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

Extending Our Footprint

Annual Report **2012**

Contents

Corporate Information

DIRECTORS

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

Low Seng Chee
Executive Director

Dato' Tan Eng Hwa *DIMP*
Executive Director

Dr. Fun Woh Peng
Executive Director

Tan Eng Soon
Non-Independent Non-Executive Director

Azman Badrillah
Non-Independent Non-Executive Director

Dato' N Sadasivan *DPMP, JSM, KMN*
Senior Independent Non-Executive Director

Dato' Haji Kamaruddin @ Abas Nordin *DSSA, KMN*
Independent Non-Executive Director

Heng Ji Keng
Independent Non-Executive Director

AUDIT COMMITTEE
Dato' N Sadasivan *DPMP, JSM, KMN*
Senior Independent Non-Executive Director
Chairman of the Audit Committee

Dato' Haji Kamaruddin @ Abas Nordin *DSSA, KMN*
Independent Non-Executive Director

Heng Ji Keng
Independent Non-Executive Director

NOMINATING COMMITTEE
Heng Ji Keng
Independent Non-Executive Director
Chairman of the Nominating Committee

Dato' Haji Kamaruddin @ Abas Nordin *DSSA, KMN*
Independent Non-Executive Director

Dato' N Sadasivan *DPMP, JSM, KMN*
Senior Independent Non-Executive Director

COMPANY SECRETARY
Lee Yuen Lin (MIA 16484)

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Selangor Darul Ehsan, Malaysia

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Stock Code : 5015

Business Divisions

1 Suspension Division

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

2 Interior & Plastics Division

Automotive Seats
Plastic Parts
Body Side Mouldings
Interior Trims
Door Panels

3 Electrical & Heat Exchange Division

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

4 Marketing Division

Local Replacement Market
Export Market

5 Overseas Operations

Indonesia
USA
Vietnam

Chairman's Statement

APM IAC AUTOMOTIVE SYSTEMS SDN. BHD., Bukit Beruntung

Highlights

On behalf of the Board of Directors, I am pleased to report another year of good performance with a Group revenue of RM1,198.5 million and pretax profit of RM160.7 million for the financial year ended 31 December 2012.

We have achieved this against a challenging global competitive climate, the ongoing Eurozone crisis, the struggling US economy, stiff pricing competition from China's and Turkey's products have changed the regional competition landscape. The Group revenue grew marginally by 1.4%, at RM1,198.5 million from RM1,182.1 million in 2011. Production of new vehicles in Malaysia for 2012 was higher by 6.8% or 36,105 units at 569,620 units compared to 533,515 units in 2011. [Source : Malaysia Automotive Association]

Group pretax profit of RM160.7 million compared to the RM175.0 million achieved in 2011 was mainly due to lower export sales to Europe as financial crisis continued, weakening of Euro, price reduction for OEMs (original equipment manufacturers) and revaluation of inventory to reflect the market value due to weakening of Japanese Yen.

Basic earnings per ordinary share stood at 58.1sen (2011 : 60.3sen) and Net Assets per share was RM4.54 (2011 : RM 4.24). Shareholders' funds increased to RM908.5 million (2011 : RM855.1 million).

For financial year 2012, the results reflected the company's strong fundamentals and effective cost management through the application of lean principles, in both manufacturing and administration. And we have centered all our activities on the principle of empowering people.

SUSPENSION DIVISION, MALAYSIA

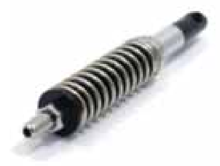
At APM, our products are exported to over 40 countries and the number is growing day by day. Leading the export drive are products from the suspension division, in particular, leaf springs and coil springs.

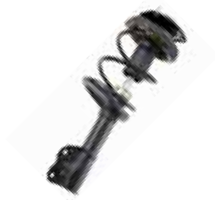
For leaf springs, more than 50% of the manufactured products were exported, while about 10% of the coil springs were exported.

In the last quarter of 2012 a new parabolic manufacturing line has been successfully commissioned in Port Klang and will be ready for full production in the 3rd quarter 2013. This new line boasting many advanced manufacturing capabilities will give us an edge, both in terms of cost and technical superiority.

As a testament to our quality and cost competitiveness, a major global truck maker has selected us to supply leaf springs for their regional production against the competitors from China, Thailand, India and Indonesia.

Due to decrease in the export sales to Eurozone, the division's revenue decreased slightly by 2.9% from RM233.1 million in 2011 to RM226.3 million in 2012. Pretax profit decreased by 35.8% to RM16.5 million compared to RM25.7 million in 2011.



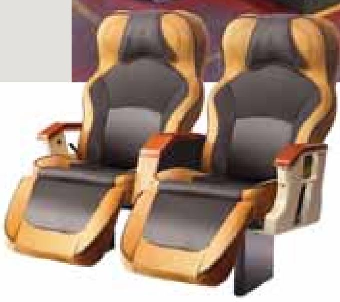


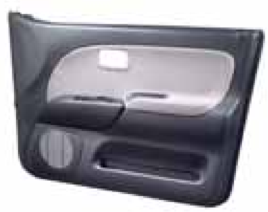
INTERIOR AND PLASTIC DIVISION, MALAYSIA

The interior and plastics division accounts for almost 48% of the group's total gross revenue and is the largest contributor to the group in term of revenue and profit. Having its main operations in the Bukit Beruntung area the division manufactures two main line of products; seatings and plastic injection & extrusion components. The reporting year 2012 saw a slight increase in revenue by 6.3%, mainly due to higher production of new vehicles in Malaysia. Notwithstanding the increase in revenue, the division's pretax profit dropped by 5.3%, mainly due to competitive pricing adjustments.

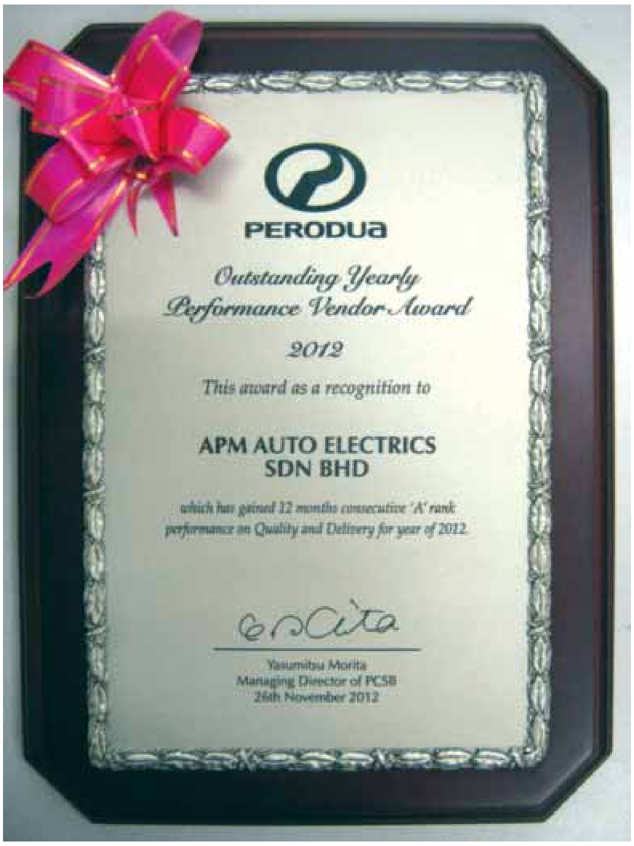
In line with the group's plan to move from components manufacturing to system integration, efforts are underway to upgrade our design and manufacturing facilities.

OEM having operations in the north, has appointed us as their first on site system coordinator for the industry. Furthermore, towards the end of 2012, we have also been appointed as a cockpit & seating integrator to a global marquee, using Malaysia as a base for their export.

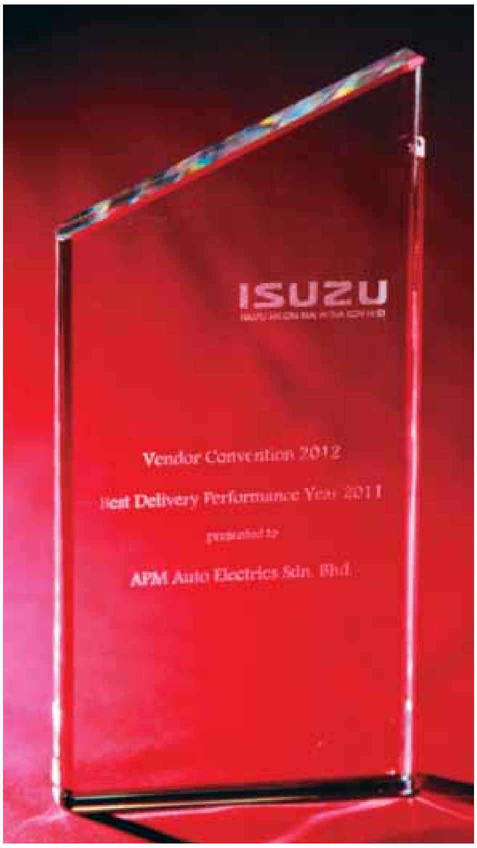




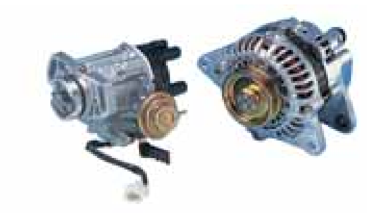
Chairman's
Statement

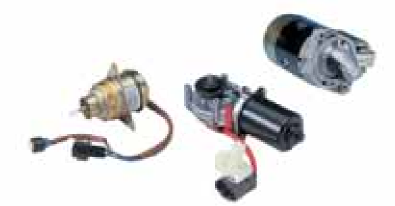


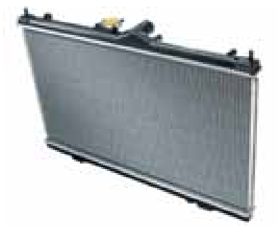
Outstanding Yearly Performance Vendor Award 2012



Best Delivery Achievement Award







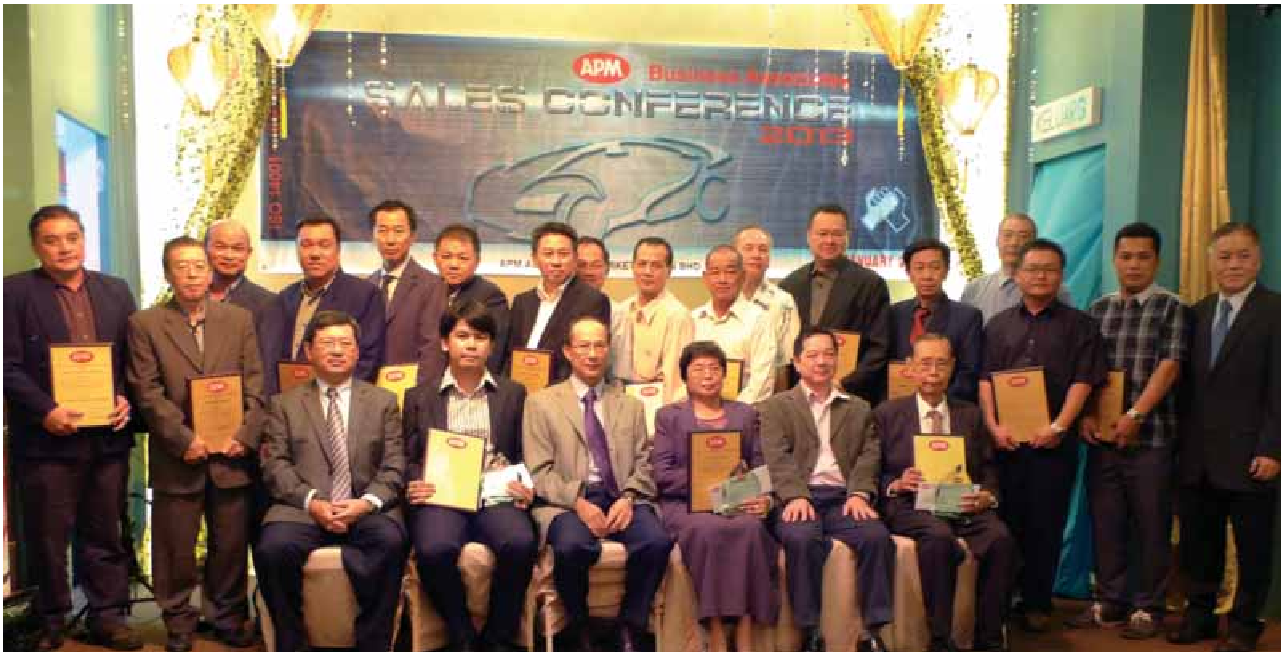
ELECTRICAL & HEAT EXCHANGE DIVISION, MALAYSIA

Technology has become the key driver in automotive innovations towards functionality and cost. Components are expected to perform more efficiently, weight less and cost less. Without exception, our heat exchange components like condenser, evaporators, radiators, are expected to operate at this next level. To meet these challenges we have started to upgrade our design and manufacturing know-how and we are confident that our latest efforts will produce positive results.

In the areas of alternators and starters, we are working closely with our technical partners to make available the latest products and technology to stay one step ahead.

For systems, we have started to look into complete engine cooling module and wiper systems. This will bring us closer in realizing our goal of becoming a tier one integrator.

The lower pretax profit in this division of RM14.4 million, a reduction by 36.5% from 2011 of RM22.7 million was mainly due to fluctuation of Japanese Yen in 2012 by more than 10%, resulted to higher imported raw material costs throughout the year.



Business Associates Sales Conference and Achievers Award 2012

MARKETING DIVISION, MALAYSIA

The main business of this division is the distribution of automotive components manufactured by the group.

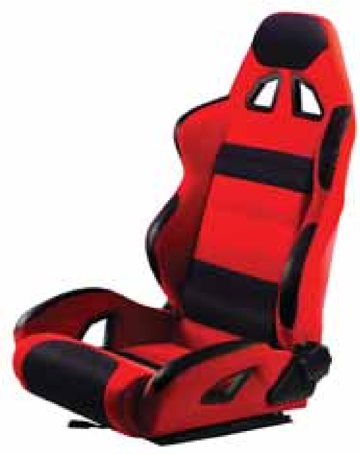
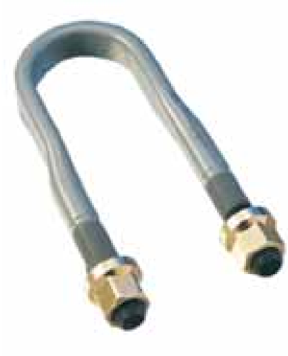
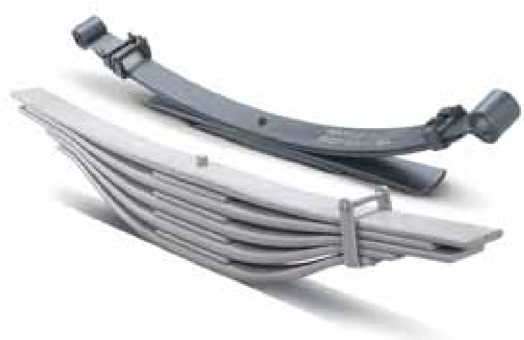
Although our products are exported to over 40 countries, gross turnover for this division accounted for only about 20% of the group's revenue. The pretax profit decreased by 10.5% from RM14.2 million to RM12.7 million, mainly due to weakening of Euro and more competitive pricing.

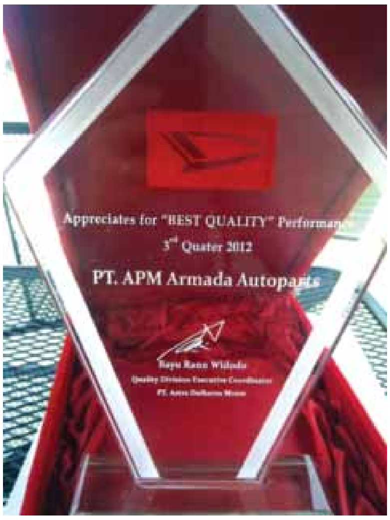
Plans have been formulated to aggresively pursue sales growth in the export markets. We have mapped and identified regions where our products are competitive.

In the domestic replacement market, the APM name is synonymous with good quality. With over 350 dealers, our network permeates through all levels, right to the users.

APM Brand Ambassador Roadshow

Chairman's
Statement



"Best Quality" Performance 3rd Quarter 2012

Operations Outside Malaysia

We have established a strong presence in Malaysia and can rightly claim that APM is the largest independent automotive components manufacturer. For the continuing survival of the company, we recognize the need to venture into distant shores. APM is proud to announce our manufacturing presence in Indonesia and Vietnam.

Revenue from Operations Outside Malaysia for 2012 was RM123.1 million, decreased by 10.6% from RM137.7 million in 2011. The decrease was mainly due to divestment of the loss making radiator operations in Australia in early 2012. Pretax profit improved by three folds from RM3.8 million in 2011 to RM9.3 million in 2012.

In Indonesia, with our partner, PT Mekar Armada Jaya, we have firmly established an interior Joint-Venture through PT APM Armada Autoparts, supplying door trims and headlining to major OEM's. New products are being introduced to further solidify our position.

Our wholly-owned suspension company, PT APM Armada Suspension, after 4 years of struggle, has secured our first OEM contract. Discussions are underway to obtain contracts from other car makers.

Since 2011, the Vietnam operation has begun to contribute positively to our bottom line. More products will be introduced and become available to both the OEM's and the replacement markets. We expect to see further growth for many years to come.

Chairman's Statement

New Pu Line in operation

Prospects

The Malaysian GDP growth rate at 5.6% in 2012 [Source : Department Statistic of Malaysia], may still be vulnerable to global economic developments. The Malaysian Automotive Association (MAA) has forecasted the total industry volume to grow at 2.0% in 2013 to 640,000 units compared to 627,753 units in 2012. In the first month of 2013, Malaysia's total industry volume increased by 34.5% compared to previous corresponding period, mainly due to continued aggressive promotional campaigns by car companies and spillover of December 2012 deliveries. The Group will continue to focus on improving production efficiency and productivity, prudent cost management to enhance our position in international markets. The Group is cautiously optimistic that it will perform reasonably well in 2013.

We strongly believe that APM is poised for growth and our future success is bright. Building on our strong performance in 2012, the hard work we have put in to train our employees and the technical infrastructure we have established, will put the company in a good position to capitalize on both the domestic and regional growth.

Dividends

An interim ordinary dividend of 10 sen per share less tax at 25% (2011: 10 sen less tax at 25%) amounting to RM14.68 million was paid to the shareholders on 28 September 2012.

The Board has recommended a final ordinary dividend of 12 sen per share less tax at 25% plus a special final ordinary dividend of 10 sen per share less tax at 25% for the year ended 31 December 2012 (2011 : 12 sen less tax at 25% plus a special final ordinary dividend of 10 sen less tax at 25%) amounting to RM32.29 million based on the total number of ordinary shares outstanding as at 31 December 2012.

The amounts, if approved at the forthcoming Annual General Meeting, will result in a total dividend payment of RM46.97 million (2011: RM46.97 million) for the financial year ended 31December 2012.

Acknowledgement

The Board would like to express its appreciation to all our valued shareholders, customers, bankers and business partners for their resolute confidence in and support to the Group.

To the members of management and staff, sincere thanks for their continued dedication and commitment in sustaining the Group's performance.

Executive Chairman

Profile of the
Board of Directors

Dato' Tan Heng Chew

JP, DJMK, 66, a Malaysian

Dato' Tan Heng Chew, JP, DJMK, 66, a Malaysian, was the first director of the Company when it was incorporated on 26 March 1997. He was appointed the Chairman of the Board on 1 November 1999. Dato' Tan has been re-designated as Executive Chairman effective 1 January 2011.

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

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

Mr. Low Seng Chee

53, a Malaysian

Mr. Low Seng Chee, 53, a Malaysian, is an Executive Director appointed to the Board on 1 July 2010.

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

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

Dato' Tan Eng Hwa

DIMP, 58, a Malaysian

Dato' Tan Eng Hwa, DIMP, 58, a Malaysian, is an Executive Director. He was first appointed to the Board on 1 November 1999 as a Non-Independent Non-Executive Director. Dato' Tan was re-designated as Executive Director on 23 March 2004.

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

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

Dr. Fun Woh Peng

53, a Malaysian

Dr. Fun Woh Peng, 53, a Malaysian, is an Executive Director appointed to the Board on 15 January 2003.

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

Mr. Tan Eng Soon

64, a Singaporean and a Malaysian Permanent Resident

Mr. Tan Eng Soon, 64, a Singaporean and a Malaysian Permanent Resident, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

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

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

Profile of the
Board of Directors

Encik Azman Badrillah

65, a Malaysian

Encik Azman Badrillah, 65, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

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

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

Dato' N. Sadasivan s/o N.N Pillay

DPMP, JSM, KMN, 73, a Malaysian

Dato' N. Sadasivan s/o N.N. Pillay, DPMP, JSM, KMN, 73, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 1 November 1999 and is the Chairman of the Audit Committee and a member of Nominating Committee. Dato' was re-designated as Senior Independent Non-Executive Director on 22 January 2013.

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

Dato' Sadasivan is a director of Petronas Gas Berhad and Yeo Hiap Seng (Malaysia) Berhad. He also sits on the board of Bank Negara Malaysia.

Dato' Haji Kamaruddin @ Abas Nordin

DSSA, KMN, 74, a Malaysian

Dato' Haji Kamaruddin @ Abas Nordin, DSSA, KMN, 74, a Malaysian, is an Independent Non-Executive Director. He has been a member of the Board and the Audit Committee since 1 November 1999. He was appointed as member of the Nominating Committee on 22 January 2013.

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

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

Mr. Heng Ji Keng

65, a Malaysian

Mr. Heng Ji Keng, 65, a Malaysian, is an Independent Non-Executive Director. He joined the Board and the Audit Committee with effect from 1 January 2011. He was appointed as Chairman of the Nominating Committee on 22 January 2013.

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

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

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

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

5 Years
Financial Highlights

RESULTS	2012 (RM'000)	2011 (RM'000)	2010 (RM'000)	2009 (RM'000)	2008 (RM'000)
Revenue	1,198,475	1,182,069	1,178,846	918,533	943,526
Profit before tax	160,711	175,035	184,529	100,632	80,395
Taxation	(35,524)	(39,151)	(44,195)	(18,354)	(22,823)
Profit for the financial year	125,187	135,884	140,334	82,278	57,572
Attributable to :					
Equity holders of the Company	113,602	118,093	124,489	72,651	51,169
Minority interest	11,585	17,791	15,845	9,627	6,403

BALANCE SHEET

	2012 (RM'000)	2011 (RM'000)	2010 (RM'000)	2009 (RM'000)	2008 (RM'000)
Assets					
Property, plant & equipments	228,698	246,021	240,153	220,800	220,513
Prepaid lease payments	18,212	7,649	6,320	4,043	996
Investment properties	17,002	1,177	1,217	1,257	1,298
Development expenditure	1,726	799	936	1,549	615
Deferred tax assets	13,405	15,586	20,227	13,972	6,121
Total non-current assets	**279,043**	**271,232**	**268,853**	**241,621**	**229,543**
Current assets	859,870	802,748	740,859	633,488	586,736
Total assets	**1,138,913**	**1,073,980**	**1,009,712**	**875,109**	**816,279**
Equity					
Share capital	201,600	201,600	201,600	201,600	201,600
Reserves	698,840	640,949	556,088	453,663	397,471
Treasury shares	(12,796)	(12,786)	(12,776)	(12,733)	(8,433)
Total equity attributable to equity holders of the Company	887,644	829,763	744,912	642,530	590,638
Non-controlling interest	20,821	25,298	30,359	20,806	13,325
Total equity	**908,465**	**855,061**	**775,271**	**663,336**	**603,963**
Non-current liabilities	16,149	17,526	18,928	18,347	18,497
Current liabilities	214,299	201,393	215,513	193,426	193,819
Total equity and liabilities	**1,138,913**	**1,073,980**	**1,009,712**	**875,109**	**816,279**

FINANCIAL STATISTICS

	2012	2011	2010	2009	2008
Basic earning per share (sen)	58.05	60.30	63.60	36.90	25.80
Gross dividend per share (sen)	32.00	32.00	20.00	16.00	15.00
Net assets per share (RM)	4.54	4.24	3.81	3.28	2.99
Return on shareholders equity (%)	13.23	15.00	17.95	11.78	8.85

5 Years
Financial Highlights

Revenue
RM' mil

12'	**1,198**
11'	1,182
10'	1,179
09'	919
08'	944

Profit For The Financial Year
RM' mil

12'	**125**
11'	136
10'	140
09'	82
08'	58

Net Assets
RM' mil

12'	**888**
11'	830
10'	745
09'	643
08'	591

Basic Earnings Per Share
sen

12'	**58.1**
11'	60.3
10'	63.6
09'	36.9
08'	25.8

Net Assets Per Share
RM

12'	**4.54**
11'	4.24
10'	3.81
09'	3.28
08'	2.99

Return On Equity Holders
percent

12'	**13.23**
11'	15.00
10'	17.95
09'	11.78
08'	8.85

Corporate Governance Statement

The Board of APM Automotive Holdings Berhad (the "Company") recognises the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Directors consider corporate governance to be synonymous with four key concepts, namely transparency, accountability, integrity as well as corporate performance.

As such, the Board seeks to embed in the Group a culture that aims to balance conformance requirements with the need to deliver long-term strategic success through performance, without compromising on personal or corporate ethics and integrity.

This corporate governance statement ("Statement") sets out how the Company has applied the 8 Principles of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and observed the 26 Recommendations supporting the Principles during the financial year following the release of the MCCG 2012 by the Securities Commission in late March 2012. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observation, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

Principle 1 - Establish clear Roles and Responsibilities of the Board and Management

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
- overseeing the conduct of the Group's business and evaluating whether or not its businesses are being properly managed;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- overseeing the development and implementation of a shareholder communications policy; and
- reviewing the adequacy and integrity of the Group's internal control and management information systems.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee and Nominating Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

(i) Board Charter

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, the approval of annual budgets, quarterly and annual financial statements for announcement, investment and divestitures, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter (the "Charter") which serves as a reference point for Board activities. The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. As at the end of the financial year under review, the Board Charter had yet to be made publicly available. Nonetheless, steps have been taken to upload the salient features of the Charter on the Company's website at www.apm.com.my in line with Recommendation 1.7 of the MCCG 2012.

(ii) Code of Conduct and Whistle-Blower Policy

At the date of this Statement, the Board has formalized in writing a Code of Conduct, setting out the standards of conduct expected from Directors and employees to engender good corporate behavior. The Code underscores the espoused ethical values that are the basis of business decisions made. The Code of Conduct has been communicated to all levels of employees in the Group.

To augment the Code of Conduct, the Board will be formalizing the Company's Special Complaints Policy, which is equivalent to whistle-blower policy, which outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of conduct involving employee, Management or Director in the Group. It allows the whistle-blower the opportunity to raise concern outside the Management line. The identity of whistleblower will be kept confidential and protection accorded to the whistle-blower against any form of reprisal or retribution. The Board recognizes the importance of adherence to the Code of Conduct by all personnel in the Group and will take measures to put in place a process to ensure its compliance, including steps to upload a summary of the Code of Conduct on the Company's website at www.apm.com.my

(iii) Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. The Group also embraces sustainability in its operations and supply chain, through its own actions as well as in partnership with its stakeholders, including suppliers, customers and other organizations. The Group endeavours to incorporate sustainability in its operations by adhering to applicable laws and regulations as set out by the Department of Environment in the sphere of environmental issues management.

(iv) Supply of, and Access to, Information

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least seven (7) days prior to the Board and Board Committee meetings, to give effect to Board decisions and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities. The Company Secretary, who oversees adherence with board policies and procedures, briefs the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretary attends all Board and Board Committees meetings and ensures that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The removal of Company Secretary, if any, is a matter for the Board, as a whole, to decide.

Principle 2 - Strengthen Composition of the Board

During the financial year under review, the Board consisted of nine (9) members, comprising one (1) Executive Chairman, three (3) Executive Directors and five (5) Non-Executive Directors of which three (3) are Independent Directors. This composition fulfills the requirements as set out under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out on pages 10 to 13 of this Annual Report. The Directors, with their differing backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as finance; accounting and audit; legal and corporate affairs; and marketing and operations as they hold directorships in listed companies and professional firms in addition to previously being involved in the government sector.

(i) Nominating Committee – Selection and Assessment of Directors

For the financial year under review, a Nominating Committee was not formed as the Board considers the roles and responsibilities of the Nominating Committee on the selection and assessment of Directors could be more expediently assumed by the Board, as a whole. In the absence of such a Committee, the Board appointed an independent professional consultant, during the financial year under review, to assist it in developing pertinent criteria to assess the performance of the Board, as a whole, the Audit Committee and individual Directors based on a self and peer assessment approach. From the results of the assessment, including the outcome on the mix of skills and experience possessed by the Directors, the Board considers the recommendation of Directors who retire by rotation for re-election at the Company's forthcoming Annual General Meeting. Directors who are seeking for re-election by rotation in accordance with Article 96 of the Company's Articles of Association are Dato' Tan Heng Chew and Mr. Tan Eng Soon ("**Mr. Tan**"). Mr. Tan, who has been a Director of APM since 1 November 1999 had expressed his intention to retire and not to offer himself for re-election as Director of the Company. Mr. Tan believes that the Company has grown many folds since its inception in different aspects and thus, it is timely for new directors to join the Board and bring fresh ideas in managing the new and ever changing challenges ahead.

On 22 January 2013, the Board established a Nominating Committee as it recognizes the importance of the roles the Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Committee can assist the Board to discharge its fiduciary and leadership functions. The newly formed Nominating Committee comprises the following members:

- Heng Ji Keng (Chairman of Committee and Independent Non-Executive Director).
- Dato' N. Sadasivan s/o N.N. Pillay (Senior Independent Non-Executive Director);
- Dato' Haji Kamaruddin@Abas bin Nordin (Independent Non-Executive Director);

The Board has stipulated specific terms of reference for the Nominating Committee, which cover, inter-alia, assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees and training programmes for the Board. The terms of reference require the Nominating Committee to review annually the required mix of skills and experience of Directors; succession plans and boardroom diversity, including gender diversity; training courses for Directors and other qualities of the Board, including core-competencies which the Independent Non-Executive Directors should bring to the Board. The Committee is also entrusted to assess annually the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director. Insofar as boardroom diversity is concerned, the Board does not have a specific policy on setting target number for women candidates. The evaluation of the suitability of candidates is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

(ii) Directors' Remuneration

No Remuneration Committee has been formed by the Board during the financial year under review as the Board is of the view that the remuneration framework for Executive Directors could be expediently handled by the Board, as a whole, with the related Executive Directors abstaining from discussion of their remuneration. The overarching practice adopted by the Board in setting the policy framework and determining the remuneration of Directors is to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Executive Director's remuneration are structured so as to link rewards to individual performance and the prevailing business environment.

The Board, as a whole, determines and recommends the remuneration packages of Independent Non-Executive Directors subject to an aggregate amount not exceeding RM350,000 per annum, the sum of which was approved by shareholders at the Thirteenth Annual General Meeting ("**AGM**"). The Directors concerned abstaining from discussions on their individual remuneration. In deciding on the appropriate level of fees for each Independent Non-Executive Directors, the Board considers the responsibility and time commitment required in attending both the scheduled and special Board meetings, time required to study Board papers, as well as membership and deliberation on Board Committees.

Details of remuneration of Directors of the Company from the Group for the financial year ended 31 December 2012 are as follows:

	Fees (RM)	Salaries and allowances (RM)	Bonus (RM)	Benefits-in-kind (RM)
Executive Directors	-	3,006,872	1,277,311	58,260
Non-Executive Directors	284,000	19,000	-	-

The number of Directors of the Company in each remuneration band of RM50,000 is as follows:

Range of Remuneration	Executive	Non-Executive
RM50,000.00 and below	-	1
RM50,001 to RM100,000	-	4
RM900,001 to RM950,000	1	-
RM950,001 to RM1,000,000	1	-
RM1,050,001 to RM1,100,000	1	-
RM1,350,001 to RM1,400,000	1	-

Principle 3 – Reinforce Independence of the Board

The Board is helmed by an Executive Chairman and believes that with his wealth of experience and extensive knowledge of the industry, the Chairman is well suited to take on this role. Moreover, the Board is of the view that the presence of the Independent Non-Executive Directors, coupled with the use of Board Charter that formally sets out the schedule of matters reserved solely to the Board for decision making, provides for the relevant check and balance for an effective Board.

The Executive Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The Executive Directors are entrusted with the responsibility of implementing the Group's strategies, policies and decision adopted by the Board and oversight of the operations and business development of the Group.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. Dato' N Sadasivan has been identified by the Board as the Company's Senior Independent Non-Executive Director, to whom concerns may be conveyed by shareholders and other stakeholders.

During the financial year under review, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa. The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Director. However, an Independent Director may continue to serve on the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Board is required to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence adopted by the Board.

Following an assessment by the Board, Dato' N Sadasivan and Dato' Haji Kamaruddin @ Abas bin Nordin, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years each as at the end of the financial year under review, have been recommended by the Board to continue to act as Independent Non-Executive Directors, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. Key justifications for their recommended continuance as Independent Non-Executive Directors are as follows:

- they fulfil the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa and, therefore, are able to bring independent and objective judgment to the Board;

- their experience in the relevant industries enable them to provide the Board and Audit Committee, as the case may be, with pertinent expertise, skills and competence; and
- they have been with the Company long and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings, as the case may be.

Principle 4 – Foster commitment of Directors

The Board ordinarily meets at least five (5) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committee papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committee members at least 7 days before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. The Chairman of the Audit Committee informs the Directors at each Board meetings of any salient matters noted by the Audit Committee and which require the Board's attention or direction. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings. During the financial year under review, the Board convened five (5) Board meetings attended by all the Directors.

It is the policy of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities. The Board obtains this commitment from Directors at the time of appointment. It is also the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the Listing Requirements of Bursa allow a Director to sit on the boards of 5 listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

Directors' Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group.

All Directors have completed the Mandatory Accreditation Programme. During the financial year under review, all Directors attended development and training programmes as well as conferences in areas of finance, tax, corporate governance, leadership, legal, business intelligence, industry and regulatory developments.

The continuous education programmes attended by the Directors during the financial year ended 31 December 2012 include the following:

Name	Training Providers
Dato' Tan Heng Chew	• KPMG: Malaysian Financial Reporting Standards ("MFRS") 10 – Consolidation : A new single control model MFRS 11 – Reassessing Joint Ventures Accounting • KPMG: Corporate Governance Update • Research and Development session with part suppliers in Taiwan – localisation of automotive parts and technology updates • Visit to National Pingtung University of Science and Technology, Taiwan – Joint collaboration on some academic courses in vehicle engineering
Dato' Tan Eng Hwa	• Seminar on Regulatory Updates, Governance and Current issues for Directors of PLCs and Body Corporate 2012 • Asian Business Seminar Circuit 2012 (ABSC 2012) "21st Century: Asia Leads World Business"
Mr. Tan Eng Soon	• Disclosure of Inside Information and Provision of False and Misleading Information

Name	Training Providers
Low Seng Chee	• Asian Business Seminar Circuit 2012 (ABSC 2012) "21st Century: Asia Leads World Business" • The Malaysian Code on Corporate Governance 2012 "The Implication and Challenges to Public Listed Companies" • Seminar on Regulatory Updates, Governance and Current issues for Directors of PLCs and Body Corporate 2012 • Sixth Annual Innovative Seating Conference
Azman Badrillah	• KPMG: MFRS 10 – Consolidation : A new single control model MFRS 11 – Reassessing Joint Ventures Accounting • KPMG: Corporate Governance Update
Dato' N Sadasivan	• Audit Committee Institute - Breakfast Roundtable titled The Audit Committee's Oversight Role on Financial Reporting • Corporate Governance Updates & MFRS 10 - Consolidation : A new single control model and MFRS 11 - Reassessing Joint Ventures Accounting
Dato' Haji Kamaruddin Abas bin Nordin	• Bursa Malaysia's Half Day Governance Programme: The key components of establishing @ and maintaining world-class audit committee reporting capabilities • Bursa Malaysia's Half Day Governance Programme: The key components of establishing and maintaining world-class audit committee reporting capabilities; and What keeps an Audit Committee up at night? • Bursa Malaysia Sustainability Training for Directors & Practitioners • Bursa Malaysia's Governance Programme: Managing Corporate Risks and Achieving Internal Control through Statutory Compliance • Bursa Malaysia' Governance Programme: Making the most of the Chief Financial Officer Role: Everyone's responsibility? • Malaysian Institute of Corporate Governance: Regulatory Updates, Governance and Current Issues For Directors of PLCs and Body Corporate 2012 • Audit Committee Institute: Breakfast Roundtable – Red Flags; Indicators of Fraud; Audit Committee Oversight Role on Financial Reporting • HELP College of Arts and Technology: Nobel Laureate Inaugural Lecture on "Social Business"
Heng Ji Keng	• Securities Commission – Report on the Observance of Standards and Codes : Accounting and Auditing on 22 February 2012 • Malaysian Institute of Accountants("MIA") – Public Practitioners Seminar 2012 "Facing the Changing Practice Landscape" on 7 March 2012 • International Financial Cryptography Association ("IFCA") – Small Medium Practices Forum 19 March 2012 • MIA – Audit Documentation for ISA Compliance 19 & 20 April 2012 • MIA – Fraud, Detection and Prevention Management in Organizations on 7 May and 8 May 2012 • Bursatra – Investor Relations and Financial Communications on 9 May 2012 • Certified Public Accountants ("CPA") – Limited Liability Partnership held on 25 May 2012 • MIA – Financial Reporting with MFRS – W5 : IC Interpretation 12 (IFRIC 12) – Service Concession Arrangements – 28 May 2012 • MIA – Financial Instruments : MFRS 132, MFRS 139, MFRS 7 and MFRS 9 – A Practical Approach on 31 May and 1 June 2012 • MIA – Advanced Consolidated Principles (Covering Reverse Acquisition, IFRS 3 and IAS 27 (Revised)) on 13 June 2012 • Accounting for Construction Contracts, Property Development and Real Estate Activities and Borrowing Costs on 27 & 28 August 2012 • 2012 Convergence – MFRS Changes, Updates & New Developments Beyond 2012 on 13 & 14 September 2012 • Budget 2013 – Highlights on Tax Changes and ITS Implications on Business on 15 October 2012 • 2012 World Conference on 22 – 23 October 2012 • BTMH - 2013 Budget & Tax Seminar on 31 October 2012 • CPA Australia - Managing your practice on 29 November 2012

Although Dr Fun did not attend any training during the financial year under review due to extenuating circumstances, he intends to attend relevant training seminars, during the forthcoming financial year, which will enhance his skills and knowledge to enable him to discharge his duty as a Director more effectively.

Going forward, the Board will ensure that its members, via the Nominating Committee, undergo relevant training to apprise themselves of the knowledge and skills to enable them to discharge their responsibilities.

The Company Secretary normally circulates the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and briefs the Board quarterly on these updates, where applicable, at Board meetings. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

Principle 5 – Uphold integrity in financial reporting by the Company

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Independent Non-Executive Directors, with Dato N Sadasivan as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 27 to 29 of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act 1965, as the case may be. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, will adopt a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for the Audit Committee's approval in writing before such services can be provided by the external auditors. To address the "self review" threat faced by the external audit firm, the procedures to be included in the policy require the engagement team conducting the non-audit services to be different from the external audit team.

In assessing the independence of external auditors, the Audit Committee requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

Principle 6 – Recognise and manage risks of the Group

The Group has implemented a comprehensive risk management framework and established a process for the identification, evaluation and reporting of the major risks within the Group. The Group Risk Management Committee is responsible for creating risk-awareness and monitoring major risks whilst the subsidiaries' management is responsible for managing risks, developing, implementing and monitoring the system of internal control. The Group has, however, established a Group Risk Management Committee ("GRMC"), which functions to create risk awareness and examine the identified risks. The risk responses and internal controls that Management has taken and/ or is taking are documented in the minutes of the GRMC meetings.

The identified risks are periodically reviewed by the Board through the Audit Committee, which informs the Board on the progress of the mitigation plans for each key business risks identified.

The Company's Head of Internal Audit reports directly to the Audit Committee on the effectiveness of the current system of internal controls from the perspectives of governance, risks and controls. All internal audits carried out are based on standards promulgated by the Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors. The in-house IA function is independent of the activities it audits and the scope of work covered by the IA during the financial year under review, including its observations and recommendations, is provided in the Internal Control Statement of the Group set out on pages 25 to 26 of this Annual Report.

Principle 7 – Ensure timely and high quality disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. The Board will formalise pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

To augment the process of disclosure, the Board has earmarked a dedicated section for corporate governance on the Company's website where information on the Company's announcements to the regulators, salient extracts of the Board Charter, rights of shareholders and the Company's Annual Report may be accessed.

Principle 8 – Strengthen relationship between the Company and its shareholders

(i) Shareholder participation at general meeting

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question & answer session was held where the Chairman invited shareholders to raise questions with responses from the Board.

The Notice of AGM is circulated at least twenty one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and duly passed. The outcome of the AGM was announced to Bursa on the same meeting day.

The Chairman also shared with shareholders at the AGM, responses to questions submitted in advance by the Minority Shareholder Watchdog Group.

(ii) Communication and engagement with shareholders

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has maintained an active and constructive communication policy that enables the Board and Management to communicate effectively with investors, financial community and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.apm.com where shareholders can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. apmah@apm.com.my to which stakeholders can direct their queries or concerns.

However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

(iii) Investor Relations

The Company takes into consideration the shareholder's rights to access information relating to the Company and has thusly, taken measures to enable the Company to communicate effectively with its shareholders, prospective investors, stakeholders and public generally with the intention of giving them a clear picture of the Group's performance and operations.

This Statement is issued in accordance with a resolution of the Board dated 11 April 2013.

Other Statements and Disclosures

1. Share Buy-Back

During the financial year ended 31 December 2012, 2,000 ordinary shares of RM1.00 each were repurchased as treasury shares at a total considerations of RM9,593.86. All the said repurchased shares were retained as treasury shares and none of the repurchased shares was resold or cancelled during the financial year ended 31 December 2012.

The details of the shares bought back during the financial year ended 31 December 2012 are as follows:-

Month	Number of shares purchased	Highest price paid per share (RM)	Lowest price paid per share (RM)	Average price paid per share (RM)	Total consideration (RM)
February	1,000	4.44	4.44	4.44	4,486.34
August	1,000	5.06	5.06	5.06	5,107.52
Total	2,000				9,593.86

2. Internal Audit function

The Group has an in-house Internal Audit and management fees charged to subsidiaries for performing this function for financial year ended 31 December 2012 was RM430,700.00.

3. Non-Audit Fees

The amount of non-audit fees paid by the Company to its external auditors or a firm or company affiliated to the external auditors during the financial year ended 31 December 2012 was RM215,000.00.

4. Material Contracts

There were no material contracts of the Company and its subsidiaries involving directors' and major shareholders' interests, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year ended 31 December 2012.

5. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The details of related party transactions undertaken by the Group during the financial year ended 31 December 2012 are stated in Note 29 of the financial statements on page 80 to 81 of this Annual Report.

Disclosure on Corporate Social Responsibility ("CSR")

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

The APM Education Awards for 2012 benefited employees whose children secured places in institutions of higher learning in Malaysia. As for the community, the Group continued to donate to several children and welfare homes.

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

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

Internal Control Statement

The Board of Directors recognises the importance of the Principles and Recommendations promulgated by the Malaysian Code on Corporate Governance 2012. As such, the Board is committed to maintaining a sound system of risk management and internal control to safeguard the Group's assets and shareholders' investments. As required under Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), the Board is pleased to provide the Internal Control Statement which outlines the nature and scope of internal control of the Group for 2012 till the date of this report, 11 April 2013.

BOARD'S RESPONSIBILITY

The Board of Directors acknowledges its ultimate responsibility for maintaining as well as reviewing the adequacy and integrity of the Group's risk management and internal control system. Due to the limitations inherent in any system of internal control, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

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

The membership of the Audit Committee, summary of its terms of reference and activities are set out on pages 27 to 29 of the Annual Report.

RISK MANAGEMENT

Risk management is an integral part of the Group's business operations. The Group has implemented a risk management framework and established a process for the identification, evaluation and reporting of the major risks within the Group.

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

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

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- The executive directors manage the businesses and hold dialogues with senior management of the various subsidiaries;
- There are defined delegation of responsibilities and limits of authority for different processes, decisions and commitments;
- The Executive Management Committee ("**EMC**"), established by the Board to manage and control the Group's businesses, monitors the performance of the subsidiaries and identifies areas requiring follow-up actions. The EMC is further supported by various sub-committees. Matters beyond the EMC's limits of authority are referred to the Board for approval;
- The Board meets at least quarterly to discuss the performance of the Group and other major issues. The year end financial statements and the announcements of the quarterly results are reviewed by the Audit Committee before the Board's approval and release to Bursa Malaysia; and
- The Board also reviews and approves the Group's annual budget and business plan consisting of the budgets and business plans of the subsidiaries. These plans set out the key business objectives of the respective subsidiaries including major risks, opportunities as well as the action plans.

This Internal Control Statement has not dealt with associate companies and jointly controlled entities where the Group does not have full management over them. However, the Group's interest is served through representations on the Boards of the respective associate companies and jointly controlled entities.

The Board, with the assistance of the Audit Committee review the adequacy and integrity of the system of risk management and internal control. The Board is of the view that there have been no material losses incurred during the financial year under review as a result of weaknesses in the risk management and internal control system.

Management has also provided the assurance to the Board, stating that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. The Board is of the view that the risk management and internal control system is sound and sufficient to provide reasonable assurance in safeguarding the interests of shareholders investment and the Group's assets.

Audit Committe Report

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

Composition and Meetings

The members of the AC and their attendance at the AC Committee meetings held during the financial year ended 31 December 2012 were as follows:

Name	Attendance
Dato' N Sadasivan, Chairman, *Senior Independent Non-Executive*	4/4
Dato' Haji Kamaruddin @ Abas Nordin, *Independent Non-Executive*	4/4
Heng Ji Keng, *Independent Non-Executive*	4/4

Terms of Reference

Membership

The AC shall be appointed by the Board from amongst the directors and must be composed of no fewer than three (3) members. All AC members must be non-executive directors with a majority of them being independent directors. The AC shall include at least one director who is a member of the Malaysian Institute of Accountants or alternatively, a person who must have at least 3 years working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said Schedule or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("**Bursa Malaysia**").

No alternate director shall be appointed a member of the AC. The members of the AC shall elect a Chairman from among their number who shall be an independent director. In the event of any vacancy in the AC, which results in a breach in the Main Market Listing Requirements of Bursa Malaysia ("**Listing Requirements**"), the vacancy must be filled within three (3) months. The term of office and performance of the AC and each of its members shall be reviewed by the Board at least once every three (3) years.

Authority

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

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

Functions

The functions of the AC shall be, amongst others –

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

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

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

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

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

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

    f) any letter of resignation from external auditor; and

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

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

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

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

Conduct of Meetings

The Chairman shall call for meetings to be held not less than four times a year. Any member of the AC may at any time, and the company secretaries shall on requisition of the member, summon a meeting. Except in the case of an emergency, seven (7) days' notice of meeting shall be given in writing to all members. A quorum of meetings shall be a majority of independent directors. Meetings shall be chaired by the Chairman, and in his absence, by an independent director. Decisions shall be made by a majority of votes.

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

Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

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

During the year ended 31 December 2012, the internal audit function undertook audit visits to major subsidiaries of the Group aimed at providing reasonable assurance that the relevant internal control activities were operating satisfactorily and that the subsidiaries had complied with the Group's established policies and procedures. In addition, it also performed ad hoc investigations as well as routine year end reviews such as annual stock takes, recurrent related party transactions and its pricing reviews. The audit findings were reported to the AC and forwarded to management for its attention. Audit reports also encompassed recommendations for improvements which were deemed practical and necessary. Follow-up reviews were carried out to ascertain that management action plans had been duly implemented.

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

Directors' Responsibility Statement

for the audited financial statements

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

In preparing the financial statements for the year ended 31 December 2012, the directors have:

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

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

Financial Statements

Directors' Report
for the year ended 31 December 2012

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 2012.

Principal activities

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

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	113,602	6,642
Non-controlling interests	11,585	-
	125,187	6,642

Reserves and provisions

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

Dividends

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

a) a final ordinary dividend of 12 sen per share less tax at 25% totalling RM17,612,000 (9.00 sen net per share) in respect of the financial year ended 31 December 2011 on 28 June 2012; and

b) a special final dividend of 10 sen per share less tax at 25% totalling RM14,677,000 (7.50 sen net per share) in respect of the financial year ended 31 December 2011 on 28 June 2012; and

c) an interim ordinary dividend of 10 sen per share less tax at 25% totalling RM14,677,000 (7.50 sen net per share) in respect of the financial year ended 31 December 2012 on 28 September 2012.

In respect of the financial year ended 31 December 2012, the Directors recommended:

a) a final ordinary dividend of 12 sen per share less tax at 25% totalling RM17,612,000 (9.00 sen net per share); and

b) a special final dividend of 10 sen per share less tax at 25% totalling RM14,677,000 (7.50 sen net per share).

Directors of the Company

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

Dato' Tan Heng Chew
Dr. Fun Woh Peng
Dato' Tan Eng Hwa
Low Seng Chee
Tan Eng Soon
Azman Badrillah
Dato' N. Sadasivan s/o N.N. Pillay
Dato' Haji Kamaruddin @ Abas Nordin
Heng Ji Keng

Directors' interests

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2012	Bought	Sold	At 31.12.2012
Shareholdings in which Directors have direct interests:				
Interests in the Company:				
Dato' Tan Heng Chew	5,083,699	276,300	-	5,359,999
Azman Badrillah	502,000	-	-	502,000
Dato' Tan Eng Hwa	207,008	-	-	207,008
Dato' Haji Kamaruddin @ Abas Nordin	5,448	-	-	5,448
Shareholdings in which Directors have deemed interest in the Company				
Interests in the Company:				
Dato' Tan Heng Chew	*99,650,845**	4,040,000	(4,656,555)	*99,034,290**
Tan Eng Soon	96,832,587	3,780,000	(4,656,555)	95,956,032
Dato' Tan Eng Hwa	*14,267,728	1,000,000	-	*15,267,728

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

** *Including 755,750 shares purchased by spouse prior to 2009 which were inadvertently omitted in previous disclosures.*

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

None of the other Directors holding office at 31 December 2012 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of 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 as disclosed in Note 29 to the financial statements.

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

Issue of shares and debentures

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

Treasury shares

During the financial year, the Company repurchased 2,000 of its issued ordinary shares from the open market at an average price of RM4.75 per share. The total consideration paid for the repurchase including transaction costs was RM9,594. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2012, the Company held as tresury shares a total of 5,910,000 of its 201,600,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM12,799,000 and further relevant details are disclosed in Note 14 to the financial statements.

Directors' Report

for the year ended 31 December 2012

Options granted over unissued shares

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

Other statutory information

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

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

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

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

....

Dr. Fun Woh Peng

....

Dato' Tan Eng Hwa

Kuala Lumpur,
Date: 11 April 2013

Statements of Financial Position

as at 31 December 2012

	Note	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Assets							
Property, plant and equipment	3	228,698	246,021	240,153	1,348	1,331	1,155
Prepaid lease payments	4	18,212	7,649	6,320	-	-	-
Investment properties	5	17,002	1,177	1,217	-	-	-
Investments in subsidiaries	6	-	-	-	342,439	304,708	290,090
Development expenditure	7	1,726	799	936	-	-	-
Deferred tax assets	8	13,405	15,586	20,227	159	229	278
Total non-current assets		279,043	271,232	268,853	343,946	306,268	291,523
Inventories	9	176,804	163,609	176,293	-	-	-
Current tax assets		5,008	5,694	2,964	1,171	585	85
Trade and other receivables, including derivatives	10	229,271	211,026	194,852	40,633	50,747	62,313
Deposits and prepayments	11	21,775	19,304	15,543	820	841	20
Cash and cash equivalents	12	427,012	393,637	351,207	3,136	45,458	70,774
Assets classified as held for sale	13	-	9,478	-	-	-	-
Total current assets		859,870	802,748	740,859	45,760	97,631	133,192
Total assets		1,138,913	1,073,980	1,009,712	389,706	403,899	424,715
Equity							
Share capital		201,600	201,600	201,600	201,600	201,600	201,600
Reserves		698,840	640,949	556,088	167,879	208,203	229,661
Treasury shares		(12,796)	(12,786)	(12,776)	(12,796)	(12,786)	(12,776)
Total equity attributable to owners of the Company		887,644	829,763	744,912	356,683	397,017	418,485
Non-controlling interest		20,821	25,298	30,359	-	-	-
Total equity	14	908,465	855,061	775,271	356,683	397,017	418,485
Liabilities							
Employee benefits	15	14,010	14,761	14,139	1,257	1,585	1,446
Loans and borrowings	16	795	-	-	-	-	-
Deferred tax liabilities	8	1,344	2,765	4,789	-	-	-
Total non-current liabilities		16,149	17,526	18,928	1,257	1,585	1,446
Loans and borrowings	16	25,308	21,677	25,279	-	-	-
Provisions	17	9,443	9,011	9,077	-	-	-
Trade and other payables, including derivatives	18	175,980	166,717	170,579	31,766	5,297	4,784
Current tax liabilities		3,568	3,988	10,578	-	-	-
Total current liabilities		214,299	201,393	215,513	31,766	5,297	4,784
Total liabilities		230,448	218,919	234,441	33,023	6,882	6,230
Total equity and liabilities		1,138,913	1,073,980	1,009,712	389,706	403,899	424,715

The notes on pages 45 to 107 are an integral part of these financial statements.

Statements of Financial Position

(In US$ Equivalent) as at 31 December 2012

	Group 31.12.2012 US$'000	31.12.2011 US$'000	1.1.2011 US$'000
Assets			
Property, plant and equipment	74,779	80,444	78,525
Prepaid lease payments	5,955	2,501	2,067
Investment properties	5,559	385	398
Development expenditure	564	261	306
Deferred tax assets	4,383	5,096	6,614
Total non-current assets	91,240	88,687	87,910
Inventories	57,811	53,497	57,644
Current tax assets	1,638	1,862	969
Trade and other receivables, including derivatives	74,967	69,001	63,713
Deposits and prepayments	7,120	6,312	5,082
Cash and cash equivalents	139,624	128,711	114,837
Assets classified as held for sale	0	3,099	0
Total current assets	281,160	262,482	242,245
Total assets	372,400	351,169	330,155
Equity			
Share capital	65,919	65,919	65,919
Reserves	228,506	209,577	181,829
Treasury shares	(4,184)	(4,181)	(4,177)
Total equity attributable to equity holders of the Company	290,241	271,315	243,571
Non-controlling interest	6,808	8,272	9,927
Total equity	297,049	279,587	253,498
Liabilities			
Employee benefits	4,581	4,827	4,623
Loans and borrowings	260	0	0
Deferred tax liabilities	439	904	1,566
Total non-current liabilities	5,280	5,731	6,189
Loans and borrowings	8,275	7,088	8,266
Provisions	3,088	2,946	2,966
Payables and accruals, including derivatives	57,541	54,513	55,777
Current tax liabilities	1,167	1,304	3,459
Total current liabilities	70,071	65,851	70,468
Total liabilities	75,351	71,582	76,657
Total equity and liabilities	372,400	351,169	330,155

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

The figures are converted from RM into US$ equivalent using the exchange rate of RM 3.0583 = US$ 1.00 which approximates that prevailing on 31 December 2012.

Statements of Comprehensive Income

for the year ended 31 December 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue	19	1,198,475	1,182,069	19,302	24,763
Cost of sales		(955,351)	(914,638)	-	-
Gross profit		243,124	267,431	19,302	24,763
Other income		9,735	5,678	96	179
Distribution expenses		(29,402)	(30,848)	-	-
Administration expenses		(67,475)	(72,174)	(11,651)	(12,479)
Other expenses		(5,818)	(4,849)	-	(192)
Results from operating activities		150,164	165,238	7,747	12,271
Finance income	20	11,493	10,683	1,159	2,786
Finance costs	21	(946)	(886)	(63)	-
Net finance income		10,547	9,797	1,096	2,786
Profit before tax	22	160,711	175,035	8,843	15,057
Income tax expense	24	(35,524)	(39,151)	(2,201)	(4,226)
Profit for the year		125,187	135,884	6,642	10,831
Other comprehensive (expense)/income					
Foreign currency translation differences for foreign operations		(5,991)	909	-	-
Other comprehensive (expense)/income for the year	25	(5,991)	909	-	-
Total comprehensive income for the year		119,196	136,793	6,642	10,831
Profit attributable to:					
Owners of the Company		113,602	118,093	6,642	10,831
Non-controlling interests		11,585	17,791	-	-
Profit for the year		125,187	135,884	6,642	10,831
Total comprehensive income attributable to:					
Owners of the Company		107,711	117,150	6,642	10,831
Non-controlling interests		11,485	19,643	-	-
Total comprehensive income for the year		119,196	136,793	6,642	10,831
Basic earnings per ordinary share (sen)	26	58.1	60.3		

The notes on pages 45 to 107 are an integral part of these financial statements.

Statements of Comprehensive Income

(In US$ Equivalent) for the year ended 31 December 2012

	Group	
	2012 US$'000	2011 US$'000
Revenue	391,876	386,512
Cost of sales	(312,380)	(299,067)
Gross profit	79,496	87,445
Other income	3,183	1,857
Distribution expenses	(9,614)	(10,087)
Administration expenses	(22,063)	(23,599)
Other expenses	(1,902)	(1,586)
Results from operating activities	49,100	54,030
Interest income	3,758	3,493
Finance costs	(309)	(290)
Net finance income	3,449	3,203
Profit before tax	52,549	57,233
Income tax expense	(11,616)	(12,802)
Profit for the year	40,933	44,431
Other comprehensive (expense)/income		
Foreign currency translation differences for foreign operations	(1,959)	297
Other comprehensive (loss)/income, for the year	(1,959)	297
Total comprehensive income, for the year	38,974	44,728
Profit attributable to :		
Owners of the Company	37,145	38,614
Non-controlling interests	3,788	5,817
Profit for the year	40,933	44,431
Total comprehensive income attributable to :		
Owners of the Company	35,219	38,305
Non-controlling interests	3,755	6,423
	38,974	44,728
Basic earnings per ordinary share (cent)	19.0	19.7

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

The figures are converted from RM into US$ equivalent using the exchange rate of RM 3.0583 = US$ 1.00 which approximates that prevailing on 31 December 2012.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2012

		Attributable to owners of the Company							
		Non-distributable				*Distributable*			
Group	**Note**	**Share capital RM'000**	**Treasury shares RM'000**	**Share premium RM'000**	**Translation reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2011		201,600	(12,776)	17,898	-	538,190	744,912	30,359	775,271
Foreign currency translation differences for foreign operations		-	-	-	(943)	-	(943)	1,852	909
Profit for the year		-	-	-	-	118,093	118,093	17,791	135,884
Total comprehensive income for the year		-	-	-	(943)	118,093	117,150	19,643	136,793
Own shares acquired		-	(10)	-	-	-	(10)	-	(10)
Dividends to owners of the Company									
- Final 2011 ordinary	27	-	-	-	-	(17,612)	(17,612)	-	(17,612)
- Interim 2012 ordinary	27	-	-	-	-	(14,677)	(14,677)	-	(14,677)
Dividends to non-controlling interest		-	-	-	-	-	-	(20,813)	(20,813)
Total distribution to owners		-	(10)	-	-	(32,289)	(32,299)	(20,813)	(53,112)
Dilution of interest in a subsidiary of a jointly-controlled entity		-	-	-	-	-	-	(3,891)	(3,891)
At 31 December 2011		**201,600**	**(12,786)**	**17,898**	**(943)**	**623,994**	**829,763**	**25,298**	**855,061**
		Note 14	Note 14	Note 14	Note 14	Note 14			

Consolidated Statement of Changes in Equity

for the year ended 31 December 2012

		← Attributable to owners of the Company							→
		← Non-distributable			→ Distributable				
Group	**Note**	**Share capital RM'000**	**Treasury shares RM'000**	**Share premium RM'000**	**Translation reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2012		201,600	(12,786)	17,898	(943)	623,994	829,763	25,298	855,061
Foreign currency translation differences for foreign operations		-	-	-	(5,891)	-	(5,891)	(100)	(5,991)
Profit for the year		-	-	-	-	113,602	113,602	11,585	125,187
Total comprehensive income for the year		-	-	-	(5,891)	113,602	107,711	11,485	119,196
Own shares acquired		-	(10)	-	-	-	(10)	-	(10)
Subscription of shares in a subsidiary by non-controlling interest		-	-	-	-	-	-	1,920	1,920
Dividends to owners of the Company									
- Final 2011 ordinary	27	-	-	-	-	(17,612)	(17,612)	-	(17,612)
- Special final 2011 ordinary	27	-	-	-	-	(14,677)	(14,677)	-	(14,677)
- Interim 2012 ordinary	27	-	-	-	-	(14,677)	(14,677)	-	(14,677)
Dividends to non-controlling interest		-	-	-	-	-	-	(15,166)	(15,166)
Total distribution to owners		-	(10)	-	-	(46,966)	(46,976)	(13,246)	(60,222)
Acquisition of non-controlling interest in a subsidiary		-	-	-	-	(2,854)	(2,854)	(2,716)	(5,570)
At 31 December 2012		201,600	(12,796)	17,898	(6,834)	687,776	887,644	20,821	908,465
		Note 14	Note 14	Note 14	Note 14	Note 14			

Statement of Changes in Equity

for the year ended 31 December 2012

Company	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
		Attributable to owners of the Company				
		Non-distributable			*Distributable*	
At 1 January 2011		201,600	(12,776)	17,898	211,763	418,485
Profit/Total comprehensive income for the year		-	-	-	10,831	10,831
Own shares acquired		-	(10)	-	-	(10)
Dividends to owners of the Company						
- Final 2011 ordinary	27	-	-	-	(17,612)	(17,612)
- Interim 2012 ordinary	27	-	-	-	(14,677)	(14,677)
Total distribution to owners		-	(10)	-	(32,289)	(32,299)
At 31 December 2011/ 1 January 2012		201,600	(12,786)	17,898	190,305	397,017
Profit/Total comprehensive income for the year		-	-	-	6,642	6,642
Own shares acquired		-	(10)	-	-	(10)
Dividends to owners of the Company						
- Final 2011 ordinary	27	-	-	-	(17,612)	(17,612)
- Special final 2011 ordinary	27	-	-	-	(14,677)	(14,677)
- Interim 2012 ordinary	27	-	-	-	(14,677)	(14,677)
Total distribution to owners		-	(10)	-	(46,966)	(46,976)
At 31 December 2012		201,600	(12,796)	17,898	149,981	356,683
		Note 14	Note 14	Note 14	Note 14	

The notes on pages 45 to 107 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash flows from operating activities					
Profit before tax		160,711	175,035	8,843	15,057
Adjustments for:					
Amortisation of development expenditure	7	443	377	-	-
Amortisation of prepaid lease payments	4	162	36	-	-
Depreciation of investment property	5	714	40	-	-
Depreciation of property, plant and equipment	3	33,018	39,255	259	238
Employee benefits	15	544	2,060	152	142
Finance costs	21	946	886	63	-
Impairment loss on property, plant and equipment written back		(254)	-	-	-
Interest income	20	(11,493)	(10,683)	(1,159)	(2,786)
(Gain)/Loss on disposal of property, plant and equipment		(504)	(153)	-	24
Gain on disposal of asset held for sale		(461)	-	-	-
Loss on dilution of interest in a subsidiary of a jointly-controlled entity		-	727	-	-
Provision of warranties	17	5,362	5,695	-	-
Provision of warranties reversed	17	(985)	(633)	-	-
Property, plant and equipment written off		28	24	-	-
Operating profit before changes in working capital		188,231	212,666	8,158	12,675
Deposits and prepayments		(2,471)	(6,261)	21	(821)
Inventories		(5,824)	632	-	-
Trade and other payables, including derivatives		9,263	2,949	26,469	513
Trade and other receivables, including derivatives		(18,245)	(19,264)	10,114	11,566
Cash generated from operations		170,954	190,722	44,762	23,933
Employee benefits paid	15	(1,232)	(1,218)	(480)	(3)
Interest received	20	11,493	10,683	1,159	2,786
Interest paid	21	(946)	(886)	(63)	-
Warranties paid	17	(3,936)	(5,144)	-	-
Income tax paid		(34,611)	(45,946)	(2,717)	(4,677)
Net cash from operating activities		141,722	148,211	42,661	22,039

Statements of Cash Flows

for the year ended 31 December 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(34,884)	(49,249)	(276)	(612)
Additions of development expenditure	7	(1,370)	(240)	-	-
Dilution of interest in a subsidiary of a jointly-controlled entity		-	(337)	-	-
Investment in subsidiaries		-	-	(37,731)	(14,618)
Lease payment for leasehold land		(11,171)	(1,596)	-	-
Proceeds from disposal of property, plant and equipment		768	713	-	174
Proceeds from disposal of asset held for sale		2,509	-	-	-
Net cash used in investing activities		(44,148)	(50,709)	(38,007)	(15,056)
Cash flows from financing activities					
Acquisition of non-controlling interest in a subsidiary		(5,570)	-	-	-
Dividends paid to non-controlling interest		(15,166)	(20,813)	-	-
Dividends paid to owners of the Company	27	(46,966)	(32,289)	(46,966)	(32,289)
(Repayment)/Drawdown of revolving credit		(1,330)	12,185	-	-
Drawdown of secured term loan		795	-	-	-
Drawdown/(Repayment) of bankers' acceptances		5,715	(12,137)	-	-
Repayment of foreign currency trade loan		(754)	(3,248)	-	-
Purchase of Company's own shares		(10)	(10)	(10)	(10)
Subscription of shares in a subsidiary by non-controlling interest		1,920	-	-	-
Net cash used in financing activities		(61,366)	(56,312)	(46,976)	(32,299)

Statements of Cash Flows

for the year ended 31 December 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Net increase/(decrease) in cash and cash equivalents		36,208	41,190	(42,322)	(25,316)
Effect of exchange rate fluctuations on cash held		(2,833)	1,642	-	-
Cash and cash equivalents at 1 January	(i)	393,637	350,805	45,458	70,774
Cash and cash equivalents at 31 December	(i)	427,012	393,637	3,136	45,458

i) *Cash and cash equivalents*

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

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Deposits placed with licensed banks	12	405,068	368,272	2,266	43,603
Cash and bank balances	12	21,944	25,365	870	1,855
		427,012	393,637	3,136	45,458

The notes on pages 45 to 107 are an integral part of these financial statements.

Notes to the Financial Statements

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

Principal place of business
Lot 600, Pandamaran Industrial Estate
Locked Bag No. 218
42009 Port Klang
Selangor Darul Ehsan

Registered office
62-68, Jalan Ipoh
51200 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in jointly-controlled entities. The financial statements of the Company as at and for the financial year ended 31 December 2012 do not include other entities.

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

These financial statements were authorised for issue by the Board of Directors on 11 April 2013.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. These are the Group and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards (FRSs). The financial impacts on transition to MFRSs are disclosed in Note 37.

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012
- Amendments to MFRS 101, Presentation of Financial Statements – *Presentation of Items of Other Comprehensive Income*

1. **Basis of preparation (continued)**

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interest in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (2011)*
- MFRS 127, *Separate Financial Statements (2011)*
- MFRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, Financial Instruments: Disclosures – *Offsetting Financial Assets and Financial Liabiliaities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 – 2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009 – 2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009 – 2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009 – 2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009 – 2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Date of MFRS 9 and Transition Disclosure*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013, except for IC Interpretation 20 which are not applicable to the Group and the Company.

- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.

- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

Except as disclosed below, there are no material impacts of initial application of a standard, an amendment or an interpretation:

MFRS 10, *Consolidated Financial Statements*

MFRS 10, *Consolidated Financial Statements* introduces a new single control model to determining which investees should be consolidated. MFRS 10 supersedes MFRS 127, *Consolidated and Separate Financial Statements* and IC Interpretation 112, *Consolidation – Special Purpose Entities*. There are three elements to the definition of control in MFRS 10: (i) power by investor over an investee; (ii) exposure, or rights, to variable returns from investor's involvement with the investee, and (iii) investor's ability to affect those returns through its power over the investee.

The amendments to MFRS 10 are effective for annual periods beginning on or after 1 January 2013. The Group is currently assessing the financial impact of adopting the amendments to MFRS 10.

MFRS 11, *Joint Arrangements*

MFRS 11, *Joint Arrangements* establishes the principles for classification and accounting for joint arrangements and supersedes MFRS 131, *Interests in Joint Ventures*. Under MFRS 11, a joint arrangement may be classified as joint venture or joint operation. Interest in joint venture will be accounted for using the equity method whilst interest in joint operation will be accounted for using the applicable MFRSs relating to the underlying assets, liabilities, income and expense items arising from the joint operations.

The amendments to MFRS 11 are effective for annual periods beginning on or after 1 January 2013. The Group is currently assessing the financial impact of adopting the amendments to MFRS 11.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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

Note 5 - Valuation of investment properties
Note 15 - Valuation of employee benefits
Note 17 - Provisions for warranties and contigent liabilities

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 January 2011 (the transition date to MFRS framework), unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statement from the date that control commences until the date that control ceases. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions before 1 January 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 January 2011.

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Jointly-controlled entities

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

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

(vi) Non-controlling interests

Non-controlling interests at the end of reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

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

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

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

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

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

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR in equity.

(c) Financial instruments

(i) Initial recognition and measurement

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

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

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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

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

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

(b) Loans and receivables

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial liabilities

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

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

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

(iii) Regular way purchase or sale of financial assets

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

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

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

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

(iv) Derecognition

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

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

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

• long term leasehold land	64 - 80 years
• buildings	20 - 25 years
• plant, machinery and equipment	1 - 10 years
• furniture, fittings and office equipment	2 - 7 years
• motor vehicles	5 - 10 years

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

2. Significant accounting policies (continued)

(e) Leased assets

(i) Finance lease

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

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

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating leases

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

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

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Intangible assets

(i) Research and development expenditure

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

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

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

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

2. Significant accounting policies (continued)

(f) Intangible assets (continued)

(iii) Amortisation

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

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

(g) Investment properties

(i) Investment properties carried at cost

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

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

Depreciation on buildings is charged to profit or loss on a straight-line basis over the estimated useful lives of 20 to 25 years. Long term leasehold land is depreciated over the lease term of 80 years.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When the Group or the Company transfers a property between investment property and property, plant and equipment, the property transferred will be stated at its carrying amount from previous classification.

(iii) Determination of fair value

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

(h) Inventories

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

The cost of inventories is measured based on the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work in progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Cash and cash equivalents

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

2. Significant accounting policies (continued)

(j) Assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets are measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(k) Impairment

(i) Financial assets

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

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

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax asset, and non-current asset classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (known as cash-generating unit).

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

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

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

2. Significant accounting policies (continued)

(l) Equity instruments

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

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effect, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

(m) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(iii) Defined benefit plans

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

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

(iv) Termination benefits

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

2. Significant accounting policies (continued)

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Warranties

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

In rare circumstances, a provision for warranties is not made when it is related to unusual product defects and where the amount of obligation cannot be measured with sufficient reliability.

(o) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Services

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

(iii) Dividend income

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

(iv) Rental income

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

(v) Interest income

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

(p) Borrowing costs

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

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

2. Significant accounting policies (continued)

(q) Income tax

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

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

(s) Operating segments

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

3. Property, plant and equipment

Group	Note	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Under construction RM'000	Total RM'000
Cost									
At 1 January 2011		13,859	40,532	125,204	370,865	26,731	10,131	6,086	593,408
Additions		2,003	-	3,671	26,521	2,549	2,383	12,122	49,249
Dilution of interest in a subsidiary of a jointly-controlled entity	30	-	-	(126)	(1,484)	(299)	(106)	(56)	(2,071)
Disposal		-	-	-	(2,355)	(85)	(1,988)	-	(4,428)
Written off		-	-	(37)	(4,063)	(1,401)	(118)	-	(5,619)
Transfer		-	-	-	2,175	70	-	(2,245)	-
Transfer to assets held for sale	13	-	-	-	(3,077)	(1,348)	(1,135)	-	(5,560)
Effect of movement in exchange rates		-	-	(599)	(806)	(66)	10	4	(1,457)
At 31 December 2011/ 1 January 2012		15,862	40,532	128,113	387,776	26,151	9,177	15,911	623,522
Additions		3,049	-	4,820	22,111	1,629	640	2,635	34,884
Disposal		-	-	-	(4,154)	(515)	(1,136)	-	(5,805)
Written off		-	-	-	(1,507)	(109)	(53)	(26)	(1,695)
Transfer		-	-	1,805	1,082	-	-	(2,887)	-
Transfer to investment properties	5	-	(12,743)	(13,536)	-	(854)	-	-	(27,133)
Effect of movement in exchange rates		-	-	(804)	(1,595)	(95)	(55)	(847)	(3,396)
At 31 December 2012		18,911	27,789	120,398	403,713	26,207	8,573	14,786	620,377

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Under construction RM'000	Total RM'000
Depreciation and impairment loss									
At 1 January 2011									
Accumulated depreciation		-	7,081	39,978	277,448	22,161	6,333	-	353,001
Accumulated impairment loss		-	-	-	254	-	-	-	254
		-	7,081	39,978	277,702	22,161	6,333	-	353,255
Charge for the year		-	511	5,243	30,313	2,070	1,118	-	39,255
Dilution of interest in a subsidiary of a jointly-controlled entity	30	-	-	(59)	(620)	(142)	(55)	-	(876)
Disposals		-	-	-	(2,332)	(83)	(1,453)	-	(3,868)
Written off		-	-	(37)	(3,975)	(1,388)	(195)	-	(5,595)
Transfer to assets held for sale	13	-	-	-	(1,527)	(1,026)	(900)	-	(3,453)
Effect of movement in exchange rates		-	-	(522)	(683)	(21)	9	-	(1,217)
At 31 December 2011									
Accumulated depreciation		-	7,592	44,603	298,624	21,571	4,857	-	377,247
Accumulated impairment loss		-	-	-	254	-	-	-	254
		-	7,592	44,603	298,878	21,571	4,857	-	377,501

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Under construction RM'000	Total RM'000
Depreciation and impairment loss (continued)									
At 1 January 2012									
Accumulated depreciation		-	7,592	44,603	298,624	21,571	4,857	-	377,247
Accumulated impairment loss		-	-	-	254	-	-	-	254
		-	7,592	44,603	298,878	21,571	4,857	-	377,501
Charge for the year		-	347	4,835	25,174	1,742	920	-	33,018
Disposals		-	-	-	(4,039)	(507)	(995)	-	(5,541)
Written off		-	-	-	(1,432)	(182)	(53)	-	(1,667)
Transfer to investment properties	5	-	(2,277)	(7,527)	-	(790)	-	-	(10,594)
Reversal of impairment loss		-	-	-	(254)	-	-	-	(254)
Effect of movement in exchange rates		-	-	(135)	(578)	(43)	(28)	-	(784)
At 31 December 2012									
Accumulated depreciation		-	5,662	41,776	317,749	21,791	4,701	-	391,679
Accumulated impairment loss		-	-	-	-	-	-	-	-
		-	5,662	41,776	317,749	21,791	4,701	-	391,679
Carrying amounts									
At 1 January 2011		13,859	33,451	85,226	93,163	4,570	3,798	6,086	240,153
At 31 December 2011/ 1 January 2012		15,862	32,940	83,510	88,898	4,580	4,320	15,911	246,021
At 31 December 2012		18,911	22,127	78,622	85,964	4,416	3,872	14,786	228,698

3. Property, plant and equipment (continued)

3.1 Security

At 31 December 2012, plant and machinery with a carrying amount of RM2,984,000 (31 December 2011: Nil ; 1 January 2011 : Nil) are subject to secured term loan to secure bank loans granted to the Group (see Note 16).

Company	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 January 2011	736	1,510	2,246
Additions	18	594	612
Disposals	-	(602)	(602)
At 31 December 2011/1 January 2012	754	1,502	2,256
Additions	191	85	276
Transfer from a subsidiary	4	-	4
At 31 December 2012	949	1,587	2,536
Accumulated depreciation			
At 1 January 2011	675	416	1,091
Charge for the year	38	200	238
Disposals	-	(404)	(404)
At 31 December 2011/1 January 2012	713	212	925
Charge for the year	74	185	259
Transfer from a subsidiary	4	-	4
At 31 December 2012	791	397	1,188
Carrying amounts			
At 1 January 2011	61	1,094	1,155
At 31 December 2011/1 January 2012	41	1,290	1,331
At 31 December 2012	158	1,190	1,348

4. Prepaid lease payments

Group	Unexpired period less than or equal to 50 years RM'000
Cost	
At 1 January 2011	6,419
Additions	1,596
Effect of movement in exchange rate	(237)
At 31 December 2011/1 January 2012	7,778
Additions	11,171
Effect of movement in exchange rate	(454)
At 31 December 2012	18,495
Amortisation	
At 1 January 2011	99
Charge during the year	36
Effect of movement in exchange rate	(6)
At 31 December 2011/1 January 2012	129
Charge during the year	162
Effect of movement in exchange rate	(8)
At 31 December 2012	283
Carrying amounts	
At 1 January 2011	6,320
At 31 December 2011/1 January 2012	7,649
At 31 December 2012	18,212

5. Investment properties

Group	Note	Long term leasehold lands RM'000	Building RM'000	Others RM'000	Total RM'000
Cost					
At 1 January 2011/31 December 2011/ 1 January 2012		-	1,791	-	1,791
Transfer from property, plant and equipment	3	12,743	13,536	854	27,133
At 31 December 2012		12,743	15,327	854	28,924
Accumulated depreciation					
At 1 January 2011		-	574	-	574
Depreciation for the year		-	40	-	40
At 31 December 2011/1 January 2012		-	614	-	614
Depreciation for the year		130	583	1	714
Transfer from property, plant and equipment	3	2,277	7,527	790	10,594
At 31 December 2012		2,407	8,724	791	11,922
Carrying amounts					
At 1 January 2011		-	1,217	-	1,217
At 31 December 2011/1 January 2012		-	1,177	-	1,177
At 31 December 2012		10,336	6,603	63	17,002
Fair values					
At 1 January 2011		-	1,900	-	1,900
At 31 December 2011/1 January 2012		-	1,900	-	1,900
At 31 December 2012		20,002	18,271	63	38,336

During the year, a property has been transferred from property, plant and equipment (see Note 3) to investment property, because the building was no longer used by the Group but leased to a third party.

5. Investment properties (continued)

The fair values of all investment properties are determined by the Directors using income approach. Key assumption is as follow:

Yield rates 8% - 8.5% (31 December 2011: 8% - 8.5%; 1 January 2011: 8% -8.5 %)

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

		Group	
	Note	2012 RM'000	2011 RM'000
Rental income	22	2,167	192
Direct operating expenses	22	(243)	(62)

6. Investment in subsidiaries

		Company	
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unquoted shares, at cost	351,978	314,247	299,629
Less: Accumulated impairment losses	(9,539)	(9,539)	(9,539)
	342,439	304,708	290,090

Details of the subsidiaries are shown in Note 31.

7. Development expenditure

		Group	
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Cost			
At 1 January	2,488	2,248	
Additions	1,370	240	
At 31 December	3,858	2,488	
Amortisation			
At 1 January	1,689	1,312	
Charge for the year	443	377	
At 31 December	2,132	1,689	
Carrying amounts	1,726	799	936

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

Notes to the Financial Statements

8. Deferred tax assets/liabilities

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets			Liabilities			Net		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Group									
Employee benefits	3,503	3,690	3,535	-	-	-	3,503	3,690	3,535
Property, plant and equipment	21	349	612	(6,211)	(5,765)	(8,730)	(6,190)	(5,416)	(8,118)
Provisions for warranty	2,361	2,253	2,269	-	-	-	2,361	2,253	2,269
Unutilised tax losses	-	259	255	-	-	-	-	259	255
Unutilised reinvestment allowance	5,254	5,350	7,148	-	-	-	5,254	5,350	7,148
Others	7,474	6,800	10,467	(341)	(115)	(118)	7,133	6,685	10,349
Tax assets/ (liabilities)	18,613	18,701	24,286	(6,552)	(5,880)	(8,848)	12,061	12,821	15,438
Set off of tax	(5,208)	(3,115)	(4,059)	5,208	3,115	4,059	-	-	-
Net tax assets/ (liabilities)	13,405	15,586	20,227	(1,344)	(2,765)	(4,789)	12,061	12,821	15,438

	Assets			Liabilities			Net		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Company									
Property, plant and equipment	-	-	-	(192)	(207)	(113)	(192)	(207)	(113)
Others	351	436	391	-	-	-	351	436	391
Tax assets/ (liabilities)	351	436	391	(192)	(207)	(113)	159	229	278
Set off of tax	(192)	(207)	(113)	192	207	113	-	-	-
Net tax assets/ (liabilities)	159	229	278	-	-	-	159	229	278

8. Deferred tax assets/liabilities (continued)

Movement in temporary differences during the year

Group	At 1.1.2011 RM'000	Recognised in profit or loss (Note 24) RM'000	Others RM'000	At 31.12.2011/ 1.1.2012 RM'000	Recognised in profit or loss (Note 24) RM'000	At 31.12.2012 RM'000
Employee benefits	3,503	187	-	3,690	(155)	3,535
Property, plant and equipment	(8,118)	2,702	-	(5,416)	(774)	(6,190)
Provisions for warranty	2,269	(16)		2,253	108	2,361
Unrealised foreign exchange gain	-	(15)	-	(15)	80	65
Unutilised reinvestment allowance	7,148	(1,798)	-	5,350	(96)	5,254
Unutilised tax losses	255	4	-	259	(259)	-
Others	10,381	(3,073)	(608)	6,700	336	7,036
	15,438	(2,009)	(608)	12,821	(760)	12,061
Company						
Property, plant and equipment	(113)	(94)	-	(207)	15	(192)
Others	391	45	-	436	(85)	351
	278	(49)	-	229	(70)	159

Unrecognised deferred tax assets

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

	Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unutilised tax losses	12,441	11,265	11,214
Unabsorbed capital allowances	1,580	1,149	-
Deductible temporary differences	4,405	3,758	-
	18,426	16,172	11,214

The unutilised tax losses, unabsorbed capital allowances and deductible temporary differences do not expire under current tax legislation except for the unutilised tax losses of RM11,567,000 (IDR36,376,937,000) which will expire in financial years 2013 - 2014 for the subsidiary in Indonesia. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

Notes to the Financial Statements

9. Inventories

	Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Raw materials	114,245	97,056	107,921
Work-in-progress	11,663	9,137	7,418
Manufactured inventories and trading inventories	40,185	46,610	54,993
Spare parts and others	10,711	10,806	5,961
	176,804	163,609	176,293
Recognised in profit or loss:			
Write-down to net realisable value	(2,565)	(1,904)	(2,200)
Reversal of write-downs	1,458	1,455	103

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

10. Trade and other receivables, including derivatives

	Note	Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	Company 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Trade							
Trade receivables		193,544	185,348	169,965	-	-	-
Less: Impairment losses		(1,058)	(1,711)	(767)	-	-	-
		192,486	183,637	169,198	-	-	-
Jointly-controlled entities	10.1	85	277	-	-	-	-
Related parties	10.1	28,810	21,608	23,627	-	-	-
		221,381	205,522	192,825	-	-	-
Non-trade							
Other receivables		6,533	4,762	2,003	2,674	1,385	1,030
Less: Impairment losses		-	-	(1,000)	-	-	-
		6,533	4,762	1,003	2,674	1,385	1,030
Subsidiaries	10.2	-	-	-	37,852	49,335	61,245
Jointly-controlled entities	10.2	326	58	139	29	27	28
Derivatives held for trading at fair value through profit or loss							
- Forward exchange contracts		677	574	780	-	-	10
Others		354	110	105	78	-	-
		7,890	5,504	2,027	40,633	50,747	62,313
		229,271	211,026	194,852	40,633	50,747	62,313

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

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

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

(i) Amount due from subsidiaries, amounting to RM29,394,000 (31.12.2011: RM33,166,000 ; 1.1.2011: RM26,328,000) which is subject to interest ranging from 3.3% to 3.5% (31.12.2011: 3.1% to 3.5% ; 1.1.2011: 2.4% to 3.4%) per annum.

(ii) At 1 January 2011, an amount due from a subsidiary amounting to USD1,600,000 was subjected to interest ranging from 2.8% to 3.5% per annum.

11. Deposits and prepayments

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deposits	5,695	3,979	1,551	755	834	5
Prepayments	16,080	15,325	13,992	65	7	15
	21,775	19,304	15,543	820	841	20

12. Cash and cash equivalents

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deposits placed with licensed banks	405,068	368,272	292,394	2,266	43,603	69,371
Cash and bank balances	21,944	25,365	58,813	870	1,855	1,403
	427,012	393,637	351,207	3,136	45,458	70,774

13. Assets classified as held for sale

In the previous year, plant and equipment and inventories held by the Group through a wholly-owned subsidiary, Radiators Australia (2000) Pty. Ltd. were presented as assets held for sale following the commitment of the Group's management to a plan to sell the assets. The sale was finalised on 20 January 2012 following the Asset Sales Agreement signed with a third party for a total consideration of AUD3.74 million.

	Note	Group 2011 RM'000
Plant and equipment	13.1	2,107
Inventories		7,371
		9,478

13.1 Plant and equipment held for sale comprise the following:		
Cost	3	5,560
Accumulated depreciation	3	(3,453)
		2,107

14. Capital and reserves

Share capital

	Group and Company					
	Amount 31.12.2012 RM'000	Number of shares 31.12.2012 '000	Amount 31.12.2011 RM'000	Number of shares 31.12.2011 '000	Amount 1.1.2011 RM'000	Number of shares 1.1.2011 '000
Authorised: Ordinary shares of RM1 each	300,000	300,000	300,000	300,000	300,000	300,000
Issued and fully paid: Ordinary shares of RM1 each	201,600	201,600	201,600	201,600	201,600	201,600

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

14. Capital and reserves (continued)

Treasury shares

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 23 May 2012, approved the Company's plan to purchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 2,000 (2011: 2,000) of its issued share capital from the open market at an average price of RM4.75 (2011: RM4.93) per share. The purchase transactions were financed by internally generated funds. The shares purchased are retained as treasury shares.

At 31 December 2012, the Company held 5,910,000 (2011: 5,908,000) of the Company's shares.

Share premium

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

Translation reserve

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

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained earnings at 31 December 2012 if paid out as dividends.

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the remaining Section 108 tax credit as at 31 December 2012 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

15. Employee benefits

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Recognised liability for employee benefits	14,010	14,761	14,139	1,257	1,585	1,446

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

15. Employee benefits (continued)

Movement in the liability recognised in the statements of financial position

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Liability at 1 January	14,761	14,139	1,585	1,446
Benefits paid	(1,232)	(1,218)	(480)	(3)
Expense recognised in profit or loss	544	2,060	152	142
Effect of movement in exchange rates	(63)	26	-	-
Dilution of interest in a jointly-controlled entity	-	(246)	-	-
Liability at 31 December	14,010	14,761	1,257	1,585

Expense recognised in profit or loss

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current service costs	200	1,757	104	104
Interest on obligation	532	513	69	62
Gain on actuarial	(188)	(210)	(21)	(24)
	544	2,060	152	142

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cost of sales	478	576	-	-
Distribution expenses	37	37	-	-
Administration expenses	29	1,447	152	142
	544	2,060	152	142

Actuarial assumptions

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

	Group and Company	
	2012 %	2011 %
Discount rate	5.4	5.4
Future salary increases	6.5	6.5
Employee provident funds rate	12	12

16. Loans and borrowings

	Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Non-current			
Secured term loan	795	-	-
Current			
Unsecured bank overdrafts	-	-	402
Unsecured foreign currency trade loans	-	754	4,002
Unsecured revolving credit	10,855	12,185	-
Unsecured bankers' acceptances	14,453	8,738	20,875
	25,308	21,677	25,279
	26,103	21,677	25,279

The non-current term loan is secured over plant and machinery (see Note 3).

The borrowings of the Group are subject to interest at 1.3% to 7.7% (31.12.2011: 1.1% to 9.0% ; 1.1.2011: 2.1% to 8.6%) per annum.

17. Provisions

	Group Warranties RM'000
At 1 January 2011	9,077
Provisions made during the year	5,695
Provisions paid during the year	(5,144)
Provisions reversed during the year	(633)
Effect of movement in exchange rates	16
At 31 December 2011/1 January 2012	9,011
Provisions made during the year	5,362
Provisions paid during the year	(3,936)
Provisions reversed during the year	(985)
Effect of movement in exchange rates	(9)
At 31 December 2012	9,443

A provision for warranties is recognised when the products are sold where they are entitled to warranty. The provision is based on historical warranty claim and the Group expects to incur most of the liabilities over the next 1 - 3 years.

Contingent liability on abnormal defect

Where an abnormal defect is discovered on a product, the management will perform investigation to identify the cause. The total warranty liability that will be incurred is highly dependent on the course of action that needs to be taken by the Group in consultation with the affected customer. It may vary significantly.

Towards the end of March 2013, the management has discovered and is currently investigating an abnormal defect on one of its products. As at the date of this report, the management has not established the course of actions that needs to be taken with the customer. Hence, no additional provision for warranty has been recognised for this defect as it cannot be measured reliably.

18. Trade and other payables, including derivatives

	Note	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
Trade							
Trade payables		101,002	91,136	96,259	-	-	-
Related parties	18.1	796	865	539	-	-	-
Jointly-controlled entities	18.1	1,575	-	554	-	-	-
		103,373	92,001	97,352	-	-	-
Non-trade							
Other payables and accruals		71,392	73,983	70,278	2,465	2,690	1,765
Subsidiaries	18.2	-	-	-	29,301	2,607	3,019
Jointly-controlled entities	18.2	14	434	2,372	-	-	-
Related parties	18.2	112	161	552	-	-	-
Derivatives held for trading at fair value through profit or loss							
- Forward exchange contracts		1,089	138	25	-	-	-
		175,980	166,717	170,579	31,766	5,297	4,784

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

18.2 The non-trade amounts due to subsidiaries, related parties and jointly-controlled entities are unsecured, interest free and repayable on demand except for an amount due to a subsidiary in 2012, amounting to RM25,729,000, is subject to interest ranging from 3.75% to 4.50%.

19. Revenue

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Sale of goods	1,198,475	1,182,069	-	-
Services rendered	-	-	8,890	6,763
Dividend income	-	-	10,412	18,000
	1,198,475	1,182,069	19,302	24,763

20. Finance income

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Interest income received from deposits placed with licensed banks	11,493	10,683	-	1,640
Interest income received from subsidiaries	-	-	1,159	1,146
	11,493	10,683	1,159	2,786

21. Finance costs

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- unsecured bank overdrafts	-	12	-	-
- unsecured foreign currency trade loans	-	23	-	-
- unsecured bankers' acceptances	299	454	-	-
- other borrowings	647	397	63	-
	946	886	63	-

22. Profit before tax

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Profit before tax is arrived at after charging:				
Amortisation of development expenditure	443	377	-	-
Amortisation of prepaid lease payments	162	36	-	-
Auditors' remuneration:				
Audit fees				
- KPMG Malaysia	312	295	39	37
- Overseas affiliates of KPMG Malaysia	25	60	-	-
- Other auditors	114	141	-	-
Non-audit fees				
- KPMG Malaysia	49	19	49	19
- Local affiliates of KPMG Malaysia	127	129	5	30
- Overseas affiliates of KPMG Malaysia	-	38	-	-
- Other auditors	39	-	-	-
Depreciation of property, plant and equipment	33,018	39,255	259	238
Depreciation of investment property	714	40	-	-
Direct operating expenses of investment property	243	62	-	-
Impairment loss				
- trade receivables	203	1,204	-	-
Loss on disposal of property, plant and equipment	-	-	-	24
Net foreign exchange loss				
- realised	-	2,461	70	77
- unrealised	675	-	-	-
Personnel expenses (including key management personnel)				
- Employee benefits	544	2,060	152	142
- Termination benefits	2,117	1,293	-	-
- Contributions to state plans	8,379	7,558	1,364	976
- Wages, salaries and others	101,741	101,288	7,825	7,711
Property, plant and equipment written off	28	24	-	-
Provision of warranties	5,362	5,695	-	-
Rental of premises	1,034	2,861	-	-
Royalties	9,948	7,142	-	-
and after crediting:				
Gain on disposal of property, plant and equipment	504	153	-	-
Gain on disposal of asset held for sale	461	-	-	-
Net foreign exchange gain				
- realised	2,371	-	-	-
- unrealised	-	1,755	58	179
Rental income from investment property	2,167	192	-	-
Reversal of impairment loss				
- trade receivables	852	52	-	-
- property, plant and equipment	254	-	-	-
Reversal of provision of warranties	985	633	-	-
Taxable dividends received from				
- unquoted subsidiaries	-	-	2,603	18,000

23. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Directors				
- Fees	284	284	284	284
- Remuneration	4,898	4,909	4,303	4,409
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	122	130	58	92
Total short-term employee benefits	5,304	5,323	4,645	4,785
Post-employment benefits	91	139	90	80
	5,395	5,462	4,735	4,865
Other key management personnel:				
- Short-term employee benefits	2,090	1,695	-	-
- Post-employment benefits	77	121	-	-
	2,167	1,816	-	-
	7,562	7,278	4,735	4,865

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

24. Income tax expense

Recognised in profit or loss

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current tax expense				
Malaysia - current year	33,704	34,379	2,171	4,117
- (over)/under provision in prior year	(715)	742	(40)	18
Overseas - current year	1,181	1,915	-	-
- under/(over) provision in prior year	272	(69)	-	-
Total current tax recognised in profit or loss	34,442	36,967	2,131	4,135
Withholding tax	322	175	-	42
Deferred tax expense				
- Origination and reversal of temporary differences	868	2,830	111	11
- (Over)/Under provision in prior year	(108)	(821)	(41)	38
Total deferred tax recognised in profit or loss	760	2,009	70	49
Total income tax expense	35,524	39,151	2,201	4,226
Reconciliation of effective income tax expense				
Profit for the year	125,187	135,884	6,642	10,831
Total income tax expense	35,524	39,151	2,201	4,226
Profit excluding tax	160,711	175,035	8,843	15,057
Tax calculated using Malaysian tax rates of 25% (2011: 25%)	40,178	43,759	2,211	3,764
Effect of different tax rates in foreign jurisdictions	(168)	(41)	-	-
Non-deductible expenses	1,542	1,713	71	311
Tax exempt income	(279)	(232)	-	-
Tax incentives	(5,522)	(6,651)	-	-
Effect of utilisation of deferred tax benefits previously not recognised	(341)	(227)	-	-
Effect of deferred tax benefit not recognised	628	922	-	-
Other items	(285)	(119)	-	53
Withholding tax	322	175	-	42
	36,075	39,299	2,282	4,170
(Over)/Under provision in prior year				
- current tax expense	(443)	673	(40)	18
- deferred tax expense	(108)	(821)	(41)	38
Income tax expense	35,524	39,151	2,201	4,226

25. Other comprehensive (expense)/income

	Group	
	2012 RM'000	2011 RM'000
Foreign currency translation differences for foreign operations - (Losses)/Gains arising during the financial year	(5,991)	909

26. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2012	2011
Profit for the year attributable to ordinary shareholders (RM'000)	113,602	118,093
Weighted average number of ordinary shares ('000 units)		
Issued ordinary shares at 1 January	201,600	201,600
Effect of treasury shares held	(5,910)	(5,908)
Weighted average number of ordinary shares at 31 December	195,690	195,692
Basic earnings per ordinary share (sen)	58.1	60.3

27. Dividends

Dividends recognised by the Company:

2012	Sen per share (net of tax)	Total amount RM'000	Date of payment
Interim 2012 ordinary	7.50	14,677	28 September 2012
Final 2011 ordinary	9.00	17,612	28 June 2012
Special final 2011 ordinary	7.50	14,677	28 June 2012
Total amount		46,966	
2011			
Interim 2011 ordinary	7.50	14,677	28 September 2011
Final 2010 ordinary	9.00	17,612	28 June 2011
Total amount		32,289	

27. Dividends (continued)

After the reporting period the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share (net of tax)	Total amount RM'000
Final 2012 ordinary	9.00	17,612
Special final 2012	7.50	14,677

28. Capital and other commitments

	Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Property, plant and equipment			
Contracted but not provided for and payable within one year	18,853	23,638	6,562
Authorised but not contracted for	1,675	2,649	17,811

29. Related parties

Identity of related parties

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

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

Controlling related party relationships are as follows:

i) The subsidiaries as disclosed in Note 31.

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

29. Related parties (continued)

Identity of related parties (continued)

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.

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
With TCMH Group				
Sales	128,030	114,628	-	-
Purchases	(7,224)	(7,608)	(88)	(673)
Administrative and consultancy services	(883)	(127)	(234)	(127)
Insurance	(2,417)	(2,657)	(102)	(76)
Rental expenses	(11)	(5)	-	-
Rental income	1,381	336	-	-
With WTCH Group				
Sales	20	246	-	-
Purchases	(351)	(2,247)	(235)	(266)
Administrative and consultancy services	(2,070)	-	-	-
Rental expenses	(253)	(205)	-	-
With TCIL Group				
Sales	1,048	-	-	-
Purchases	(2)	-	-	-
Administrative and consultancy services	(581)	-	-	-

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

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

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

There are no allowances for impairment losses made and no bad or doubtful receivables recognised for the financial year ended 31 December 2012 and 31 December 2011 in respect of related parties balances.

ii) The significant related party transactions of the Company, other than key management personnel compensation (see Note 23), are as follows:

	Transactions value for the year ended 31 December	
	2012	2011
Company	RM'000	RM'000
Subsidiaries		
Management fees receivable	8,890	6,763

30. Dilution of interest in a subsidiary of a jointly-controlled entity

In previous year, the shareholding in P.T. Armada Johnson Controls held via P.T. APM Armada Autoparts which was a jointly-controlled entity of the Group, was diluted from 60% to 50%, as the result of the issuance of new shares in P.T. Armada Johnson Controls.

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

Group	**Carrying amount RM'000**
Property, plant and equipment	1,195
Inventories	4,681
Trade and other receivables	3,090
Deposits and prepayment	2,500
Cash and cash equivalents	582
Deferred tax assets	608
Trade and other payables	(6,811)
Current tax liabilities	(736)
Employee benefits	(246)
Non-controlling interests	(3,891)
Net identifiable assets and liabilities	972
Consideration received, satisfied in cash	(245)
Loss on dilution	727
Consideration received in cash	245
Cash and cash equivalent reduced on dilution	(582)
Net cash outflow	(337)

31. Subsidiaries

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

Name of subsidiary	Principal activities	Effective ownership interest 31.12.2012 %	31.12.2011 %	1.1.2011 %
APM Auto Electrics Sdn. Bhd.	Manufacture and sale of automotive electrical components	100	100	100
APM Climate Control Sdn. Bhd.	Manufacture and sale of automotive air-conditioners and radiators	100	100	100
APM Coil Springs Sdn. Bhd.	Manufacture and sale of automotive coil springs	100	100	100
APM Plastics Sdn. Bhd.	Manufacture and sale of plastic injection and extrusion moulded parts and components	100	100	100
APM Seatings Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture and sale of automotive seats	100	100	100
APM Shock Absorbers Sdn. Bhd.	Manufacture and sale of shock absorbers and related component parts	100	100	100
APM Springs Sdn. Bhd.	Manufacture and sale of automotive leaf springs	100	100	100
APM Springs (Vietnam) Co., Ltd.* (held via 100% owned subsidiary, APM Automotive International Ltd.)	Manufacture and sale of automotive suspension parts	100	100	100
APM Auto Components (USA) Inc.* (held via 100% owned subsidiary, APM Automotive International Ltd.)	Marketing and sale of automotive parts and accessories	100	100	100
APM Auto Parts Marketing Sdn. Bhd.	Marketing and sale of automotive parts and accessories	100	100	100
Auto Parts Manufacturers Co. Sdn. Bhd.	Manufacture and sale of automotive seats	100	100	100
Radiators Australia (2000) Pty. Ltd.* (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Distribution and assembly of automotive and industrial radiators and other automotive components	100	100	100

Notes to the Financial Statements

31. Subsidiaries (continued)

Name of subsidiary	Principal activities	Effective ownership interest 31.12.2012 %	31.12.2011 %	1.1.2011 %
Fuji Seats (Malaysia) Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn.Bhd.)	Manufacture and sale of automotive seats and components	60	60	60
P.T. APM Armada Suspension* (held via 100% owned subsidiaries, Auto Parts Holdings Sdn. Bhd. and APM Automotive International Ltd.)	Manufacture and distribution of coil springs and leaf springs	100	80	80
APM Auto Mechanisms Sdn. Bhd.	Property investment	100	100	100
KAB Otomotif Sdn. Bhd.	Property investment	100	100	100
Perusahaan Tilam Kereta Sdn. Bhd.	Property investment	100	100	100
APM Automotive International Ltd.	Investment holding	100	100	100
Auto Parts Holdings Sdn. Bhd.	Investment holding	100	100	100
APM Holdings Inc.* (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Investment holding	100	100	100
APM Engineering & Research Sdn. Bhd.	Provision of automotive Research and development services	100	100	100
APM Corporate Services Sdn. Bhd.	Provision of management services	100	100	100
APM Auto Components (Vietnam) Co., Ltd. * (held via 100% owned subsidiary, APM Automotive International Ltd.)	Manufacture and sale of automotive seats and its components, shock absorbers, radiators and air-conditioner parts for automobiles	100	100	100
APM IAC Automotive Systems Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture and sale of automotive interior plastic component and systems	60	60	-
APM Components America Inc.* (held via 100% owned subsidiary, APM Holdings Inc.)	Dormant	100	100	100

31. Subsidiaries (continued)

Name of subsidiary	Principal activities	Effective ownership interest 31.12.2012 %	31.12.2011 %	1.1.2011 %
APM Chalmers Suspensions Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Dormant	100	100	100
APM Interiors Sdn. Bhd.	Dormant	100	100	100
APM Metal Industries Sdn. Bhd.	Dormant	100	100	100
APM Motorsport Sdn. Bhd.	Dormant	100	100	100
APM Radiators Sdn. Bhd.	Dormant	100	100	100
APM Tooling Centre Sdn. Bhd.	Dormant	100	100	100
Atsugi Parts Manufacturing Sdn. Bhd.	Dormant	100	100	100
Pandamaran Special Steel Sdn. Bhd.	Dormant	100	100	100
TC-Kinugawa Rubber Sdn. Bhd.	Dormant	100	100	100
APM Automotive Modules Sdn. Bhd.	Dormant	100	100	-
APM Thermal Systems Sdn. Bhd.	Dormant	100	100	-
APM Suspension Systems Sdn. Bhd.	Dormant	100	100	-
APM Auto Parts Marketing (Malaysia) Sdn. Bhd.*	Dormant	100	-	-
APM Automotive IndoChina Ltd.*	Investment holding	100	-	-
APM Automotive Thailand Ltd.*	Investment holding	100	-	-
APM Automotive Myanmar Ltd.*	Investment holding	100	-	-
P.T. APM Auto Components Indonesia*	Manufacture and sale automotive head exchange product	100	-	-

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

* Audited by another firm of Public Accountants.

32. Operating segments

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

- *Suspension Division, Malaysia*: Business in products such as leaf springs, parabolic springs, coil springs, shock absorbers, gas springs, U-bolts and metal parts.
- *Interior & Plastics Division, Malaysia*: Business in products such as plastics parts, interiors, seatings for motor vehicles, buses, auditoriums and cinemas.
- *Electrical & Heat Exchange Division, Malaysia*: Business in products such as air-conditioning systems, radiators, starter motors, alternators, wiper system, distributors and other electrical parts.
- *Marketing Division, Malaysia*: Trading and distribution of automotive components/parts manufactured by the Group for the replacement and export market.
- *Others*, Malaysia: Operations related to the rental of investment properties in Malaysia, provision of management services for companies within the Group, and provision of automotive research and development services.
- *Operations Outside Malaysia*: Businesses in Thailand, Indonesia, Vietnam, Australia and USA.

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

Segment assets

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

Segment liabilities

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

Segment capital expenditure

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

32. Operating segments (continued)

	Suspension 2012 RM'000	Interior and plastics 2012 RM'000	Electrical and heat exchange 2012 RM'000	Marketing 2012 RM'000	Operations outside Malaysia 2012 RM'000	Others 2012 RM'000	Eliminations 2012 RM'000	Total 2012 RM'000
Segment profit	16,468	106,201	14,401	12,720	9,332	40,610	(39,021)	160,711
Included in the measure of segment profit are:								
Revenue from external customers	109,835	568,912	224,946	198,550	93,478	2,754	-	1,198,475
Inter-segment revenue	116,485	199,463	23,842	6,682	29,654	66,869	(442,995)	-
Depreciation and amortisation	(6,965)	(15,554)	(4,047)	(94)	(4,410)	(3,652)	385	(34,337)
Finance income	1,349	6,825	464	1,055	580	11,284	(10,064)	11,493
Not included in the measure of segment profit but provided to CODM:								
Income tax expense	884	(26,442)	(3,133)	(2,847)	(2,828)	(5,799)	4,641	(35,524)
Segment assets	215,997	485,348	154,618	55,134	124,562	549,228	(445,974)	1,138,913
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	8,740	9,566	1,370	34	18,869	8,846	-	47,425

32. Operating segments (continued)

	Suspension 2011 RM'000	Interior and plastics 2011 RM'000	Electrical and heat exchange 2011 RM'000	Marketing 2011 RM'000	Operations outside Malaysia 2011 RM'000	Others 2011 RM'000	Eliminations 2011 RM'000	Total 2011 RM'000
Segment profit	25,670	112,151	22,737	14,220	3,802	(3,312)	(233)	175,035
Included in the measure of segment profit are:								
Revenue from external customers	108,459	528,949	235,318	198,351	108,864	2,128	-	1,182,069
Inter-segment revenue	124,680	193,860	23,084	8,999	28,857	65,036	(444,516)	-
Depreciation and amortisation	(7,041)	(21,579)	(3,929)	(90)	(4,675)	(2,778)	384	(39,708)
Finance income	1,027	4,708	548	704	917	10,094	(7,315)	10,683
Not included in the measure of segment profit but provided to CODM:								
Income tax expense	(4,930)	(24,059)	(5,012)	(3,662)	(1,572)	49	35	(39,151)
Segment assets	206,262	424,746	137,593	44,987	104,233	537,223	(381,064)	1,073,980
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	17,834	8,681	5,169	163	11,832	7,418	(12)	51,085

32. Operating segments (continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

Geographical information	Group Revenue RM'000	Group Non-current assets RM'000
2012		
Malaysia	1,104,997	209,755
Indonesia	75,534	44,907
Vietnam	9,934	10,880
Other countries	8,010	96
	1,198,475	265,638
2011		
Malaysia	1,104,234	207,535
Indonesia	46,714	33,732
Vietnam	8,893	12,130
Other countries	22,228	2,249
	1,182,069	255,646

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue 2012 RM'000	Revenue 2011 RM'000	Segment
All common control companies of:			
- Company A	433,223	437,885	Suspension, Interior and Plastics and Electrical and Heat Exchange
- Company B	128,039	160,402	Suspension, Interior and Plastics and Electrical and Heat Exchange
- Company C	129,098	114,874	Suspension, Interior and Plastics and Electrical and Heat Exchange

Notes to the Financial Statements

33. Financial instruments

33.1 Categories of financial instruments

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

(a) Loans and receivables (L&R);
(b) Fair value through profit or loss (FVTPL):
  - Held for trading (HFT); and
(c) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL -HFT RM'000
31 December 2012			
Financial assets			
Group			
Trade and other receivables, including derivatives	229,271	228,594	677
Cash and cash equivalents	427,012	427,012	-
	656,283	655,606	677
Company			
Trade and other receivables, including derivatives	40,633	40,633	-
Cash and cash equivalents	3,136	3,136	-
	43,769	43,769	-
Financial liabilities			
Group			
Loans and borrowings	(26,103)	(26,103)	-
Trade and other payables, including derivatives	(175,980)	(174,891)	(1,089)
	(202,083)	(200,994)	(1,089)
Company			
Trade and other payables, including derivatives	(31,766)	(31,766)	-

33. Financial instruments (continued)

33.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL -HFT RM'000
31 December 2011			
Financial assets			
Group			
Trade and other receivables, including derivatives	211,026	210,452	574
Cash and cash equivalents	393,637	393,637	-
	604,663	604,089	574
Company			
Trade and other receivables, including derivatives	50,747	50,747	-
Cash and cash equivalents	45,458	45,458	-
	96,205	96,205	-
Financial liabilities			
Group			
Loans and borrowings	(21,677)	(21,677)	-
Trade and other payables, including derivatives	(166,717)	(166,579)	(138)
	(188,394)	(188,256)	(138)
Company			
Trade and other payables, including derivatives	(5,297)	(5,297)	-

33. Financial instruments (continued)

33.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL -HFT RM'000
1 January 2011			
Financial assets			
Group			
Trade and other receivables, including derivatives	194,852	194,072	780
Cash and cash equivalents	351,207	351,207	-
	546,059	545,279	780
Company			
Trade and other receivables, including derivatives	62,313	62,303	10
Cash and cash equivalents	70,774	70,774	-
	133,087	133,077	10
Financial liabilities			
Group			
Loans and borrowings	(25,279)	(25,279)	-
Trade and other payables, including derivatives	(170,579)	(170,554)	(25)
	(195,858)	(195,833)	(25)
Company			
Trade and other payables, including derivatives	(4,784)	(4,784)	-

33.2 Net gains and losses arising from financial instruments

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Net gains/(losses) on:				
Loans and receivables	13,838	8,825	1,147	2,888
Financial liabilities measured at amortisation cost	(946)	(886)	(63)	-
Fair value through profits or loss	(412)	1,192	-	-
	12,480	9,131	1,084	2,888

34. Financial risk management

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

* Credit risk
* Liquidity risk
* Market risk

34.1 Credit risk

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

Receivables

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

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

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

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

	Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Malaysia	201,315	180,943	173,045
Asia	12,774	11,524	10,953
Africa	-	-	205
Europe	1,959	5,564	4,466
North America	1,556	2,004	886
South America	2,447	447	140
Oceania	1,330	5,040	3,130
	221,381	205,522	192,825

34. Financial risk management (continued)

34.1 Credit risk (continued)

Receivables (continued)

Impairment losses

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

Group	Gross RM'000	Impairment RM'000	Net RM'000
31 December 2012			
Not past due	191,671	-	191,671
Past due 0 - 90 days	19,310	-	19,310
Past due 91 - 180 days	3,008	(52)	2,956
Past due more than 180 days	8,450	(1,006)	7,444
	222,439	(1,058)	221,381
31 December 2011			
Not past due	192,242	-	192,242
Past due 0 - 90 days	10,450	-	10,450
Past due 91 - 180 days	3,027	(723)	2,304
Past due more than 180 days	1,514	(988)	526
	207,233	(1,711)	205,522
1 January 2011			
Not past due	183,694	-	183,694
Past due 0 - 90 days	7,841	(162)	7,679
Past due 91 - 180 days	725	(14)	711
Past due more than 180 days	1,332	(591)	741
	193,592	(767)	192,825

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

	2012 RM'000	2011 RM'000
At 1 January	1,711	767
Impairment loss recognised	203	1,204
Impairment loss reversed	(852)	(52)
Impairment loss written off	-	(214)
Effect of movement in exchange rate	(4)	6
At 31 December	1,058	1,711

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

34. Financial risk management (continued)

34.1 Credit risk (continued)

Inter company balances

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable.

Other financial assets

Risk management objectives, policies and processes for managing the risk

The Group and the Company are also exposed to counterparty credit risk from financial institutions through fund placement activities. These exposures are managed in accordance with the existing guidelines and procedures that define the parameters within which the investment activities shall be undertaken in order to achieve the Group's investment objective of preserving capital and generating additional returns above appropriate benchmarks within allowable risk parameters. Investments are only made with reputable licensed financial institutions with high creditworthiness.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

34.2 Liquidity risk

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

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

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

34. Financial risk management (continued)

34.2 Liquidity risk (continued)

Maturity analysis

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

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	Under 1 year RM'000	1 - 3 years RM'000
31 December 2012					
Non-derivative financial liabilities					
Unsecured bankers' acceptances	14,453	3.3	14,453	14,453	-
Unsecured revolving credit	10,855	1.3 to 7.7	10,975	10,975	-
Secured term loan	795	10.3	943	238	705
Trade and other payables, excluding derivatives	174,891	-	174,891	174,891	-
	200,994		201,262	200,557	705
Derivative financial liabilities					
Forward exchange contracts (gross settled):					
Outflow	412	-	43,124	43,124	-
Inflow	-	-	(42,712)	(42,712)	-
	201,406		201,674	200,969	705
Company					
31 December 2012					
Non-derivative financial liabilities					
Trade and other payables, excluding derivatives	31,766	-	31,766	31,766	-

34. Financial risk management (continued)

34.2 Liquidity risk (continued)

Maturity analysis (continued)

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	Under 1 year RM'000
31 December 2011				
Non-derivative financial liabilities				
Unsecured bankers' acceptances	8,738	3.3	8,738	8,738
Unsecured foreign currency trade loans	754	1.4	767	767
Unsecured revolving credit	12,185	1.1 to 9.0	12,233	12,233
Trade and other payables, excluding derivatives	166,579	-	166,579	166,579
	188,256		188,317	188,317
Derivative financial liabilities				
Forward exchange contracts (gross settled):				
Outflow	-	-	46,527	46,527
Inflow	(436)	-	(46,963)	(46,963)
	187,820		187,881	187,881

Company	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	Under 1 year RM'000
31 December 2011				
Non-derivative financial liabilities				
Trade and other payables, excluding derivatives	5,297	-	5,297	5,297
	5,297		5,297	5,297

34. Financial risk management (continued)

34.2 Liquidity risk (continued)

Maturity analysis (continued)

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	Under 1 year RM'000
1 January 2011				
Non-derivative financial liabilities				
Unsecured bankers' acceptances	20,875	3.0	20,875	20,875
Unsecured bank overdraft	402	6.3 to 8.6	402	402
Unsecured foreign currency trade loans	4,002	2.1 to 4.6	4,042	4,042
Trade and other payables, excluding derivatives	170,554	-	170,554	170,554
	195,833		195,873	195,873
Derivative financial liabilities				
Forward exchange contracts (gross settled):				
Outflow	-	-	43,800	43,800
Inflow	(755)	-	(44,555)	(44,555)
	195,078		195,118	195,118

Company	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	Under 1 year RM'000
1 January 2011				
Non-derivative financial liabilities				
Trade and other payables, excluding derivatives	4,784	-	4,784	4,784
Derivative financial liabilities				
Forward exchange contracts (gross settled):				
Outflow	10	-	(2,636)	(2,636)
Inflow	-	-	2,646	2,646
	4,794		4,794	4,794

34.3 Market risk

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

34.3.1 Currency risk

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

Risk management objectives, policies and processes for managing the risk

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

34. Financial risk management (continued)

34.3 Market risk (continued)

34.3.1 Currency risk (continued)

Exposure to foreign currency risk

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

Group *In thousands RM*	USD	JPY	Denominated in EURO	AUD	IDR	THB
31 December 2012						
Trade receivables	7,086	238	1,682	1,220	9,059	-
Trade payables	(576)	(8,221)	(1,391)	(2)	(3,918)	(8,756)
Forward exchange contracts	563	(977)	(20)	8	-	9
Net exposure	7,073	(8,960)	271	1,226	5,141	(8,747)
31 December 2011						
Trade receivables	5,553	154	5,267	5,079	7,269	-
Trade payables	(6,727)	(7,212)	(1,424)	(418)	(7,075)	(1,229)
Forward exchange contracts	(62)	319	87	(1)	-	70
Net exposure	(1,236)	(6,739)	3,930	4,660	194	(1,159)
1 January 2011						
Trade receivables	2,944	275	3,878	3,203	7,881	-
Trade payables	(5,039)	(8,439)	(2,039)	(730)	(4,687)	(2,202)
Forward exchange contracts	523	213	-	(8)	-	31
Net exposure	(1,572)	(7,951)	1,839	2,465	3,194	(2,171)

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

34. Financial risk management (continued)

34.3 Market risk (continued)

34.3.2 Interest rate risk

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

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Fixed rate instruments						
Financial asset						
Placements with licensed banks	405,068	368,272	292,394	2,266	43,603	69,371
Financial liabilities						
Secured term loan	(795)	-	-	-	-	-
Unsecured foreign currency trade loan	-	(754)	(4,002)	-	-	-
Unsecured revolving credit	(10,855)	(12,185)	-	-	-	-
Unsecured bankers' acceptances	(14,453)	(8,738)	(20,875)	-	-	-
	378,965	346,595	267,517	2,266	43,603	69,371
Floating rate instrument						
Financial liability						
Unsecured bank overdrafts	-	-	(402)	-	-	-

As the Group does not fair value its fixed rate instruments, the Group is not exposed to fair value risk.

As cash flow risk arising from floating rate instruments is not material, sensitivity analysis is not presented.

34. Financial risk management (continued)

34.4 Fair value of financial instruments

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

34.4.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

* Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
* Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
* Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2012				
Financial assets				
Forward exchange contracts	-	677	-	677
Financial liabilities				
Forward exchange contracts	-	(1,089)	-	(1,089)
31 December 2011				
Financial assets				
Forward exchange contracts	-	574	-	574
Financial liabilities				
Forward exchange contracts	-	(138)	-	(138)
1 January 2011				
Financial assets				
Forward exchange contracts	-	780	-	780
Financial liabilities				
Forward exchange contracts	-	(25)	-	(25)

35. Capital management

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

The Group reviews and manages its capital structure maintaining a balance between the expected risk against expected return and makes relevant adjustment to the capital structure in the light of changes in economic conditions. As at 31 December 2011 and 2012, the Group was in net cash position.

35. Capital management (continued)

	Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Cash and cash equivalents (Note 12)	427,012	393,637	351,207
Less: Loans and borrowings (Note 16)	(26,103)	(21,677)	(25,279)
Net cash	400,909	371,960	325,928

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

36. Jointly-controlled entities

Details of jointly-controlled entities are as follows:

Name of jointly-controlled entities	Principal activities	Effective ownership interest 31.12.2012 %	31.12.2011 %	1.1.2011 %
APM-Coachair Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Distribution of coach air-conditioners	50	50	50
P.T. APM Armada Autoparts (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture and sale of automotive interior products	50	50	50

The summarised financial information for jointly-controlled entities, not adjusted for the percentage ownership held by the Group are as follows:

	Country of incorporation	Revenue (100%) RM'000	Profit/ (Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
31 December 2012					
Equity accounted					
APM-Coachair Sdn. Bhd.	Malaysia	5,287	(124)	6,512	1,270
P.T.APM Armada Autoparts	Indonesia	46,528	1,638	46,712	1,340
31 December 2011					
Equity accounted					
APM-Coachair Sdn. Bhd.	Malaysia	8,624	36	6,902	1,600
P.T.APM Armada Autoparts	Indonesia	53,060	14,240	24,651	6,439
1 January 2011					
Equity accounted					
APM-Coachair Sdn. Bhd.	Malaysia			7,876	2,596
P.T.APM Armada Autoparts	Indonesia			36,422	3,318

37. Explanation of transition to MFRSs

As stated in Note 1, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRS statement of financial position at 1 January 2011 (the Group's date of transition to MFRSs).

In preparing the opening consolidated statement of financial position at 1 January 2011, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous FRSs. An explanation of how the transition from previous FRSs to MFRSs has affected the Group's financial position, financial performance and cash flows is set out as follows:

37.1 Reconciliation of financial position

Group	Note	1.1.2011 FRSs RM'000	1.1.2011 Effect of transition to MFRSs RM'000	1.1.2011 MFRSs RM'000	31.12.2011 FRSs RM'000	31.12.2011 Effect of transition to MFRSs RM'000	31.12.2011 MFRSs RM'000
Assets							
Property, plant and equipment	37.4(a)	240,153	-	240,153	246,021	-	246,021
Prepaid lease payments		6,320	-	6,320	7,649	-	7,649
Investment properties		1,217	-	1,217	1,177	-	1,177
Development expenditure		936	-	936	799	-	799
Deferred tax assets	37.4(c)	13,079	7,148	20,227	10,236	5,350	15,586
Total non-current assets		261,705	7,148	268,853	265,882	5,350	271,232
Inventories		176,293	-	176,293	163,609	-	163,609
Current tax assets		2,964	-	2,964	5,694	-	5,694
Trade and other receivables including derivatives		194,852	-	194,852	211,026	-	211,026
Deposits and prepayments		15,543	-	15,543	19,304	-	19,304
Cash and cash equivalents		351,207	-	351,207	393,637	-	393,637
Assets classified as held for sale		-	-	-	9,478	-	9,478
Total current assets		740,859	-	740,859	802,748	-	802,748
Total non-current assets		1,002,564	7,148	1,009,712	1,068,630	5,350	1,073,980

37. Explanation of transition to MFRSs (continued)

37.1 Reconciliation of financial position (continued)

Group	Note	1.1.2011 FRSs RM'000	1.1.2011 Effect of transition to MFRSs RM'000	1.1.2011 MFRSs RM'000	31.12.2011 FRSs RM'000	31.12.2011 Effect of transition to MFRSs RM'000	31.12.2011 MFRSs RM'000
Equity							
Share capital		201,600	-	201,600	201,600	-	201,600
Reserves	37.4(b)	548,940	7,148	556,088	635,599	5,350	640,949
Treasury shares		(12,776)	-	(12,776)	(12,786)	-	(12,786)
Total equity attributable to owners of the Company		737,764	7,148	744,912	824,413	5,350	829,763
Non-controlling interest		30,359	-	30,359	25,298	-	25,298
Total equity		768,123	7,148	775,271	849,711	5,350	855,061
Liabilities							
Employee benefits		14,139	-	14,139	14,761	-	14,761
Deferred tax liabilities		4,789	-	4,789	2,765	-	2,765
Total non-current liabilities		18,928	-	18,928	17,526	-	17,526
Loans and borrowings		25,279	-	25,279	21,677	-	21,677
Provisions		9,077	-	9,077	9,011	-	9,011
Trade and other payables, including derivatives		170,579	-	170,579	166,717	-	166,717
Current tax liabilities		10,578	-	10,578	3,988	-	3,988
Total current liabilities		215,513	-	215,513	201,393	-	201,393
Total liabilities		234,441	-	234,441	218,919	-	218,919
Total equity and liabilities		1,002,564	7,148	1,009,712	1,068,630	5,350	1,073,980

The transition to MFRSs does not have financial impact to the separate statement of financial position of the Company.

37. Explanation of transition to MFRSs (continued)

37.2 Reconciliation of comprehensive income for the year ended 31 December 2011

Group

	Note	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
Revenue		1,182,069	-	1,182,069
Cost of sales		(914,638)	-	(914,638)
Gross profit		267,431	-	267,431
Other income		5,678	-	5,678
Distribution expenses		(30,848)	-	(30,848)
Administration expenses		(72,174)	-	(72,174)
Other expenses		(4,849)	-	(4,849)
Results from operating activities		165,238	-	165,238
Finance income		10,683	-	10,683
Finance costs		(886)	-	(886)
Net finance income		9,797	-	9,797
Profit before tax		175,035	-	175,035
Income tax expense	37.4(c)	(37,353)	(1,798)	(39,151)
Profit for the year		137,682	(1,798)	135,884
Other comprehensive income				
Foreign currency translation differences for foreign operations		909	-	909
Other comprehensive income for the year		909	-	909
Total comprehensive income for the year		138,591	-	136,793

The transition to MFRSs does not have financial impact to the separate statement of comprehensive income of the Company.

37.3 Material adjustments to the statements of cash flows for 2011

There are no material differences between the statement of cash flows presented under MFRSs and the statement of cash flows presented under FRSs.

37.4 Notes to reconciliation

(a) Property, plant and equipment – Deemed cost exemption – previous revaluation

Under FRSs, the Group and the Company had availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in 1998. Certain freehold land and buildings were revalued in May 1997 and no later valuation has been recorded for these property, plant and equipment (except in the case of impairment adjustments based on valuation).

Upon transition to MFRSs, the Group and the Company elected to apply the optional exemption to use that previous revaluation as deemed cost under MFRSs.

37. Explanation of transition to MFRSs (continued)

37.4 Notes to reconciliation (continued)

(b) Foreign currency translation differences

Under FRSs, the Group recognised foreign currency differences in other comprehensive income and accumulated the amount in the foreign currency translation reserve in equity.

Under transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition. The difference has been adjusted to retained earnings.

(c) Deferred tax on unutilised reinvestment allowance

In the absence of a standard or interpretation that specifically applies to unutilised tax incentive in FRS framework, the Company adopted the tax base method in accordance with MASB 25, Income taxes. The unutilised tax incentive is treated as tax base of an asset which would create temporary difference on initial recognition. However, the Company applied the initial recognition exemption rule which does not recognise the deductible temporary difference as deferred tax asset.

Upon transition to MFRSs, the unutilised tax incentives are recognised as deferred tax assets.

The impact arising from the change is summarised as follows:

	1.1.2011 RM'000	31.12.2011 RM'000
Statement of financial position		
Increase in deferred tax asset	7,148	5,350
Adjustment to retained earnings	7,148	5,350

	1.1.2011 to 31.12.2011 RM'000
Statement of comprehensive income	
Increase in income tax expense	1,798

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

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2012, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Total retained earnings of the Company and its subsidiaries:				
- realised profits	668,512	149,764	611,641	189,898
- unrealised profits/(losses)	786	217	2,425	407
	669,298	149,981	614,066	190,305
Total share of retained earnings of jointly-controlled entities:				
- realised profits	24,882	-	20,333	-
- unrealised profits	450	-	405	-
	694,630	149,981	634,804	190,305
Less: consolidation adjustments	(6,854)	-	(10,810)	-
Total retained earnings	687,776	149,981	623,994	190,305

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2011.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 35 to 106 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 38 on page 107 has been properly compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

………………………………………………………..
Dr. Fun Woh Peng

………………………………………………………..
Dato' Tan Eng Hwa

Kuala Lumpur,
Date: 11 April 2013

Statutory Declaration

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

I, **Lee Yuen Lin**, 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 35 to 107 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 11 April 2013.

………………………………………………………..
Lee Yuen Lin

Before me:

Independent Auditors' Report
to the members of APM Automotive Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of APM Automotive Holdings Berhad, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 107 except for the US$ equivalent statements of financial position and statements of comprehensive income on page 36 and page 38.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

Independent Auditors' Report

to the members of APM Automotive Holdings Berhad

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 38 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

As stated in Note 1 to the financial statements, APM Automotive Holdings Berhad adopted Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") on 1 January 2011 with a transition date of 1 January 2011. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information that is prepared in accordance with MFRS and IFRS, and hence it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

We draw attention to the fact that the US$ equivalent statements of financial position and statements of comprehensive income on page 36 and page 38 do not form part of the audited financial statements. We have not audited these statements and accordingly, we do not express an opinion on these statements.

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

KPMG
Firm Number: AF 0758
Chartered Accountants

Thong Foo Vung
Approval Number: 2867/08/14(J)
Chartered Accountant

Petaling Jaya,

Date: 11 April 2013

Group Properties

Location	Description	Land Area (sq m)	Tenure/ Expiry Date	Net Book Value (RM'000)	Age of Building (years)	Date of Last Revaluation	Date of Acquisition
Lot 1 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office, warehouse & vacant land	40,545	Leasehold/ 21.06.2092	7,975	15	1984	1984
Lot 3 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office, warehouse & vacant land	42,046	Leasehold/ 21.06.2092	7,827	18	1984	1984
Lot 600 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	40,354	Leasehold/ 19.10.2076	22,977	26	-	1999
Lot 601 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	20,234	Leasehold/ 19.10.2076	2,893	34	1984	1974
Lot 1622 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory & warehouse	16,186	Leasehold/ 19.10.2076	12,767	3	-	2005
Lot 1621 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	22,573	Leasehold/ 06.04.2079	10,306	16	-	1996
Lot 19712,19713,19714, 19715, 19716,19717 Persiaran Raja Muda Musa	Vacant	1,220	Freehold	2,003	-	-	2011
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	144	16	-	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	218	16	-	2001
HS(D) 45445, PT 16073 Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office, warehouse & vacant land	32,325	Freehold	20,288	4-10	-	2002

Group Properties

Location	Description	Land Area (sq m)	Tenure/ Expiry Date	Net Book Value (RM'000)	Age of Building (years)	Date of Last Revaluation	Date of Acquisition
Lot 30081 Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office, warehouse & vacant land	32,354	Freehold	17,402	3-8	-	2002
No.12 Jalan Jasmine 4 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office & warehouse	8,094	Freehold	6,490	13	-	2012
Lots 17295, 17296,17297 Proton City Vendors Park Tanjung Malim, Perak	Factory, office, warehouse and vacant land	39,882	Freehold	11,863	8	-	2004
No. 23 & 25 Jalan Selat Selatan 21 Sobena Jaya, Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	2,358	Freehold	1,137	2	-	2000
Suryacipta City of Industry Jl. Surya Utama kav. I-15 A Ciampel, Karawang Jawa Barat 41361 Indonesia	Factory, office & warehouse	20,131	Leasehold 25.05.2025	6,887	5	-	2008
Jl Kenari Raya Blok G2 No 15-16, Kawasan Delta Silicon V, Cikarang Pusat, Bekasi 17530 Indonesia	Vacant industrial land	40,000	Leasehold 05.01.2030	5,851	-	-	2011
Jl. Surya Kencana Kav 1-MIJK Ciampel, Karawang Jawa Barat 41363 Indonesia	Vacant industrial land	37,517	Leasehold 25.05.2025	9,708	-	-	2012
25 Dai Lo Tu Do Vietnam Singapore Industrial Park Thuan An District, Binh Duong Province Socialist Republic of Vietnam	Factory, office & warehouse	10,000	Leasehold 08.08.2054	2,216	8	-	2004
25A Dai Lo Tu Do Vietnam Singapore Industrial Park Thuan An District, Binh Duong Province Socialist Republic of Vietnam	Factory, office & warehouse	10,000	Leasehold 08.08.2054	3,500	3	-	2009
27 Dai Lo Tu Do Vietnam Singapore Industrial Park Thuan An District, Binh Duong Province Socialist Republic of Vietnam	Vacant industrial land	10,000	Leasehold 08.08.2054	2,359		-	2010

Analysis of Shareholdings

As at 1 April 2013

ANALYSIS BY SIZE OF HOLDINGS

(based on Record of Depositors as at 1 April 2013)

Size of shareholders	No. of shareholders	% of shareholders	No. of shares held	% of issued capital
1 - 99	384	6.584	15,341	0.007
100 – 1,000	3,630	62.242	1,409,095	0.720
1,001 - 10,000	1,481	25.394	4,812,971	2.459
10,001 – 100,000	231	3.960	6,893,108	3.522
100,001 – 9,784,414	105	1.800	117,662,531	60.127
9,784,415 and above	1	0.017	64,895,254	33.162
Sub Total	5,832	100.000	195,688,300	100.000
Treasury Shares			5,911,700	
	5,832	100.000	201,600,000	100.000

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

(based on Register of Substantial Shareholders as at 1 April 2013)

Name of Substantial Shareholders	Direct No. of shares held	%	Indirect No. of shares held	%
Tan Chong Consolidated Sdn. Bhd.	73,734,854	37.68	6,750,578	3.45[1]
Wealthmark Holdings Sdn. Bhd.	15,260,600	7.80	-	
Dato' Tan Heng Chew	5,369,999	2.74	95,746,032	48.93[2]
Tan Eng Soon	-	-	95,956,032	49.04[3]
Tan Kheng Leong	30,000	0.015	80,485,432	41.13[4]

Notes:

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

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

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

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

* *Percentage is based on issued shares less treasury shares.*

Analysis of Shareholdings

As at 1 April 2013

SHAREHOLDINGS OF DIRECTORS
(based on Register of Directors as at 1 April 2013)

Name of Directors	No. of shares held	%	No. of shares held	%
Dato' Tan Heng Chew	5,369,999	2.74	99,034,290	50.61[1]
Tan Eng Soon	-		95,956,032	49.04[2]
Dato' Tan Eng Hwa	207,008	0.11	15,267,728	7.80[3]
Azman bin Badrillah	702,000	0.36	-	
Dato' Haji Kamaruddin@ Abas bin Nordin	*5,448*	*0.003*	[4]	-

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

1 *Deemed interest by virtue of interests in TCC and WH pursuant to Section 6A of the Act and interest of spouse by virtue of Section 134(12)(c) of the Act.*

2 *Deemed interest by virtue of interests in TCC, WH and LMI pursuant to Section 6A of the Act.*

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

4 *Less than 0.01%.*

* *Percentage is based on issued shares less treasury shares.*

Analysis of Shareholdings

As at 1 April 2013

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

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDERS

(based on Record of Depositors as at 1 April 2013)

NO.	NAME	NO. OF SHARES HELD	%
1	Tan Chong Consolidated Sdn. Bhd.	64,895,254	33.162
2	Amanahraya Trustees Berhad *Public Islamic Optimal Growth Fund*	9,555,800	4.883
3	Amsec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account – Ambank (M) Berhad for Wealthmark Holdings Sdn. Bhd.*	9,010,000	4.604
4	Tan Chong Consolidated Sdn. Bhd.	8,839,600	4.517
5	HSBC Nominees (Tempatan) Sdn. Bhd. *Exempt AN for HSBC (Malaysia) Trustee Berhad (D09-6061)*	6,750,578	3.449
6	Tan Kim Hor	5,308,473	2.712
7	Amsec Nominees (Tempatan) Sdn. Bhd. *Ambank (M) Berhad (Hedging)*	5,000,000	2.555
8	Cartaban Nominees (Asing) Sdn. Bhd. *BBH (Lux) SCA for Fidelity Funds Asean*	4,277,100	2.185
9	Maybank Nominees (Asing) Sdn. Bhd. *DBS Bank for One North Capital – Asia Value Master Fund (290017)*	4,007,700	2.048
10	Amanahraya Trustees Berhad *Public Smallcap Fund*	3,481,100	1.778
11	Cimsec Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Khor Swee Wah@Koh Bee Leng (MM1208)*	2,522,508	1.289
12	Wealthmark Holdings Sdn. Bhd.	2,511,100	1.283
13	Cimsec Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Tan Heng Chew (MM1063)*	2,416,900	1.235
14	Citigraoup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Find Board (AMUNDI)*	2,369,400	1.210
15	Hong Leong Assurance Berhad *As Beneficial Owner (Life Par)*	2,150,000	1.098

Analysis of Shareholdings

As at 1 April 2013

NO.	NAME	NO. OF SHARES HELD	%
16	HSBC Nominees (Asing) Sdn. Bhd. *Exempt AN for the Bank of New York Mellon (Mellon Acct)*	2,075,800	1.060
17	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Heng Chew (E-KLC)*	1,960,600	1.001
18	CIMB Group Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Wealthmark Holdings Sdn. Bhd. (50003 PZDM)*	1,900,000	0.970
19	Pang Sew Ha@Phang Sui Har	1,788,117	0.913
20	Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (Par 1)*	1,698,300	0.867
21	Amanahraya Trustees Berhad *Public Far-East Dividend Fund*	1,604,800	0.820
22	Amanahraya Trustees Berhad *PB Balanced Fund*	1,492,900	0.762
23	Tan Boon Pun	1,396,966	0.713
24	Citigroup Nominees (Asing) Sdn. Bhd. *CBNY for Old Westbury Global & Mid Cap Fund*	1,315,400	0.672
25	Kumpulan Wang Persaraan (Diperbadankan)	1,295,700	0.662
26	Wealthmark Holdings Sdn. Bhd.	1,272,200	0.650
27	Citigroup Nominees (Asing) Sdn. Bhd. *CBNY for Dimensional Emerging Markets Value Fund*	1,263,500	0.645
28	Tan Ban Leong	1,229,331	0.628
29	Tan Beng Keong	1,229,331	0.628
30	Tan Chee Keong	1,229,331	0.628

* *Percentage is based on issued shares less treasury shares.*

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of APM AUTOMOTIVE HOLDINGS BERHAD ("Company") will be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Wednesday, 22 May 2013 at 11:00 a.m. to transact the following businesses:

Ordinary Business:

1. To receive and consider the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereto. *(Resolution 1)*

2. To declare a final dividend of 12% less 25% income tax and a special final dividend of 10% less 25% income tax for the financial year ended 31 December 2012. *(Resolution 2)*

3. To re-elect Dato' Tan Heng Chew, who is eligible and has offered himself for re-election, in accordance with Article 96 of the Company's Articles of Association. *(Resolution 3)*

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

   (i) "THAT DATO' HAJI KAMARUDDIN @ ABAS NORDIN be and is hereby re-appointed a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next annual general meeting of the Company. " *(Resolution 4)*

   (ii) "THAT DATO' N. SADASIVAN be and is hereby re-appointed a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next annual general meeting of the Company. " *(Resolution 5)*

5. To re-appoint Messrs. KPMG as the Auditors of the Company for the financial year ending 31 December 2013 and to authorise the Directors to fix their remuneration. *(Resolution 6)*

Special Business:-

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

   Continuing in Office as Independent Non-Executive Directors

   (a) "**THAT** subject to the passing of Ordinary Resolution 4, approval be and is hereby given to Dato' Haji Kamaruddin @ Abas Nordin, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive of the Company." *(Resolution 7)*

   (b) "**THAT** subject to the passing of Ordinary Resolution 5, approval be and is hereby given to Dato' N. Sadasivan, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive of the Company." *(Resolution 8)*

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

   "THAT, subject always to the Companies Act, 1965 ("**the Act**"), the Articles of Association of the Company and approvals and requirements of the relevant governmental/regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 132D of the Act to allot and issue new ordinary shares of RM1.00 each in the Company from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 per centum of the issued and paid-up share capital excluding treasury shares for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." *(Resolution 9)*

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

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

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

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

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

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

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

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

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

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

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authority." *(Resolution 10)*

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

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

"THAT, subject to the Companies Act, 1965 ("**the Act**"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**APM Group**") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group ("**Related Parties**") including those set out under section 3.2.1 of the circular to shareholders dated 30 April 2013 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders ("**the Shareholders' Mandate**").

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

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

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

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

"THAT, subject to the Companies Act, 1965 ("**the Act**"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**APM Group**") to enter into all arrangements and/or transactions with Warisan TC Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group ("**Related Parties**") including those set out under section 3.2.2 of the circular to shareholders dated 30 April 2013 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders ("**the Shareholders' Mandate**").

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

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

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

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

"THAT, subject to the Companies Act, 1965 ("**the Act**"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**APM Group**") to enter into all arrangements and/or transactions with Tan Chong International Limited and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group ("**Related Parties**") including those set out under section 3.2.3 of the circular to shareholders dated 30 April 2013 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders ("**the Shareholders' Mandate**").

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

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

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

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

"THAT the Articles of Association of the Company be amended as follows:-

(i) by inserting the following new definition as Article 2.11A

"Exempt Authorised Nominee" means an Authorised Nominee which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

(ii) By substituting the following new Article for Article 70:

<u>Article 70 Proxy need not be a member</u>

70.1 A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

70.2 Subject to Article 70.3, 70.4, 70.5 and 70.6, a member shall be entitled to appoint not more than two (2) proxies to attend and vote at a meeting of the Company.

70.3 Subject to Article 70.5 and 70.6, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with ordinary shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors requested by the Company pursuant to Article 52.2(ii) for the purposes of the meeting for which the Authorised Nominee is appointing proxies.

70.4 Subject to Article 70.5 and 70.6, where a member is a Depositor who is also an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as reflected in the Record of Depositors requested by the Company pursuant to Article 52.2(ii) for the purposes of the meeting for which the Exempt Authorised Nominee is appointing proxies, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

70.5 Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee pursuant to this Article shall be by a separate instrument of proxy which shall specify:

(i) the securities account number;

(ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and

(iii) where two (2) proxies are appointed, the proportion of ordinary shareholdings or the number of ordinary shares to be represented by each proxy.

70.6 Any beneficial owner who holds ordinary shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominees and/or Exempt Authorised Nominees for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of ordinary shares in the Company held through more than one securities account and/or through more than one omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

(Special Resolution)

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Sixteenth Annual General Meeting of APM Automotive Holdings Berhad, a final dividend of 12% less 25% income tax and a special final dividend of 10% less 25% income tax for the financial year ended 31 December 2012 will be paid on 28 June 2013. The entitlement date is 7 June 2013.

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 7 June 2013 in respect of ordinary transfers; and

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

By order of the Board
LEE YUEN LIN (MIA 16484)
Company Secretary

Kuala Lumpur
30 April 2013

Notice of Annual General Meeting

Notes:

1. A depositor whose name appears in the Record of Depositors of the Company as at 14 May 2013 shall be regarded as a member entitled to attend, speak and vote at the meeting.

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. Where there are two proxies, the number of shares to be represented by each proxy must be stated.

3. Where the Form of Proxy is executed by a corporation, it must be executed under seal or under the hand of an officer or attorney duly authorised.

4. 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.

5. Where a member of the Company is an exempt authorised nominee (as defined under the Securities Industry (Central Depositories) Act, 1991) which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

6. 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.

Explanatory Notes

(I) For Special Business:

(a) Resolutions 7 and 8 - Continuing in Office as Independent Non-Executive Directors

Following an assessment by the Board, Dato' N. Sadasivan and Dato' Haji Kamaruddin @ Abas bin Nordin, who each has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years as at the date of this Notice, have been recommended by the Board to continue to act as Independent Non-Executive Directors, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. Key justifications for their recommended continuance as Independent Non-Executive Directors are as follows:

- they fulfil the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa and therefore, are able to bring independent and objective judgment to the Board;
- their experience in the relevant industries enable them to provide the Board and Audit Committee, as the case may be, with pertinent expertise, skills and competence; and
- they have been with the Company long and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings, as the case may be.

(b) Resolution 9 - Proposed Grant of Authority Pursuant to Section 132D of the Companies Act, 1965

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

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

The Company is seeking approval to renew the general mandate given by the shareholders at the last Annual General Meeting held on 23 May 2012. No proceeds were raised from the previous mandate.

(c) Resolution 10 – Proposed Renewal of Authority for the Company to purchase its own ordinary shares

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

Further information on Resolution 10 is set out in the Circular to Shareholders dated 30 April 2013 despatched together with the Annual Report.

(d) Resolutions 11, 12 and 13 – Proposed Renewal of Shareholders' Mandate for Recurrent Related party Transactions

The proposed Resolutions 11, 12 and 13 if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Details on the recurrent related parties transactions are set out in the Circular to Shareholders dated 30 April 2013 despatched together with the Annual Report.

(e) Special Resolution - Proposed Amendments to the Articles of Association of the Company

The proposed amendments to the Articles of Association ("**Proposed Amendments**") are to align the Articles of Association of the Company with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad pertaining to the following which took effect on 3 January 2012:

(i) To allow a member who is an exempt authorised nominee to appoint multiple proxies for each omnibus account it holds. However in order to treat all members pari passu or equally, all members including beneficial owners who hold ordinary shares in the Company, whether through a securities account or an omnibus account, shall be entitled to appoint up to two (2) proxies.

(ii) To clarify that proxies have the same right as members to speak at the general meeting.

The full text of the proposed new Article 70 of the Articles of Association of the Company, marked up to show changes from the existing Article 70 is set out below:

"Article 70 Proxy need not be a member

70.1 A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.

70.2 Subject to Article 70.3, 70.4, 70.5 and 70.6, a member shall be entitled to appoint not more than two (2) proxies to attend and vote at a meeting of the Company.

70.3 ~~A member shall be entitled to appoint not more than two (2) proxies to attend and vote at a meeting of the Company~~ Subject to Article 70.5 and 70.6, where ~~the~~ a member is a Depositor who is also an Authorised Nominee, ~~then~~ the Authorised Nominee may appoint not more than two (2) proxies ~~one proxy~~ in respect of each securities account the Authorised Nominee holds with ordinary shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors requested by the Company pursuant to Article 52.2(ii) for the purposes of the meeting for which the Authorised Nominee is appointing proxies. ~~the proxy~~ ~~Each appointment of proxy by an Authorised Nominee pursuant to this Article 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~~

70.4 Subject to Article 70.5 and 70.6, where a member is a Depositor who is also an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors requested by the Company pursuant to Article 57(b)(ii) for the purposes of the meeting for which the Exempt Authorised Nominee is appointing proxies, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

70.5 Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee pursuant to this Article shall be by a separate instrument of proxy which shall specify:

(i) the securities account number;
(ii) the name of beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
(iii) where two (2) proxies are appointed, the proportion of ordinary shareholdings or the number of ordinary shares to be represented by each proxy.

70.6 Any beneficial owner who holds ordinary shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of ordinary shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

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

Form of Proxy

CDS Account No.	
Number of shares held	

I/We ____
(Name of shareholder and NRIC no/Company no)

of ____
(Full address)

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

____
(Name and NRIC no)

or failing him/her ____

____
(Name and NRIC no)

or failing them, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Wednesday, 22 May 2013 at 11:00 a.m., and at any adjournment thereof, as indicated below:

No.	Resolutions	For	Against
Resolution 1	Financial Statements and Reports of the Directors and Auditors		
Resolution 2	Final dividend and Special Final Dividend		
Resolution 3	Re-election of Dato' Tan Heng Chew		
Resolution 4	Re-appointment of Dato' Haji Kamaruddin @ Abas Nordin in accordance with Section 129 (6) of the Companies Act, 1965		
Resolution 5	Re-appointment of Dato' N Sadasivan in accordance with Section 129 (6) of the Companies Act, 1965		
Resolution 6	Re-appointment of Auditors		
Resolution 7	Re-election of Datuk Haji Kamaruddin @ Abas Nordin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company		
Resolution 8	Re-election of Datuk N. Sadasivan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company		
Resolution 9	Proposed grant of authority pursuant to Section 132D of the Companies Act, 1965		
Resolution 10	Proposed renewal of authority for the Company to purchase its own ordinary shares		
Resolution 11	Proposed renewal of shareholders' mandate for recurrent related party transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
Resolution 12	Proposed renewal of shareholders' mandate for recurrent related party transactions with Warisan TC Holdings Berhad and its subsidiaries		
Resolution 13	Proposed renewal of shareholders' mandate for recurrent related party transactions with Tan Chong International Limited and its subsidiaries		
Special Resolution	Proposed amendment to the Articles of Association of the Company		

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

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

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

____
Signature/Common Seal

Date:

Notes:

1. A depositor whose name appears in the Record of Depositors of the Company as at 14 May 2013 shall be regarded as a member entitled to attend, speak and vote at the meeting.

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. Where there are two proxies, the number of shares to be represented by each proxy must be stated.

3. Where the Form of Proxy is executed by a corporation, it must be executed under seal or under the hand of an officer or attorney duly authorised.

4. 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.

5. Where a member of the Company is an exempt authorised nominee (as defined under the Securities Industry (Central Depositories) Act, 1991) which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

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

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affix
stamp
here

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

fold here

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

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Facsimile : 603 – 3161 8833
Website : www.apm.com.my
Email address : apmah@apm.com.my