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

Pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), Section A of this Circular are not required to be reviewed by Bursa Malaysia and have not been perused by Bursa Malaysia. Further, Bursa Malaysia takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



APM AUTOMOTIVE HOLDINGS BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

SECTION A

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

SECTION B

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

The ordinary resolutions in respect of the above proposals will be tabled at the Twentieth Annual General Meeting of the Company. Notice of the said Meeting, together with the form of proxy, are set out in the 2016 Annual Report despatched with this Circular.

The form of proxy should be completed and returned in accordance with the instructions therein.

Last date and time for lodging the form of proxy : Monday, 22 May 2017 at 2.00 p.m.

Date and time of the Annual General Meeting : Wednesday, 24 May 2017 at 2.00 p.m.

Venue of Annual General Meeting : Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur
Jalan Putra, 50350 Kuala Lumpur, Malaysia

This Circular is dated 28 April 2017

DEFINITIONS

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

Act	:	Companies Act, 2016
AGM	:	Annual General Meeting
APM or Company	:	APM Automotive Holdings Berhad
APM Group	:	APM and its subsidiaries
APM Shares	:	Ordinary shares in the Company
Arm's Length	:	Price which would have been determined if such transactions are made between independent parties under the same or similar circumstances
Audit Committee	:	Audit Committee of APM, comprising Lee Min On, Dato' N. Sadasivan s/o N.N. Pillay, Dato' Haji Kamaruddin @ Abas Bin Nordin and Lee Tatt Boon, all of whom are Independent Non-Executive Directors
Bursa Malaysia	:	Bursa Malaysia Securities Berhad
Board	:	Board of Directors of APM
CMSA	:	Capital Markets and Services Act 2007
Code	:	Malaysian Code on Take-Overs and Mergers, 2010
Director	:	As defined in Section 2(1) of CMSA In relation to the Proposed Shareholders' Mandate, a director includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, (i) a director of APM, its subsidiary or holding company; (ii) a chief executive of APM, its subsidiary or holding company.
EPF	:	Employees Provident Fund Board
EPS	:	Earnings per share
Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia
Major Shareholder	:	A person who has an interest or interests in one or more voting shares in a corporation (as defined in Section 2(1) of CMSA) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is : (i) 10% or more of the aggregate of the total number of voting shares in the corporation; or (ii) 5% or more of the aggregate of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

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

DEFINITIONS *(Cont'd)*

		In relation to the Proposed Shareholders' Mandate, a major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of APM or any other company which is its subsidiary or holding company.
NA	:	Net assets defined as net assets attributable to ordinary equity holders of the listed issuer
Proposals	:	The Proposed Share Buy-Back and Proposed Shareholders' Mandate
Proposed Share Buy-Back	:	Proposed renewal of authority for the Company to purchase its own ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company
Proposed Shareholders' Mandate	:	Proposed renewal of and new Shareholders' Mandate for RRPT of the APM Group as set out in this Circular
Related Party	:	Director, Major Shareholder or person connected with such Director or Major Shareholder; and "Related Parties" shall be construed accordingly
Related Party Transaction	:	Transaction entered into by APM or its subsidiaries which involves the interest, direct or indirect, of a Related Party
RM and sen	:	Ringgit Malaysia and sen respectively
RRPT	:	Related Party Transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations and in the ordinary course of business of APM or its subsidiaries
Shareholders' Mandate	:	Shareholders' general mandate pursuant to Paragraph 10.09 of the Listing Requirements in respect of RRPT
SH	:	Solomon House Sdn Bhd
TCC	:	Tan Chong Consolidated Sdn Bhd
TCIL	:	Tan Chong International Limited
TCIL Group	:	TCIL and its subsidiaries
TCMH	:	Tan Chong Motor Holdings Berhad
TCMH Group	:	TCMH and its subsidiaries
WH	:	Wealthmark Holdings Sdn Bhd
WTCH	:	Warisan TC Holdings Berhad
WTCH Group	:	WTCH and its subsidiaries

CONTENTS

	Page
1. INTRODUCTION	1
2. SECTION A - PROPOSED SHARE BUY-BACK	
2.1 Details	2
2.2 Rationale/ Potential Advantages	3
2.3 Risk Factors/ Potential Disadvantages	3
2.4 Effects	4
2.5 Share Prices	5
2.6 Purchases, Resale and Cancellation in the Previous 12 Months	6
2.7 Directors' and Substantial Shareholders' Interests	6
2.8 Directors' Recommendation	6
3. SECTION B - PROPOSED SHAREHOLDERS' MANDATE	
3.1 Listing Requirements	7
3.2 Proposed Shareholders' Mandate	7
3.3 Pricing of the RRPT	12
3.4 Rationale	13
3.5 Disclosures and Review Procedures	13
3.6 Audit Committee's Statement	14
3.7 Effects	14
3.8 Directors' and Major Shareholders' Interests	14
3.9 Directors' Recommendation	15
4. APPROVALS REQUIRED	15
5. AGM	15
6. FURTHER INFORMATION	15
APPENDIX I ADDITIONAL INFORMATION	16
APPENDIX II PROPOSED RESOLUTIONS ON THE PROPOSAL	18



APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

Registered Office:

62-68 Jalan Sultan Azlan Shah

51200 Kuala Lumpur

Malaysia

28 April 2017

Board of Directors:

Dato' Tan Heng Chew (*President*)

Low Seng Chee (*Chief Executive Officer*)

Dato' Tan Eng Hwa (*Chief Operating Officer*)

Sow Soon Hock (*Executive Vice President*)

Siow Tiang Sae (*Chief Business Development Officer*)

Dato' N. Sadasivan s/o N.N. Pillay (*Senior Independent Non-Executive Director*)

Dato' Haji Kamaruddin @ Abas Bin Nordin (*Independent Non-Executive Director*)

Lee Tatt Boon (*Independent Non-Executive Director*)

Lee Min On (*Independent Non-Executive Director*)

Nicholas Tan Chye Seng (*Non-Independent Non-Executive Director*)

To: The Shareholders of APM AUTOMOTIVE HOLDINGS BERHAD

Dear Shareholders,

SECTION A : PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED SHARE BUY-BACK")

SECTION B : PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

1. INTRODUCTION

At the Company's AGM held on 25 May 2016, the Directors had obtained shareholders' approval for:

- (a) the Directors to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company; and
- (b) the Company and its subsidiaries to enter into RRPT.

The above approvals shall, in accordance with the LR, lapse at the conclusion of the forthcoming AGM unless fresh approvals are obtained.

On 27 February 2017, the Company announced to Bursa Malaysia that it would seek approval from its shareholders for the Proposed Share Buy-Back and Proposed Shareholders' Mandate at the forthcoming AGM of the Company.

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

The purpose of this Circular is to provide you with information on the Proposals and to seek your approval for the proposed resolutions to be tabled at the forthcoming AGM of the Company. The Notice of the 20th AGM and the Form of Proxy are set out in the 2016 Annual Report of the Company.

2. SECTION A: PROPOSED SHARE BUY-BACK

2.1 Details

The Board proposes to seek from its shareholders the authority to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company through its appointed stockbrokers as the authority for the Company to purchase and/or hold up to 20,160,000 APM shares, representing up to ten per centum (10%) of the total number of issued shares of APM, subject to the prevailing laws and relevant regulations, rules and guidelines as may be issued by the relevant authorities and the availability of retained profits and/or share premium in the Company conferred by the shareholders of the Company at the Nineteenth AGM of the Company held on 25 May 2016 will expire at the conclusion of the forthcoming AGM of the Company.

As at 31 March 2017, the share capital and number of issued shares of the Company amounted to RM201,600,000 comprising 201,600,000 APM shares including 6,014,500 APM shares already purchased and held as treasury shares.

The renewal of authority for the Proposed Share Buy-Back, if approved by the shareholders, would be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming AGM and shall be valid until:

- (i) the conclusion of the next AGM of the Company (being the Twentieth AGM of the Company) following the forthcoming AGM at which the Proposed Share Buy-Back was passed, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the Twentieth AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

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

The amount of internal funds to be utilised will only be determined later depending on the availability of internally generated funds, actual number of APM shares to be purchased and other cost factors. The actual number of APM shares to be purchased will depend on the market conditions as well as the retained profits and financial resources available to the Company.

The Board proposes to allocate up to the amount available under the retained profits of the Company for the purchase of the APM shares subject to compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. The audited retained profits and share premium of the Company as at 31 December 2016 were RM889,926,000 and RM17,898,000 respectively.

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

- (a) distribute the shares as share dividends to the shareholders;
- (b) resell the shares through Bursa Malaysia in accordance with the rules of Bursa Malaysia;

- (c) transfer the shares for the purpose of or under an employees' share scheme;
- (d) transfer the shares as purchase consideration;
- (e) cancel the shares; or
- (f) sell, transfer of otherwise use the shares for such other purposes as permitted by the Act.

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

The Board may decide to hold the purchased shares as treasury shares if it is of the opinion that in the foreseeable future, there is strong potential for these shares to be resold at a gain, thus adding value for the shareholders. Conversely, the Company may decide to cancel the purchased shares if it is of the opinion that it no longer requires the funds. The Company may also distribute the treasury shares as share dividends, which can serve to reward shareholders.

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

In accordance with Paragraph 12.09 of the Listing Requirements, APM will not purchase its own shares or hold any of its own shares as treasury shares if this will result in the aggregate shares purchased or held exceed 10% of the total number of issued shares of the Company.

APM shall only purchase its own ordinary shares at a price which is not more than fifteen per centum (15%) above the weighted average market price for the five (5) market days immediately before the purchase. The Company may only resell the purchased shares held as treasury shares at a price which is not less than the weighted average market price for the APM shares for the five (5) market days immediately before the resale or a discounted price of not more than five per centum (5%) to the weighted average market price for the APM shares for the five (5) market days immediately before the resale provided that (i) the resale takes place not earlier than thirty (30) days from the date of the purchase; and (ii) the resale price is not less than the cost of purchase of the APM shares being resold.

As at 31 March 2017, the public shareholding spread of the Company was 49.74%.

For the purpose of illustration, if the Company purchases up to the maximum number of APM shares as allowed under the Proposed Share Buy-Back and assuming the purchases will not reduce the number of APM shares currently held by the Directors, the substantial shareholders and persons connected with the Directors and/or substantial shareholders, the public shareholding spread of the Company as at 31 March 2017 is 45.82%.

2.2 Rationale/Potential Advantages

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

2.3 Risk Factors/Potential Disadvantages

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

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

2.4 Effects

In the event that the Company purchases 20,160,000 APM shares as described in paragraph 2.1, and the shares so purchased are cancelled or alternatively retained as treasury shares, or both, the effects of the Proposed Share Buy-Back on the share capital, NA, working capital, earnings and substantial shareholders' and Directors' shareholdings as well as the implications relating to the Code are as set out below:

(a) Share capital

In the event that the maximum number of shares authorised under the Proposed Share Buy-Back are purchased and cancelled, the total number of issued shares of APM as at 31 March 2017 will decrease from RM201,600,000 comprising 201,600,000 APM shares to RM181,440,000 comprising 181,440,000 APM shares. However, if all the APM shares so purchased are retained as treasury shares, the share capital of APM would not be affected, although substantially all rights attached to the shares held as treasury shares would be suspended.

(b) NA

The effect of the Proposed Share Buy-Back on the NA per share of the APM Group is dependent on the purchase prices of the APM shares. The shares purchased would reduce the NA per share of the APM Group if the purchase price exceeds the NA per share at the relevant point in time. Conversely, the NA per share of the APM Group would increase if the purchase price is less than the NA per share at the relevant point in time. Based on the audited financial statements for the financial year ended 31 December 2016, the NA per share of APM Group is RM6.14.

(c) Working capital

The Proposed Share Buy-Back will result in an outflow of cash and thereby reduce the working capital of the APM Group, the quantum of which is dependent on the purchase prices of the APM shares and the number of APM shares purchased. Nevertheless, the Board is mindful of the interests of the shareholders when undertaking the Proposed Share Buy-Back and will assess the working capital needs of the APM Group prior to any purchase of APM Shares. In the event the Company purchases its own shares using external borrowings, the Company will ensure that it has sufficient funds to repay the external borrowings.

(d) Earnings

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

(e) Dividends

Assuming that the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at the previous financial years' dividend quantum, the share buy-back will have the effect of increasing the dividend rate of APM as a result of a decrease in the number of shares in APM which are entitled to participate in the dividends. For the financial year ended 31 December 2016, APM declared an interim single tier dividend of 5 sen per share and proposed a final single tier dividend of 10 sen per share.

(f) Substantial shareholders' and Directors' shareholdings

The effects of the Proposed Share Buy-Back on the shareholdings of substantial shareholders and Directors based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at 31 March 2017 are as follows:

Substantial shareholders	←-----No. of APM shares held-----→							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
TCC	73,382,326	37.52	-	-	73,382,326	40.44	-	-
WH	15,260,600	7.80	-	-	15,260,600	8.41	-	-
EPF	12,992,000	6.64	-	-	12,992,000	7.16	-	-
Dato' Tan Heng Chew	5,924,999	3.03	88,642,926 ¹	45.32	5,924,999	3.27	88,642,926 ¹	48.86
Tan Eng Soon	-	-	73,382,326 ²	37.52	-	-	73,382,326 ²	40.44

Directors *	←-----No. of APM shares held-----→							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Tan Heng Chew	5,924,999	3.03	92,157,784 ³	47.12	5,924,999	3.27	92,157,784 ³	50.79
Dato' Tan Eng Hwa	207,008	0.11	7,128 ⁴	⁻⁵	207,008	0.11	7,128 ⁴	⁻⁵
Dato' Haji Kamaruddin @ Abas Bin Nordin	5,448	⁻⁵	-	-	5,448	⁻⁵	-	-
Siow Tiang Sae	2,050	⁻⁵	-	-	2,050	⁻⁵	-	-
Nicholas Tan Chye Seng	185,600	0.09	-	-	185,600	0.10	-	-

*The remaining Directors, Dato' N. Sadasivan s/o N.N. Pillay, Low Seng Chee, Lee Min On, Lee Tatt Boon and Sow Soon Hock do not have any APM shares, whether direct or indirect, in the Company.

Notes:

- ¹ Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act.
- ² Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.
- ³ Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest held by spouse and son by virtue of Section 59(11)(c) of the Act.
- ⁴ Deemed interest by virtue of interest in SH pursuant to Section 8(4) of the Act and interest held by spouse by virtue of Section 59(11)(c) of the Act.
- ⁵ Less than 0.01%.

(g) Implication Relating to the Code

The Proposed Share Buy-Back, if carried out in full, will result in the equity interest of TCC in APM increasing from 37.52% as at 31 March 2017 to 40.44%.

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

2.5 Share Prices

The monthly highest and lowest prices of APM shares traded on Bursa Malaysia for the last twelve (12) months from April 2016 to March 2017 are as follows:

	High (RM)	Low (RM)
2016		
April	3.99	3.80
May	3.90	3.68
June	3.84	3.60
July	3.70	3.50
August	3.70	3.48
September	3.50	3.38
October	3.41	3.30
November	3.46	3.30
December	3.50	3.40
2017		
January	3.50	3.40
February	3.56	3.41
March	3.73	3.48

The last transacted price of APM Shares on 18 April 2017 being the latest practicable date prior to the printing of this Circular	RM3.70
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(Source: New Straits Times)

2.6 Purchases, Resale and Cancellation of APM Shares in the Previous 12 months

The Company had bought back 2,000 APM shares in the previous 12 months (i.e. from April 2016 to March 2017), the details of which are set out hereunder:

Purchase Date	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)
August 2016	1,000	3.510	3.510	3.510	3,557.52
February 2017	1,000	3.518	3.518	3.518	3,565.52
Total	2,000	-	-	-	7,123.04

The total number of shares bought back as at 31 March 2017 was 6,014,500 APM shares, all of which were held as treasury shares. APM did not cancel or re-sell any of its treasury shares during the period.

2.7 Directors' and Substantial Shareholders' Interests

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

2.8 Directors' Recommendation

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

3. SECTION B - PROPOSED SHAREHOLDERS' MANDATE

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

As the mandate to allow the Company and its subsidiaries to enter into RRPT approved at the Nineteenth AGM of the Company held on 25 May 2016 will expire at the conclusion of the AGM to be held in 2017, the Board wishes to seek the approval of the shareholders of APM for the Proposed Shareholders' Mandate to enable the APM Group to continue to enter into existing and new RRPT, provided that such transactions are in the ordinary course of business and undertaken at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. These include transactions such as those described in Section 3.2 below.

3.1 Listing Requirements

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

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

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

The estimated transaction values as set out in section 3.2 are based on the actual transaction values for the period from 26 May 2016 to 31 March 2017 and the projected business volume for the current period. Due to the nature of the transactions, the actual value of transactions may vary from the estimated value disclosed.

Nevertheless, disclosures will be made in accordance with the Listing Requirements in the Annual Report of the Company for the financial year ending 31 December 2017 of the actual breakdown of the aggregate value of the RRPT entered into pursuant to the Proposed Shareholders' Mandate during the financial year including, amongst others, the following information:

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

3.2 Proposed Shareholders' Mandate

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

3.2.1 TCMH Group

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

The Directors and Major Shareholders of the APM Group who are interested in the RRPT with the TCMH Group and the nature of their interests as at 31 March 2017 are as follows:

Related Party	APM					TCMH				
	Directorship in the APM Group	Shareholding in APM				Directorship in the TCMH Group	Shareholding in TCMH			
		Direct	%	Indirect	%		Direct	%	Indirect	%
TCC	-	73,382,326	37.52	-	-	-	263,828,240	40.42	-	-
Dato' Tan Heng Chew	Director	5,924,999	3.03	92,157,784	47.12 ¹	Director	26,985,362	4.13	286,799,730	43.94 ²
Dato' Tan Eng Hwa	Director	207,008	0.11	7,128 ³	- ⁴	Director ⁶	1,380,058	0.21	47,524 ³	- ⁴
Tan Eng Soon	-	-	-	73,382,326	37.52 ⁵	-	-	-	263,828,240	40.42 ⁵
Nicholas Tan Chye Seng	Director	185,600	0.09	-	-	Director ⁶	100,000	0.02	-	-

Notes:

- ¹ Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests held by spouse and son by virtue of Section 59(11)(c) of the Act
- ² Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests held by spouse and children by virtue of Section 59(11)(c) of the Act
- ³ Deemed interest by virtue of interest in SH pursuant to Section 8(4) of the Act and interest held by spouse by virtue of Section 59(11)(c) of the Act
- ⁴ Less than 0.01%.
- ⁵ Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.
- ⁶ Director of the subsidiaries of TCMH to which the relevant RRPT relate.

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

Types of transaction	Details	Estimated value as disclosed in the preceding year's circular (RM' 000)	⁽¹⁾ Actual value transacted from 26 May 2016 to 31 March 2017 (latest practicable date) (RM'000)	Estimated value from the forthcoming AGM to the next AGM (RM'000)
Income				
Sale of goods	Parts and components supplied to the TCMH Group for the following: (a) To be installed in motor vehicles sold by the TCMH Group; and (b) To be sold to the TCMH Group's customers as replacement parts.	162,000	98,119	160,000
Rental income (received on a monthly basis; the tenure of the rental agreements are for varying durations of not more than 3 years)	Office and factory premises at Lot 1 and Lot 3 Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor rented to the TCMH Group.	3,500	1,391	1,700
Expenses				
Insurance agency services	Insurance products such as property, motor and marine policies acquired through the TCMH Group.	6,000	2,570	4,500
Rental expense (paid on a monthly basis; the tenure of the rental agreements are for varying durations of not more than 3 years)	Renting of office space at (a) Pending Industrial Estate, Kuching, Sarawak and Berkeley Town Centre, Klang, Selangor and (b) factory space at 249, Jalan Segambut, 51200, Kuala Lumpur ⁽²⁾ from TCMH Group.	100	202	300

Types of transaction	Details	Estimated value as disclosed in the preceding year's circular (RM' 000)	⁽¹⁾ Actual value transacted from 26 May 2016 to 31 March 2017 (latest practicable date) (RM'000)	Estimated value from the forthcoming AGM to the next AGM (RM'000)
Purchase of goods and services	Purchase of components, motor vehicles, motor workshop services and other products from the TCMH Group.	30,000	9,456	22,000
Administrative, consultancy and corporate services	Administrative, consultancy and corporate services such as payroll processing, human resources development, information technology, tax consultancy services, training and other supports etc. provided by the TCMH Group.	2,000	264	800
Total		203,600	112,002	189,300

Notes:

⁽¹⁾ The actual value of the RRPT (for the period from 26 May 2016 to 31 March 2017, being the latest practicable date prior to printing of this circular) did not exceed 10% or more of the estimated value approved under the previous shareholders' mandate granted to the Company at the Nineteenth AGM held on 25 May 2016.

⁽²⁾ New RRPT to be included in the Proposed Shareholders' Mandate.

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

Outstanding RRPT Receivables

The breakdown of the total outstanding amount due under the RRPT with TCMH Group which exceeded the credit term as at 31 December 2016 are as follows:

Exceeded Credit Term For :	Amount of Outstanding RRPT Receivables as at 31 December 2016 (RM'000)	Amount Collected as at 31 March 2017 (RM'000)
a period of 1 year or less	14,738	9,269
a period of more than 1 to 3 years	-	-
a period of more than 3 to 5 years	-	-
a period of more than 5 years	-	-

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

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

3.2.2 WTCH Group

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

The Directors and Major Shareholders of the APM Group who are interested in the RRPT with the WTCH Group and the nature of their interests as at 31 March 2017 are as follows:

Related Party	APM					WTCH				
	Directorship in the APM Group	Shareholding in APM				Directorship in the WTCH Group	Shareholding in WTCH			
		Direct	%	Indirect	%		Direct	%	Indirect	%
TCC	-	73,382,326	37.52	-	-	-	23,446,509	36.01	-	-
Dato' Tan Heng Chew	Director	5,924,999	3.03	92,157,784	47.12 ¹	Director	4,278,633	6.57	30,639,928	47.06 ²
Tan Eng Soon	-	-	-	73,382,326	37.52 ³	-	-	-	23,446,509	36.02 ³

Notes:

- ¹ Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest held by spouse and son by virtue of Section 59(11)(c) of the Act
- ² Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest of spouse by virtue of Section 59(11)(c) of the Act.
- ³ Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.

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

Types of transaction	Details	Estimated value as disclosed in the preceding year's circular (RM' 000)	⁽¹⁾ Actual value transacted from 26 May 2016 to 31 March 2017 (latest practicable date) (RM'000)	Estimated value from the forthcoming AGM to the next AGM (RM'000)
Income				
Sale of goods	Parts and components supplied to the WTCH Group to be sold to the WTCH Group's customers as replacement parts or to be installed in motor vehicles sold by the WTCH Group; sales of motor vehicles for WTCH Group's car leasing; sale of Internet of Things device and provision of vehicle tracking services ⁽²⁾ .	100	391	2,515
Rental (received on a monthly basis; the tenure of the rental agreements are for varying durations of not more than 3 years)	Office and factory premises at Lot 3 Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor rented to the WTCH Group.	637	313	371
Expenses				
Purchase of goods and services	Purchase and renting of heavy equipment and industrial machinery and motor vehicles as well as related workshop services from the WTCH Group. Rental of heavy equipment, industrial machinery and motor vehicles are paid monthly. Provision of motor vehicles auction services ⁽²⁾ .	3,300	1,067	3,800
Air tickets and tour expenses	Air ticketing and tour packages purchased from the WTCH Group.	2,500	1,368	2,300
Total		6,537	3,139	8,986

Notes:

- ⁽¹⁾ The actual value of the RRPT (for the period from 26 May 2016 to 31 March 2017, being the latest practicable date prior to printing of this circular) did not exceed 10% or more of the estimated value approved under the previous shareholders' mandate granted to the Company at the Nineteenth AGM held on 25 May 2016.
- ⁽²⁾ New RRPT to be included in the Proposed Shareholders' Mandate.

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

Outstanding RRPT Receivables

The breakdown of the total outstanding amount due under the RRPT with WTCH Group which exceeded the credit term as at 31 December 2016 are as follows:

Exceeded Credit Term For :	Amount of Outstanding RRPT Receivables as at 31 December 2016 (RM'000)	Amount Collected as at 31 March 2017 (RM'000)
a period of 1 year or less	338	296
a period of more than 1 to 3 years	-	-
a period of more than 3 to 5 years	-	-
a period of more than 5 years	-	-

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

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

3.2.3 TCIL Group

TCIL's principal activity is investment holding. The businesses of its principal subsidiaries includes (a) distribution and aftersales of motor vehicles in Singapore, Hong Kong, Thailand, Taiwan, Philippines, Malaysia, Indonesia, Vietnam, Cambodia, and sales and aftersales of motor vehicles in Southern part of the China; (b) distribution of industrial equipment in Singapore, Vietnam and Thailand; (c) property development and rental in Singapore and Hong Kong; (d) vehicle seat manufacturing in China; and (e) provision of vehicle transportation service and human resources management service in relation to transportation business in Japan.

The Directors and Major Shareholders of the APM Group who are interested in the RRPT with the TCIL Group and the nature of their interests as at 31 March 2017 are as follows:

Related Party	APM					TCIL				
	Directorship in the APM Group	Shareholding in APM				Directorship in the TCIL Group	Shareholding in TCIL			
		Direct	%	Indirect	%		Direct	%	Indirect	%
TCC	-	73,382,326	37.52	-	-	-	705,819,720	35.06	-	-
Dato' Tan Heng Chew	Director	5,924,999	3.03	92,157,784	47.12 ¹	-	28,990,986	1.44	743,995,890	36.95 ²
Tan Eng Soon	-	-	-	73,382,326	37.52 ³	Director	100,460,000	4.99	1,156,364,392	57.44 ⁴

Notes:

¹ Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest held by spouse and son by virtue of Section 59(11)(c) of the Act.

² Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest held by spouse by virtue of Section 59(11)(c) of the Act.

³ Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.

⁴ Deemed interest by virtue of interests in TCC and corporations controlled by him pursuant to Section 8(4) of the Act, including deemed interest pursuant to Section 8(7) of the Act.

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

Types of transaction	Details	Estimated value as disclosed in the preceding year's circular (RM' 000)	⁽¹⁾ Actual value transacted from 26 May 2016 to 31 March 2017 (latest practicable date) (RM'000)	Estimated value from the forthcoming AGM to the next AGM (RM'000)
Income				
Provision of services	Provision of engineering, design & development services from APM Engineering & Research Sdn Bhd to Nanjing Tan Chong Automotive Co., Ltd.	200	-	100
Sale of goods	Parts and components supplied to TCIL Group for the following: (a) To be installed in the motor vehicles sold by TCIL Group; and (b) To be sold to TCIL Group's customers as replacement parts.	80,000	14,699	32,000
Expenses				
Purchase of goods and services	Purchase of motor vehicles and renting of heavy equipment and industrial machinery ⁽²⁾ from TCIL Group.	0	54	200
Total		80,200	14,753	32,300

Notes:

- ⁽¹⁾ The actual value of the RRPT (for the period from 26 May 2016 to 31 March 2017, being the latest practicable date prior to printing of this circular) did not exceed 10% or more of the estimated value approved under the previous shareholders' mandate granted to the Company at the Nineteenth AGM held on 25 May 2016.
- ⁽²⁾ New RRPT to be included in the Proposed Shareholders' Mandate.

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

Outstanding RRPT Receivables

The breakdown of the total outstanding amount due under the RRPT with TCIL Group which exceeded the credit term as at 31 December 2016 are as follows:

Exceeded Credit Term For :	Amount of Outstanding RRPT Receivables as at 31 December 2016 (RM'000)	Amount Collected as at 31 March 2017 (RM'000)
a period of 1 year or less	1,031	1,031
a period of more than 1 to 3 years		
a period of more than 3 to 5 years		
a period of more than 5 years		

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

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

3.3 Pricing of the RRPT

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

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

3.4 Rationale

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

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

By obtaining the Proposed Shareholders' Mandate and the renewal of the same on an annual basis, the necessity to make regular announcements to Bursa Malaysia and to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the making of such announcements or the convening of such meetings, without compromising the corporate objectives of the APM Group or adversely affecting the business opportunities available to the APM Group.

3.5 Disclosures and review procedures

3.5.1 Disclosures

Disclosures will be made in accordance with the Listing Requirements in the Annual Report of the Company of the actual breakdown of the aggregate value of RRPT entered into pursuant to the Proposed Shareholders' Mandate during the financial year ending 31 December 2017. The disclosures will include, amongst others, the following information:

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

3.5.2 Review procedures for the RRPT

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

- (a) A list of Related Parties has been circulated to the subsidiaries of APM and to notify them that all RRPT are required to be undertaken at Arm's Length, on normal commercial terms of the APM Group which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- (b) APM and each of its subsidiaries are to record all RRPT which are entered into pursuant to the Shareholders' Mandate;
- (c) Each of the subsidiaries of APM is to submit reports of RRPT to the internal audit department of APM on a periodical basis;
- (d) The internal audit team will monitor and verify the reports to ensure that the review procedures and Listing Requirements in respect of the RRPT are adhered to. The internal audit team will report their findings to the Audit Committee;

- (e) The Audit Committee will periodically review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.
- (f) The Audit Committee, having reviewed the procedures, will continue to review the procedures as and when required, with the authority to sub-delegate the review process to individuals or committees within the APM Group as they deemed appropriate. If a member of the Audit Committee has an interest in the transaction to be reviewed, he shall abstain from participating in the deliberation and voting in respect of that transaction.

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

3.6 Audit Committee's Statement

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

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

3.7 Effects

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

3.8 Directors' and Major Shareholders' Interests

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

The Directors, having equity interest in APM (namely Dato' Tan Heng Chew, Dato' Tan Eng Hwa and Nicholas Tan Chye Seng)("Interested Directors") where applicable, are directors and/or have equity interest as described in section 3.2 in the relevant companies involved in the RRPT with the APM Group and hence are deemed interested in the Proposed Shareholders' Mandate. The Interested Directors had abstained and will continue to abstain from deliberating and voting on the resolutions in respect of the Proposed Shareholders' Mandate which involve their respective interests at the relevant meetings of the Board.

The Major Shareholders (namely TCC, Dato' Tan Heng Chew and Tan Eng Soon) have equity interest (as set out in section 3.2) in the relevant companies involved in the RRPT with the APM Group and therefore are deemed interested in the Proposed Shareholders' Mandate.

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

3.9 Directors' Recommendation

The Board (with the exception of the interested Directors as disclosed in Section 3.8) is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and therefore recommends that shareholders vote in favour of the ordinary resolutions in relation to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

4. APPROVALS REQUIRED

The Proposals are subject to the approvals of the shareholders of APM at the forthcoming AGM.

5. AGM

The Twentieth AGM of the Company, the Notice of which is enclosed in the 2016 Annual Report of the Company, will be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Wednesday, 24 May 2017 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the resolutions on the Proposals.

Shareholders who are unable to attend the AGM in person are to complete the form of proxy provided and forward it to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: 03-2783 9299), or alternatively its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia so as to arrive not less than 48 hours before the time fixed for the holding the AGM or any adjournment thereof. The form of proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the form of proxy will not preclude the shareholder from attending and voting in person at the AGM should he/she subsequently find that he/she is able to do so.

6. FURTHER INFORMATION

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

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

Dato' N. Sadasivan s/o N.N. Pillay
Senior Independent Non-Executive Director

ADDITIONAL INFORMATION**1. RESPONSIBILITY STATEMENT**

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

2. MATERIAL LITIGATION

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

3. MATERIAL CONTRACTS

Save as disclosed below, neither APM nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years up to 31 March 2017 (being the latest practicable date before the finalisation of this Circular) :

- (a) Sale & Purchase Agreement dated 18 January 2016 between Auto Parts Manufacturers Co. Sdn Bhd and Hicom Indungan Sdn Bhd for the acquisition of all that three (3) parcels of freehold industrial lands held under HS(D) 23111 PT 2224, HS(D) 23112 PT 2225 and HS(D) 23113 PT 2226 of Mukim Pegoh, District of Alor Gajah, Malacca, measuring approximately 16.58 acres at a consideration of RM19,500,070.
- (b) Asset Sale Agreement dated 10 February 2016 between McConnell Seats Australia Pty Ltd and RBC Bearings Pty Ltd for the acquisition of all the assets associated with its locomotive seat manufacturing and services business known as Locomotive Seats Australia including goodwill free from encumbrances for a cash consideration of AUD1,659,578.
- (c) Land Lease Agreement dated 17 February 2016 between APM Auto Components (Myanmar) Company Limited ("APM Myanmar")(a wholly-owned subsidiary of) with The Factory/Enterprise Establishment Supervision Committee, Bago Regional Government, the Republic of the Union of Myanmar to lease a piece of land for 50 years extendable by two terms of ten years each in Bago Region, Myanmar.
- (d) Contract of Sale of Assets dated 4 July 2016 between APM Thermal Systems Sdn Bhd and TC Aluminium Castings Sdn Bhd ("TCAC") for the acquisition of the assets of TCAC used for the casting, machining and assembly of aluminium parts and components and other related assets for a total cash consideration of RM5,701,318.
- (e) Programme Agreement dated 21 October 2016 entered into between APM Automotive Holdings Berhad ("Issuer"), AmInvestment Bank Berhad, CIMB Investment Bank Berhad, Maybank Investment Bank Berhad, OCBC Al-Amin Bank Berhad, RHB Investment Bank Berhad (as Joint Lead Arrangers and Joint Lead Managers) and RHB Investment Bank Berhad (as Facility Agent) in respect of the establishment of an Islamic Commercial Papers ("ICPs") Programme of up to RM1.5 billion in nominal value ("ICP Programme") and Islamic Medium Term Notes ("IMTNs") Programme of up to RM1.5 billion in nominal value ("IMTN Programme") subject to a combined aggregate limit of up to RM1.5 billion in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) (collectively, the "Sukuk Murabahah Programmes").

- (f) Contract of Sale of Real Estate dated 21 November 2016 entered into between McConnell Seats Australia Pty. Ltd. and Raylou Investments Pty Ltd as trustee for the Raymond 2009 Trust for the acquisition of a piece of land consisting of one unit of office/warehouse located at 130 Northcorp Boulevard, Broadmeadows, Victoria 3047, Australia for a consideration of AUD7,350,000.

4. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) Constitution of APM;
- (b) Audited financial statements of APM for the two (2) financial years ended 31 December 2015 and 31 December 2016; and
- (c) Material contracts referred to in section 3 of this Appendix.

PROPOSED RESOLUTIONS ON THE PROPOSALS**EXTRACT OF THE NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING****AS SPECIAL BUSINESS****Ordinary resolutions**

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

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

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("APM Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group ("Related Parties") including those set out under section 3.2.1 of the Company's Circular to Shareholders dated 28 April 2017 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public (where applicable) and not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force –

- (i) until the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) at 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.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **(Resolution 14)**

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

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("APM Group") to enter into all arrangements and/or transactions with Warisan TC Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group ("Related Parties") including those set out under section 3.2.2 of the Company's Circular to Shareholders dated 28 April 2017 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 ("Shareholders' Mandate").

THAT such approval shall continue to be in force –

- (i) until the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed; or
- (ii) at 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.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.” **(Resolution 15)**

3. PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

“THAT, subject to the Companies Act, 2016 (“Act”), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“APM Group”) to enter into all arrangements and/or transactions with Tan Chong International Limited and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the APM Group (“Related Parties”) including those set out under section 3.2.3 of the Company’s Circular to Shareholders dated 28 April 2017 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders (“Shareholders’ Mandate”).

THAT such approval shall continue to be in force –

- (i) until the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed; or
- (ii) at 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.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.” **(Resolution 16)**