shareholder's Statistics

As at 31 March 2005

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

THIRTY LARGEST SHAREHOLDERS

	No of Shares Held	%
1. Parasand Limited	40,320,000	20.0248
2. Tan Chong Consolidated Sdn Bhd	34,539,999	17.1542
3. Employees Provident Fund Board	17,579,400	8.7308
4. Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	8,866,100	4.4033
5. Mayban Nominees (Tempatan) Sdn Bhd Tan Chong Consolidated Sdn Bhd (N14011984860)	6,750,000	3.3524
6. Lembaga Tabung Haji	6,014,950	2.9873
7. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	6,000,000	2.9799
8. Cimsec Nominees (Tempatan) Sdn Bhd Allied Investments Limited for Tan Chong Consolidated Sdn Bhd	3,000,000	1.4899
9. Pertubuhan Keselamatan Social	2,454,000	1.2188
10. HSBC Nominees (Asing) Sdn Bhd DZ Bank Intl for Uni Em Fernost Treuhandkonto, Luxemburg	2,235,600	1.1103
11. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Income Plus Fund (N14011980070)	2,186,500	1.0859
12. Valuecap Sdn Bhd	2,178,000	1.0817
13. Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	2,150,000	1.0678
14. AMMB Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for Pacific Pearl Fund (5/1-9)	1,929,400	0.9582
15. Cimsec Nominees (Tempatan) Sdn Bhd Commerce Asset Fund Managers Sdn Bhd for Employees Provident Fund Board	1,766,000	0.8771

Shareholder's Statistics

As at 31 March 2005

THIRTY LARGEST SHAREHOLDERS (cont'd)

	No of Shares Held	%
16. Cartaban Nominees (Tempatan) Sdn Bhd Amanah SSCM Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board (JF404)	1,632,000	0.8105
17. RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja	1,557,100	0.7733
18. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koon Yew Yin	1,547,300	0.7685
19. Azman Bin Badrillah	1,500,000	0.7450
20. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	1,483,000	0.7365
21. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Balanced Returns Fund (N14011980060)	1,440,000	0.7152
22. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chong Consolidated Sdn Bhd (014011528927)	1,350,000	0.6705
23. AMMB Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for Pacific Dividend Fund (5/27-2)	1,295,400	0.6434
24. Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Nasional	1,146,000	0.5692
25. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koon Yew Yin	1,042,800	0.5179
26. Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Tan Heng Chew (Margin-MM1063)	1,012,800	0.5030
27. Cismec Nominees (Tempatan) Sdn Bhd CIMB For Khor Swee Wah @ Koh Bee Leng (Margin-MM1208)	991,008	0.4922
28. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Nasional	913,300	0.4536
29. BHLB Trustee Berhad Pacific Recovery Fund	893,100	0.4436
30. Amanah Raya Nominees (Tempatan) Sdn Bhd Mayban Dana Yakin	850,000	0.4222
	156,623,757	77.7868

Shareholder's Statistics

As at 31 March 2005

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares Held	%
1-99	297	2.732	14,411	0.0071
100-1,000	7,177	66.026	2,975,009	1.4757
1,001-10,000	2,993	27.534	9,161,264	4.5443
10,001-100,000	302	2.778	8,478,901	4.2058
100,001-10,079,999	98	0.902	88,281,016	43.7902
10,080,000 and above	3	0.028	92,439,399	45.8529
	10,870	100.0000	201,350,000	99.8760
Treasury shares	-	-	250,000	0.1240
TOTAL	10,870	100.000	201,600,000	100.0000

SUBSTANTIAL SHAREHOLDERS (ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	No. of Shares Held	%
1. Tan Chong Consolidated Sdn Bhd	45,639,999*	22.6670
2. Parasand Limited	40,320,000*	20.0248
3. Employees Provident Fund Board	22,444,400	11.1469

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

DIRECTOR' SHAREHOLDINGS AS AT 31 MARCH 2005

	Direct	No. of Shares Held		%
		%	Indirect	
Dato' Tan Heng Chew	1,980,649	0.98	85,959,999	42.69 ⁽¹⁾
Azman bin Badrillah	1,537,000	0.76	-	-
Tan Eng Soon	210,000	0.10	85,959,999	42.69 ⁽¹⁾
Tan Eng Hwa	669,908	0.33	1,650	- ⁽²⁾
Dato' Haji Kamaruddin @ Abas bin Nordin	448	- ⁽³⁾	-	-
Dr. Fun Woh Peng	-	-	-	-
Ahmad bin Abdullah	-	-	-	-
Dato' N Sadasivan	-	-	-	-
Mohd Sharif bin haji Yusof	-	-	-	-

Notes:

⁽¹⁾ Deemed interest by virtue of interest in Tan Chong Consolidated Sdn Bhd and Parasand Limited, pursuant to Section 6A of the Companies Act, 1965.

⁽²⁾ Less than 0.01% and deemed interest by virtue of interest in Solomon House Sdn Bhd, pursuant to Section 6A of the Companies Act, 1965.

⁽³⁾ Less than 0.01%.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of APM Automotive Holdings Berhad ("Company") will be held at the Grand Ballroom, Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur, Malaysia on Friday, 20 May 2005 at 11:00 a.m. to transact the following businesses:

Ordinary Business:

1. To receive and consider the Financial Statements for the financial year ended 31 December 2004 together with the Reports of the Directors and Auditors thereto. **Resolution 1**
2. To declare a final dividend of 7% less income tax for the financial year ended 31 December 2004. **Resolution 2**
3. To re-elect the following Directors who are eligible and have offered themselves for re-election, in accordance with Article 100 of the Company's Articles of Association.
 - i. Dato' Tan Heng Chew **Resolution 3**
 - ii. Tan Eng Hwa **Resolution 4**
 - iii. Mohd Sharif bin Haji Yusof **Resolution 5**
4. To re-appoint Ahmad bin Abdullah as Director pursuant to Section 129(6) of the Companies Act, 1965. **Resolution 6**
5. To re-appoint the Auditors and authorise the Directors to fix their remuneration. **Resolution 7**

Special Business:

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

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

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

Resolution 8

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

PROPOSED GRANT OF AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES

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

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

Notice of Annual General Meeting

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

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

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

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

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authority." **Resolution 9**

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

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

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the 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 Group involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group as set out under section 3.2.1 of the Circular to Shareholders dated 28 April 2005 ("Related Parties") provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders (the "Shareholders' Mandate").

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

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Resolution 10**

Notice of Annual General Meeting

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

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG INTERNATIONAL LIMITED GROUP

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the 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 Group involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group as set out under section 3.2.2 of the Circular to Shareholders dated 28 April 2005 ("Related Parties") provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders (the "Shareholders' Mandate").

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

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Resolution 11**

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

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

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the 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 Group involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group as set out under section 3.2.3 of the Circular to Shareholders dated 28 April 2005 ("Related Parties") provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders (the "Shareholders' Mandate").

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

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

11. 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
 28 April 2005

Notice of Annual General Meeting

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. An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
4. The form of proxy must be deposited at the Registered Office of the Company, 62 - 68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.
5. Explanatory Statement on Special Businesses in relation to:

Resolution 8

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

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

Resolution 9

The proposed resolution, if passed, will empower the Directors to purchase the Company's shares of up to 10 per centum of the issued and paid-up capital of the Company by utilising the funds allocated out of the retained profits and share premium account of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Resolution 10, 11 and 12

Proposed resolutions 10, 11 and 12, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day to day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on the proposed resolutions 9, 10, 11 and 12 are set out in the Circular to Shareholders dated 28 April 2005, despatched together with the Company's 2004 Annual Report.

Statement Accompanying Notice of Eighth Annual General Meeting

DIRECTORS STANDING FOR RE-APPOINTMENT AND RE-ELECTION

The Director standing for re-appointment pursuant to Section 129 (6) of the Companies Act, 1965 is Ahmad bin Abdullah. Directors standing for re-election pursuant to Article 100 are Dato' Tan Heng Chew, Tan Eng Hwa and Mohd Sharif bin Haji Yusof.

The profiles of these Directors are set out on pages 16 to 17 of the Annual Report. Their shareholdings in the Company as at 31 March 2005 are as follows:

	Direct interest	Indirect interest
Ahmad bin Abdullah	-	-
Dato' Tan Heng Chew	1,980,649	85,959,999
Tan Eng Hwa	669,908	1,650
Mohd Sharif bin Haji Yusof	-	-

DETAILS OF ATTENDANCE OF THE DIRECTORS AT BOARD MEETINGS HELD IN 2004

The attendance of the Directors who are standing for re-appointment and re-election are set out in the Statement on Corporate Governance on page 18 of the Annual Report.

DATE, TIME AND PLACE OF MEETING

Date : Friday, 20 May 2005
 Time : 11:00 a.m.
 Place : Grand Ballroom, Grand Seasons Hotel
 72, Jalan Pahang
 53000 Kuala Lumpur, Malaysia

Notice of Dividend Entitlement and Book Closure

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Eighth Annual General Meeting of APM Automotive Holdings Berhad, a final dividend of 7% less income tax will be paid on 6 July 2005 to shareholders whose names appear in the Register of Members on book closure date on 9 June 2005. The entitlement date shall be 8 June 2005.

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

- (1) shares transferred into the depositor's securities account before 4:00 p.m. on 8 June 2005 in respect of ordinary transfers;
- (2) shares deposited into the depositor's securities account before 12:30 p.m. on 6 June 2005 in respect of shares exempted from mandatory deposit; and
- (3) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the rules of Bursa Malaysia Securities Berhad.

By order of the Board

LEE KWEE CHENG

CHAN YOKE-LIN

Company Secretaries

Kuala Lumpur

28 April 2005

Notes:

- (1) An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
- (2) 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.
- (3) 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.

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.

Affix stamp here

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