



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

Expanding the
Horizon



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

ANNUAL REPORT 2014

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' TAN HENG CHEW *JP, DJMK*
President

LOW SENG CHEE
Chief Executive Officer

DATO' TAN ENG HWA *DIMP*
Chief Operating Officer

DATO' N. SADASIVAN *DPMP, JSM, KMN*
Senior Independent Non-Executive Director

DATO' HAJI KAMARUDDIN
@ **ABAS NORDIN** *DSSA, KMN*
Independent Non-Executive Director

DATO' HENG JI KENG *DIMP*
Independent Non-Executive Director

SIOU TIANG SAE
Chief Business Development Officer

NICHOLAS TAN CHYE SENG
Non-Independent Non-Executive Director

SOW SOON HOCK
Executive Vice President

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

Dato' Heng Ji Keng *DIMP*
Independent Non-Executive Director

NOMINATING COMMITTEE

Dato' Heng Ji Keng *DIMP*
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 SECRETARIES

Lee Kwee Cheng (*MIA 9160*)
Ang Lay Bee (*MAICSA 7000388*)
Quah Khian Khoon (*MAICSA 7030264*)

REGISTERED OFFICE

62 - 68, Jalan Sultan Azlan Shah
51200 Kuala Lumpur, Malaysia
Tel: 603 4047 8888
Fax: 603 4047 8636

CORPORATE OFFICE

Lot 600, Pandamaran Industrial Estate
Locked Bag No. 218
42009 Port Klang
Selangor Darul Ehsan, Malaysia
Tel: 603 3161 8888
Fax: 603 3161 8833
Website: www.apm.com.my
Email: apmah@apm.com.my

REGISTRARS

Tricor Investor Services Sdn Bhd
Level 17
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel: 603 2264 3883
Fax: 603 2282 1886

AUDITORS

KPMG
Level 10 KPMG Tower
8 First Avenue
Bandar Utama
48700 Petaling Jaya
Selangor
Malaysia

STOCK EXCHANGE LISTING

Main Market
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

- Public transportation seating system
- Automotive Seats
- Plastic Parts
- Body Side Mouldings
- Interior Trims
- Door Panels
- Safety Belts

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

OPERATIONS OUTSIDE MALAYSIA

- Indonesia
- USA
- Vietnam
- Australia

6

OTHERS

- Research & Development
- Investment Properties
- Management Services



PRESIDENT'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present APM Automotive Holdings Berhad's Annual Report for the financial year ended 31 December 2014.

PRESIDENT'S STATEMENT

Year 2014 had been a challenging yet fruitful year for the Group as it extended its geographical reach to reduce reliance on its domestic front. The Group completed the acquisition of the coach and rail seating business, McConnell Seats Australia, a well-known seating brand in Australia and New Zealand. In Indonesia, a second new manufacturing plant which commenced construction in 2014 would be ready for the production of leaf springs by end of 2015. On the domestic front, the Group expanded its foothold into the northern region with the purchase of a piece of land in Kulim for the setting up of an interior and plastic plant to better serve an Original Equipment Manufacturing (OEM) customer.

Development of new products and systems by our research and development company further strengthened our core engineering capabilities. The Group continues to transform by extending its regional reach and focus on state-of-the-art technology in pursuit of growth and sustainable performance.

REVIEW OF FINANCIAL PERFORMANCE

In spite of a slower growth since the third quarter of 2014, Group revenue continued to exceed the RM1 billion milestone at RM1,228 million, a drop of 2.5% from RM1,259 million recorded the previous year. The decline was due to the lower off take from OEM customers as evidenced by the drop in Total Industry Production volume of 0.8% to reach a total of 596,418 vehicle units compared to 601,407 in 2013 (Source : Malaysian Automotive Association).

Price pressures from OEM customers coupled with increase in raw material prices and labour costs, as well as expenses incurred for intensified engineering and research activities and for overseas investments as the Group expanded its business outside Malaysia resulted in the decline in the Group's profit before tax from RM182 million (restated) to RM145 million.

However, the Group's balance sheet position remained strong with shareholders' funds at RM1,144 million, cash and cash equivalents and other investments of RM358 million and net cash position of RM321 million as at 31 December 2014. The Group undertook a property revaluation exercise to reflect the current market value of its properties during the year resulting in an additional RM170 million in net assets.

As a result of the stronger position, net assets per share increased 16% to a healthy RM5.84 from RM5.05 (restated) in 2013.



* McConnell Seats Australia office building.

SUSPENSION DIVISION, MALAYSIA



The Suspension Division has grown to be a reputable manufacturer of suspension products globally accepted for quality and reliability.

The Division had consistently maintained stable growth in revenue over the past three years despite the challenging environment. Revenue grew 2% to RM245.7 million compared to RM240.5 million in 2013. Profit before tax increased substantially from RM11.5 million to RM21.7 million.

To stay competitive, upgrading aging equipment, streamlining processes and enhancing testing facilities are amongst many projects undertaken in managing operating costs and improving quality.

PRESIDENT'S STATEMENT

INTERIOR AND PLASTIC DIVISION, MALAYSIA

The Interior and Plastic Division remained the largest division, contributing 53% of the Group's total gross revenue and 62% of Group profit before tax in 2014. The Division posted RM848.6 million in revenue from RM988.1 million a year ago. Profit before tax fell 30% from RM128.9 million to RM89.8 million. The lower profit before tax was attributed to price pressures from existing OEM customers, premium freight incurred for the start-up of a new OEM business and increase in components outsourcing costs.

The manufacturing facilities of this Division are concentrated mainly in Bukit Beruntung, close to key OEM customers. As part of its strategic plan to further expand on its customer portfolio, the Division is extending its presence in the north to support the growing needs in the northern growth corridor.



Safety belt sewing machine



Safety belt locking performance test machine



Coach Leather Seat

3 Points safety belt with child restrain system



Swivel stem buckle with detachable anchor

ELECTRICAL AND HEAT EXCHANGE DIVISION, MALAYSIA

The products from this Division comprises air-conditioning systems, radiators, cooling modules, starter motors, alternators, wiper systems, and others electrical parts.

Full year revenue was RM203.8 million, down 20% compared to RM253.5 million achieved in 2013. The bottom-line, however, was cushioned by favorable trading environment and localization efforts as profit before tax improved by 38% to RM25.2 million from RM18.3 million registered in the previous year.

Moving forward, the Division, assisted by the research and development group, will continue to develop further new products and systems to broaden its revenue base and mitigate cost pressures.



PRESIDENT'S STATEMENT



Top Dealer



Million Dollar Achievers

MARKETING DIVISION, MALAYSIA

The main activity of this Division is the trading and distribution of automotive components and parts manufactured by the Group for domestic replacement and export markets.

Earnings came under pressure due to intensifying competition especially from China and Turkey. Profit before tax was lower by 34% to RM8.1 million from RM12.2 million a year ago despite a marginal increase in revenue to RM202.3 million from RM201.3 million achieved in the previous year

Our export marketing arm - APM Auto Parts Marketing (Malaysia) Sdn Bhd - is well positioned to market the APM brand globally. The Division has a customer base in 42 countries. The export division will continue to expand geographically by leveraging the replicable nature of its business model and organisational structure.

Our local replacement market has established a strong reputation over the years for products of proven reliability and quality backed by international standards yet value for money in pricing. The Division recognised the need to differentiate itself from its competitors by broadening its portfolio through product innovation, shortening product development cycle and strengthening customers' base.

With the focus on new product development by the research and development division, the prospect of the Division moving forward is good with a range of new products offerings coming on line.



Automotive Modules -
Top 5 Best Performing Vendor



Toyota Supplier Performance Award
- Silver Award for Delivery Accuracy to
APM Plastics Sdn Bhd



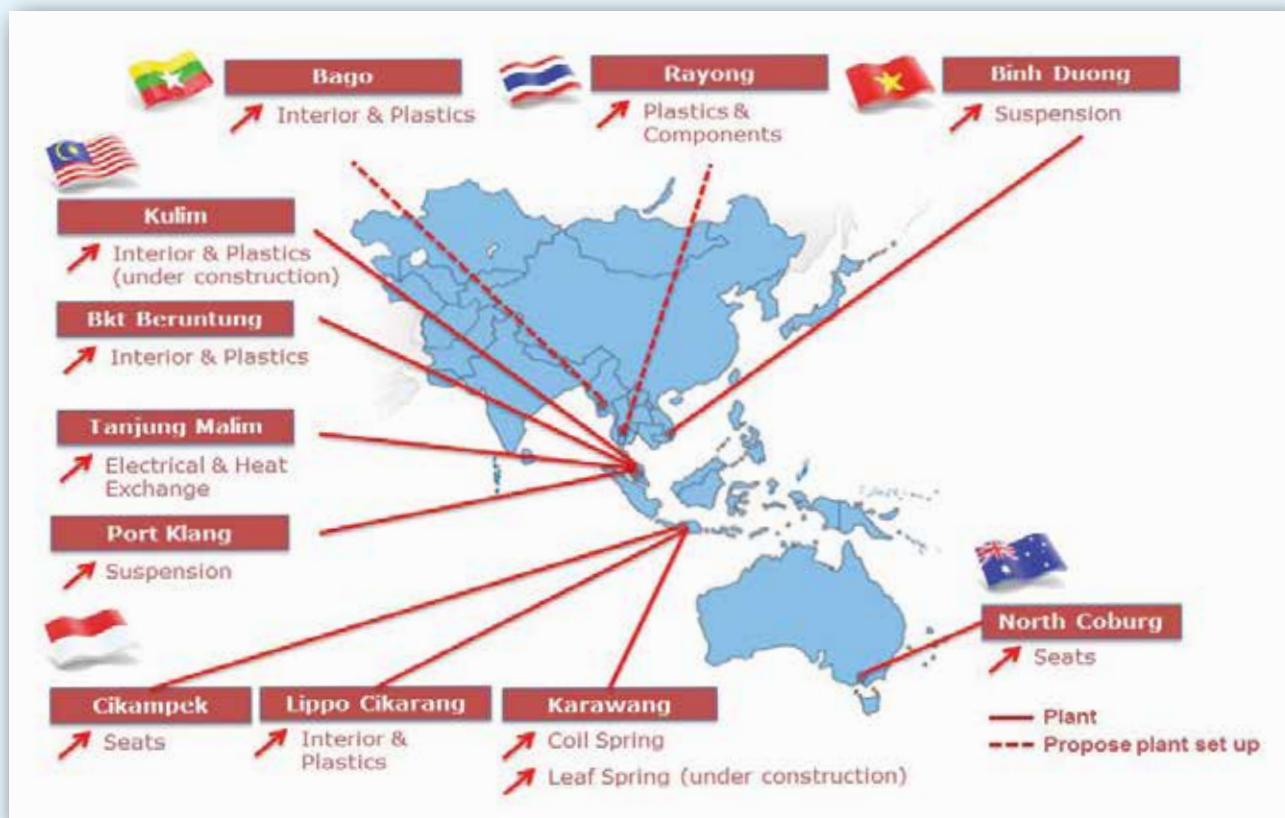
Toyota Supplier Performance Award
- Silver Award for On-Time Delivery to
APM Plastics Sdn Bhd



EPF Klang - Best Employer Award

PRESIDENT'S STATEMENT

GEOGRAPHICAL DIVERSIFICATION



OPERATIONS OUTSIDE MALAYSIA

Our operations outside Malaysia continue to grow in both revenue and profitability. This Division posted revenue of RM74.5 million for the year, an increase of 89% from RM39.5 million recorded in 2013. The impressive growth was a result of the acceptance of our products by the local OEM customers after much persistent marketing efforts and aggressive export market penetration.

Likewise, profit before tax for the year was at RM3.0 million compared to a loss of RM0.2 million (excluding the RM10 million net gain of divestment of shares) previously.

Presently, we have manufacturing capabilities in 3 countries namely, Vietnam, Indonesia and Australia and have established good working relationship with local OEM customers and to a wider suppliers' network. We are leveraging this network to penetrate replacement markets for APM products.

Manufacturing facilities are currently being built in Thailand while the manufacturing plant in Indonesia will be operational by end 2015. These activities are in line with the strategic transformation and growth process of the Group in its progress to be a regional automotive manufacturer.

PRESIDENT'S STATEMENT

PROSPECT AND STRATEGIC DIRECTIONS GOING FORWARD

As we brace ourselves for another tough year in 2015, the Group is cognisant of the challenging environment, namely, current slide in crude oil prices, weakening ringgit, Goods and Services Tax implementation and uncertain global economy.

The Group will be vigilant and develop strategies in responding accordingly to the changing business dynamics, whilst remaining focus on its transformation for growth strategy to sustain top and bottom-line growth.

Initiative to capitalize our core manufacturing capabilities will be carried out through regional expansion via exploiting business acquisition opportunities and plant set-up. We aim to build a solid platform in ASEAN region and establishing a resilient revenue streams.

Another effort in enhancing our design and development team is to seek collaboration with institutions of higher learning and leveraging on our global technical partners. The Group remains committed with strong emphasis in research and development.

Standardising our processes and upgrading machines underpin our strategy to improve productivity and cost management. In achieving this, the key initiatives undertaken by the Group include implementing the APM Manufacturing System, embracing automation, harnessing solar energy and processing upstream products manufacturing.

As part of the organisation structural enhancement programme, the Group is transforming its information technology by implementing a new single platform Enterprise Resource Planning System across the Group that integrates varied organisational systems using common database for greater standardisation to maximize group synergy benefits. To deliver cost benefits through economies of scale, we continue to consolidate our suppliers' base across the Group. ASEAN has become an important platform for APM's multi-sourcing.

The Group continues to cultivate a high performance culture and has invested significantly in human resource management system in nurturing its talents, developing future leaders and succession planning.

The Group believes that with these strategies and action plans going forward, we will continue to expand our revenue portfolio and be resilient in the competitive environment.



Omega Tram Seat



E-Class Tram Seat



Launching of APM Manufacturing System (AMS)

PRESIDENT'S STATEMENT

DIVIDENDS

The Board recommends the payment of the single-tier final dividend of 12 sen per ordinary share for the financial year ended 31 December 2014 (2013 : 12 sen per ordinary share) for shareholders' approval at the forthcoming Annual General Meeting. Combined with the earlier interim single-tier dividend of 7.5 sen per ordinary share paid on 29 September 2014, the total dividend for the year is 19.5 sen per ordinary share (2013 : 52 sen per ordinary share).

The amounts, if approved at the forthcoming Annual General Meeting, will result in a total net dividends payment of RM38.2 million (2013 : RM82.2 million) for the financial year ended 31 December 2014.



Flood financial aid to APM staff



Education Award



Long Service Award

ACKNOWLEDGEMENT

On behalf of the Board, I would like to commend management and staff of the Group for their hard work and full commitment in contributing and helping the Group to stay resilient against a challenging year. My sincere appreciation also extends to our valued principals, customers, business partners and loyal shareholders for their continued support. Last but not least, I would like to express my heartfelt thanks to my fellow Board members for the valuable advice and support to the Group.

On behalf of the Board,

Dato' Tan Heng Chew
President

PROFILE OF THE BOARD OF DIRECTORS

DATO' TAN HENG CHEW JP, DJMK
68, Malaysian
President

Dato' Tan Heng Chew, JP, DJMK, 68, 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 and was re-designated as Executive Chairman on 1 January 2011. His corporate title has been changed to President effective 1 January 2015.

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 group of companies ("TCMH Group") in 1970 and was instrumental in the establishment of its Autoparts Division in the 1970s and early 1980s.

Dato' Tan is also the President of TCMH and 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

55, Malaysian
Chief Executive Officer

Mr. Low Seng Chee, 55, a Malaysian, was appointed to the Board of the Company as an Executive Director on 1 July 2010. He was re-designated as Executive Director and Chief Executive Officer on 1 June 2013.

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 30 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

60, Malaysian
Chief Operating Officer

Dato' Tan Eng Hwa, DIMP, 60, a Malaysian, was first appointed to the Board of the Company on 1 November 1999 as a Non-Independent Non-Executive Director. Dato' Tan was re-designated as Executive Director on 23 March 2004 and was subsequently re-designated as Executive Director and Chief Operating Officer on 1 June 2013.

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

PROFILE OF THE BOARD OF DIRECTORS

DATO' N. SADASIVAN S/O N.N. PILLAY

DPMP, JSM, KMN

75, Malaysian

Independent Non-Executive Director

Dato' N. Sadasivan s/o N.N. Pillay, DPMP, JSM, KMN, 75, a Malaysian, was appointed to the Board of the Company as an Independent Non-Executive Director on 1 November 1999. He is the Chairman of the Audit Committee and a member of Nominating Committee. Dato' Sadasivan 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. He is also a director of Bank Negara Malaysia.

DATO' HAJI KAMARUDDIN @ ABAS NORDIN

DSSA, KMN

76, Malaysian

Independent Non-Executive Director

Dato' Haji Kamaruddin @ Abas Nordin, DSSA, KMN, 76, 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.

PROFILE OF THE BOARD OF DIRECTORS

DATO' HENG JI KENG *DIMP*

67, Malaysian

Independent Non-Executive Director

Dato' Heng Ji Keng, 67, a Malaysian, is an Independent Non-Executive Director. He joined the Board and the Audit Committee of the Company on 1 January 2011. He was appointed Chairman of the Nominating Committee on 22 January 2013.

Dato' Heng has a Bachelor of Economics (Honours) degree 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 having obtained his professional accounting qualification from the Institute of Chartered Accountants in Australia. In 1982, he co-founded Monteiro & Heng, a public accounting firm, now known as Baker Tilly Monteiro Heng. He is also the co-founder of Ferrier Hodgson MH, the corporate recovery arm of Baker Tilly Monteiro Heng. Dato' Heng is now the Executive Chairman of the Baker Tilly Monteiro Heng group, which provides a wide range of professional services such as audit and taxation, corporate advisory, forensic investigation and corporate recovery, restructuring and insolvency.

Dato' Heng is the Chairman of the Institute of Chartered Accountants in Australia (Malaysian Chapter), a Council Member of the Malaysian Institute of Accountants, a Council Member of the Malaysian Institute of Chartered Secretaries and Administrators and a Panel Member of the Disciplinary Committee, Advocates & Solicitors Disciplinary Board.

MR. SIOW TIANG SAE

57, Malaysian

Chief Business Development Officer

Mr. Siow Tiang Sae, 57, a Malaysian, was appointed to the Board of the Company as Executive Director on 1 June 2013. His corporate title has been changed to Chief Business Development Officer effective 1 January 2015.

Mr. Siow graduated from Tunku Abdul Rahman College and is a member of the Malaysian Institute of Accountants and a Fellow member of the Association of Chartered Certified Accountants. Mr. Siow has more than 28 years of experience in audit, accounting, procurement, logistic, information technology and marketing.

Mr. Siow joined Tan Chong Motor Holdings Berhad in May 1982 as Senior Internal Auditor for about three (3) years and later joined the APM Automotive Holdings Berhad ("APM") Group in January 1985 where he was the Accountant for certain subsidiaries of the Company. He is the Senior General Manager of the Company in charge of new business development for the APM Group since August 2011. Prior to this, senior positions held by Mr. Siow included heading the operations of interior division and APM Auto Components USA Inc. in USA.

PROFILE OF THE BOARD OF DIRECTORS

MR. NICHOLAS TAN CHYE SENG

41, Malaysian

Non-Independent Non-Executive Director

Mr. Nicholas Tan Chye Seng, 41, a Malaysian, was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 1 June 2013.

Mr. Nicholas Tan graduated from Boston University School of Management with a Bachelor of Science Degree. He joined Tan Chong Motor Holdings Berhad Group ("TCMH Group") in 2006 and formed the Corporate Planning and Strategic Investments Division of TCMH Group. He is an Executive Director of various operating companies of TCMH Group involved in manufacturing, distribution, trading, retailing and financial services. He was formerly an Executive Director and Vice-President of research in investment banking prior to joining TCMH Group.

Mr. Nicholas Tan is the son of Dato' Tan Heng Chew, a director and major shareholder of the Company.

MR. SOW SOON HOCK

57, Malaysian

Executive Vice President

Mr. Sow Soon Hock, 57, a Malaysian, was appointed to the Board of the Company as Executive Director on 11 November 2013. His corporate title has been changed to Executive Vice President effective 1 January 2015.

Mr. Sow graduated from United Business Institute, Brussels, Belgium with an Executive MBA. He started his career with the APM Group in 1978, rising from supervisory and managerial positions in the Suspension Division and was subsequently transferred to the Original Equipment Manufacturer (OEM) Marketing Division. He was promoted to Group Senior General Manager-Group OEM in 2005.

In July 2006, Mr. Sow was appointed as Executive Director of the Company, taking charge of sales and marketing function of the APM Group. He was subsequently re-designated as Non-Executive Director of the Company in July 2009 and retired from the Board in May 2010. In July 2011, Mr. Sow was appointed as the Head of TC Manufacturing (Sabah) Sdn Bhd, a subsidiary of Tan Chong Motor Holdings Berhad and was assigned to lead the Sabah new project.

Notes:

Except for Dato' Tan Heng Chew, Dato' Tan Eng Hwa and Mr. Nicholas Tan Chye Seng, 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.

A summary of the attendance of the Directors at board meetings held in 2014 is set out on page 21.

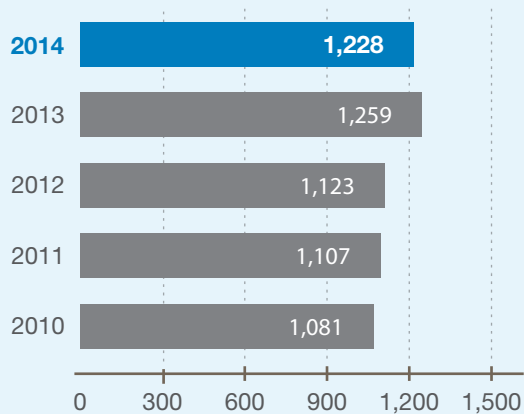
5 YEARS FINANCIAL HIGHLIGHTS

	2014 (RM'000)	2013 ¹ (RM'000)	2012 (RM'000)	2011 (RM'000)	2010 (RM'000)
RESULTS					
Revenue	1,227,870	1,259,020	1,123,147	1,107,305	1,081,441
Profit before tax	145,285	182,004	159,524	172,843	179,495
Taxation	(34,133)	(40,635)	(34,337)	(36,959)	(39,161)
Profit for the financial year	111,152	141,369	125,187	135,884	140,334
Attributable to:					
Equity holders of the Company	98,403	128,290	113,602	118,093	124,489
Non-controlling interests	12,749	13,079	11,585	17,791	15,845
STATEMENT OF FINANCIAL POSITION					
Assets					
Property, plant & equipments	406,103	234,123	212,477	232,968	234,247
Prepaid lease payments	14,869	14,586	15,286	6,052	6,320
Investment properties	97,290	91,917	17,002	1,177	1,217
Equity-accounted investees	43,388	41,106	30,956	28,684	30,256
Intangible assets	11,632	873	474	799	936
Deferred tax assets	14,731	15,683	12,801	14,951	18,990
Total non-current assets	588,013	398,288	288,996	284,631	291,966
Current assets	910,589	891,139	831,111	771,913	698,746
Total assets	1,498,602	1,289,427	1,120,107	1,056,544	990,712
Equity					
Share capital	201,600	201,600	201,600	201,600	201,600
Reserves	954,774	799,718	698,840	640,949	556,088
Treasury shares	(12,818)	(12,806)	(12,796)	(12,786)	(12,776)
Total equity attributable to owners of the Company	1,143,556	988,512	887,644	829,763	744,912
Non-controlling interests	32,949	26,200	20,821	25,298	30,359
Total equity	1,176,505	1,014,712	908,465	855,061	775,271
Non-current liabilities	39,694	15,853	14,531	16,969	18,459
Current liabilities	282,403	258,862	197,111	184,514	196,982
Total equity and liabilities	1,498,602	1,289,427	1,120,107	1,056,544	990,712
FINANCIAL STATISTICS					
Basic earnings per share (sen)	50.30	65.60	58.05	60.30	63.60
Gross dividend per share (sen)	19.50	52.00	32.00	32.00	20.00
Net assets per share (RM)	5.84	5.05	4.54	4.24	3.81
Return on shareholders equity (%)	9.23	13.68	13.23	15.00	17.95

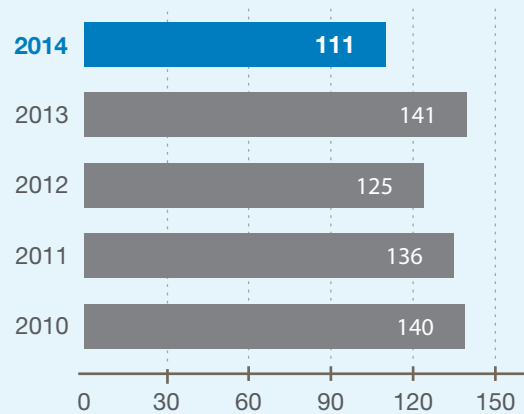
1. Comparative figures have been restated to take into account the effects of the change of accounting policy in respect of accounting for investment properties.

5 YEARS FINANCIAL HIGHLIGHTS

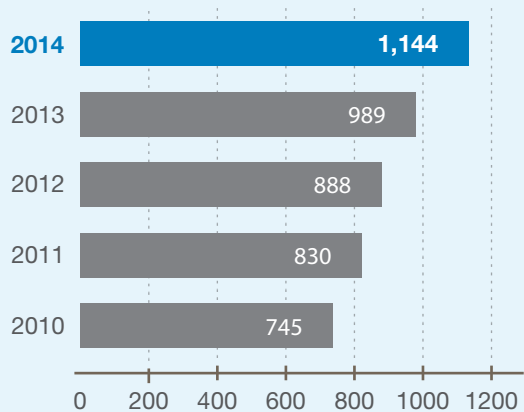
REVENUE (RM million)



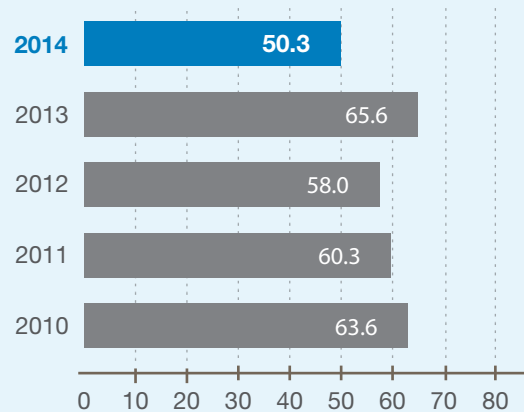
PROFIT FOR THE FINANCIAL YEARS (RM million)



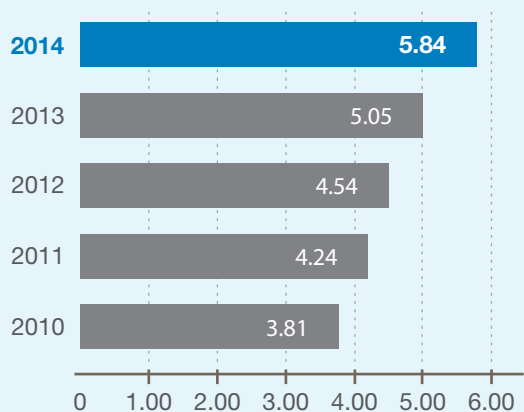
NET ASSETS (RM million)



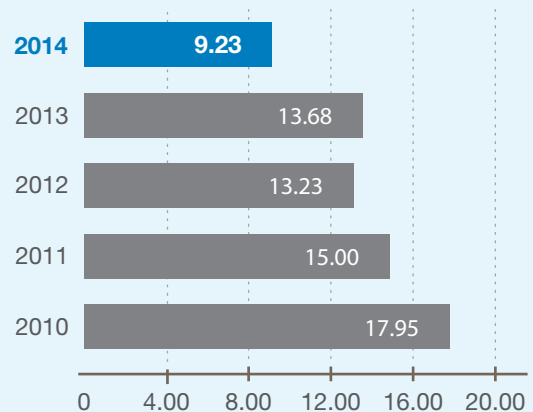
BASIC EARNINGS PER SHARE (Sen)



NET ASSETS PER SHARE (RM)



RETURN ON EQUITY HOLDERS (%)



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 (“MCCG 2012”) and observed the 26 Recommendations supporting the Principles during the financial year. 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. The salient features of the Charter are publicly available on the Company’s website at www.apm.com.my in line with Recommendation 1.7 of the MCCG 2012.

CORPORATE GOVERNANCE STATEMENT

(ii) Code of Ethics

The Board has formalized a Directors' Code of Ethics setting out the standards of conduct expected from Directors. The Directors' Code of Ethics is contained in the Charter which is published on the Company's website at www.apm.com.my. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees, which has been communicated to all levels of employees in the Group.

The Board has also formalized a Special Complaint Policy, which is equivalent to whistle-blowing policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices.

(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's activities on corporate social responsibility for the financial year under review are disclosed on page 25 of this Annual Report.

(iv) Access to Information and Advice

Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the 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 facilitate decision making by the Board 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 Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are 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.

Principle 2 - Strengthen Composition of the Board

The Board consists of nine (9) members, comprising five (5) Executive Directors and four (4) 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 11 to 14 of this Annual Report. The Directors, with their diverse backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as engineering, finance; accounting and audit; and marketing and operations.

(i) Nominating Committee – Selection and Assessment of Directors

The Board has established a Nominating Committee on 22 January 2013 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 Nominating Committee comprises the following members:

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

CORPORATE GOVERNANCE STATEMENT

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 programs 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 board 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 board diversity is concerned, the Board does not have a specific policy on setting target number for women candidates nor policy on diversity in ethnicity and age. The evaluation of the suitability of candidates is 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.

The Nominating Committee shall meet at least once a year or more frequently as deemed necessary by the Chairman. During the financial year under review, the Nominating Committee met once to discuss and recommend the changes in job grading structure and corporate titles for senior management personnel of the Company. All members attended the meeting.

On 22 January 2015, the Nominating Committee met to review and assess the effectiveness of the Board as a whole, the Board Committee and the performance of individual Directors as well as the independence of the Independent Non-Executive Directors in respect of financial year ended 31 December 2014 based on the self and peer assessment approach. In assessing the individual Directors' performance, the Nominating Committee considered, inter-alia, the contribution, performance, competency, personality, integrity and time commitment of each Director to effectively discharge his role as a Director of the Company.

From the results of the assessment, including the mix of skills and experience possessed by the Directors, and based on the Nominating Committee's recommendation, the Board recommended the respective re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting. The Nominating Committee also assessed the training needs of the Directors to enhance their competencies and ensure that they are kept abreast of all regulatory changes and developments in the business environment.

(ii) Directors' Remuneration

The Board is of the view that the existing remuneration guidelines formulated by drawing upon the wealth of experience of all the Directors on the Board would be more effective and therefore, a Remuneration Committee is currently not required. The Board, as a whole, determines and recommends the remuneration packages of Independent Non-Executive Directors and Executive Directors. The aggregate Directors' fee shall not exceed RM350,000 per annum, as approved by shareholders at the 13th Annual General Meeting of the Company in 2010. The Non-Executive Directors and Executive Directors abstained themselves from discussions on their individual remuneration.

The remuneration policy of the Group essentially seeks to attract, retain and motivate employees of all levels, including Executive Directors, to contribute positively towards the Group's performance.

The quantum of annual performance bonus and increment for the employees of the Group is dependent on the operating results of the Group after taking into account the prevailing business conditions and the individual's performance. The same guidelines apply to the Executive Directors.

The aggregate remuneration of the Directors for the financial year ended 31 December 2014 are as follows:

	Fees	Salaries and allowances	Bonus	Benefits-in-kind
	(RM)	(RM)	(RM)	(RM)
Executive Directors	-	3,950,300	1,343,891	111,556
Non-Executive Directors	270,000	33,400	-	-

CORPORATE GOVERNANCE STATEMENT

The number of Directors of the Company [including former Directors who resigned/retired from the Company during the year] whose total remuneration including benefits-in-kind for the financial year ended 31 December 2014 which fall within the required disclosure bands are as follows:

Range of Remuneration	Executive	Non-Executive
RM50,000 and below	-	1
RM100,001 to RM150,000	-	3
RM700,001 to RM750,000	2	-
RM1,200,001 to RM1,250,000	1	-
RM1,250,001 to RM1,300,000	1	-
RM1,450,001 to RM1,500,000	1	-

Principle 3 – Reinforce Independence of the Board

The Company is led by an experienced Board with a diverse background in business and financial experience, and skills which are vital for the continued progress and success of the Group.

The President, who is also the Chairman of the Board, is primarily responsible for setting the Group's strategic direction and leading the Board in the oversight of management. The role of day-to-day management of the Group's business development and operations and implementation of policies and decisions of the Board is helmed by the Chief Executive Officer and the Executive Directors. The Board believes that such division of power and responsibilities helps ensure that no one person in the Board has unfettered powers to make major decisions for the Company unilaterally.

While the position of the Chairman is not held by an Independent Non-Executive Director, the Board has three (3) Independent Non-Executive Directors, constituting one third (1/3) of the composition of the Board. The Board acknowledges the importance of balance of power and authority of the Board and has identified Dato' N. Sadasivan as the Company's Senior Independent Non-Executive Director, to whom concerns may be conveyed by fellow Directors, shareholders and other stakeholders.

The 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 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 detached impartiality.

The Nominating Committee assesses the independence of the Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa. The Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director and thereafter he may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent Non-Executive Director 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 Nominating Committee 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.

CORPORATE GOVERNANCE STATEMENT

Following an assessment and recommendation by the Nominating Committee, the Board recommended that Dato' N. Sadasivan and Dato' Haji Kamaruddin @ Abas Nordin whom have served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years as at the end of the financial year under review, be retained as an Independent Non-Executive Director, subject to shareholders' approval at the forthcoming Annual General Meeting. Key justifications for retaining them as Independent Non-Executive Director are as follows:

- they fulfill the criteria under the definition on Independent Director as stated in the Listing Requirements of Bursa and, therefore, is 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 and a diverse set of expertise, skills and competence; and
- they have been with the Company long and therefore understands 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 meets at least four (4) 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 seven (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. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings. During the financial year under review, the Board convened four (4) Board meetings and the Directors' attendances at the Board Meetings were as follows:-

Name	Attendance
Dato' Tan Heng Chew	4/4
Dato' Tan Eng Hwa	4/4
Low Seng Chee	4/4
Dato' N. Sadasivan	4/4
Dato' Haji Kamaruddin @ Abas Nordin	4/4
Dato' Heng Ji Keng	3/4
Siow Tiang Sae	4/4
Nicholas Tan Chye Seng	4/4
Sow Soon Hock	4/4

As stipulated in the Charter, the Directors shall devote sufficient time to carry out their responsibilities. The Board shall obtain this commitment from Directors at the time of appointment.

Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board or Board Committees.

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. The Company Secretaries normally circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference.

CORPORATE GOVERNANCE STATEMENT

All Directors have completed the Mandatory Accreditation Programme. During the financial year under review, all Directors attended development and training programmes. The continuous education programmes attended by the Directors during the financial year ended 31 December 2014 include the following:-

Name	Training Attended
Dato' Tan Heng Chew	<ul style="list-style-type: none"> • Introductory workshop on the Management Philosophy of the Late Mr. Wang Yung-ching (founder of Formosa Plastics Group) • Revenue Recognition – Changes under New Accounting Standards, Fraud Risk Management, Related Party Transactions and Corporate Disclosure Policy
Dato' Tan Eng Hwa	<ul style="list-style-type: none"> • Introductory workshop on the Management Philosophy of the Late Mr. Wang Yung-ching (founder of Formosa Plastics Group) • Board Chairman Series “Role of the Chairman”
Low Seng Chee	<ul style="list-style-type: none"> • Governance in Action – What Every Director Should Know • Introductory workshop on the Management Philosophy of the Late Mr. Wang Yung-ching (founder of Formosa Plastics Group) • AIG Seminar on Enterprise Risk Management and Directors and Officers Insurance
Dato' N. Sadasivan	<ul style="list-style-type: none"> • 2014 Audit Committee Conference – Stepping Up for Better Governance • Board Dynamics and Governance • Directors' Breakfast Series – Great Companies Deserve Great Boards • Audit Committee Institute Breakfast Roundtable titled The Impact of Cyber Security at Board Levels • Customised Advocacy Session for Directors
Dato' Haji Kamaruddin @ Abas bin Nordin	<ul style="list-style-type: none"> • Securities Industry Development Corporation : Corporate Governance Statement Reporting Workshop • Breakfast at Bursa Malaysia Enhancing Internal Audit Practice • Revenue Recognition – Changes under New Accounting Standards, Fraud Risk Management, Related Party Transactions and Corporate Disclosure Policy • Appreciation & Application of ASEAN Corporate Governance Scorecard • Great Companies Deserve Great Boards
Dato' Heng Ji Keng	<ul style="list-style-type: none"> • Detecting, Preventing & Reporting Financial Irregularities & Fraud • Goods & Services Tax Seminar • Persidangan Cukai Malaysia 2014 • MIA By-Laws – Highlights on Recent Amendments & Personal Data Protection Act (“PDPA”) 2010 : Compliance by Accounting Firm • Comparative Analysis for PERS, MPERS and MFRS Frameworks • MIA International Conference 2014 • Institute of Chartered Accountants Australia : Winner's Mindset • Chartered Tax Institution of Malaysia : 2015 Budget Seminar
Siow Tiang Sae	<ul style="list-style-type: none"> • Financial Statements Integrity & Directors' Legal Responsibility • Annual Director Duties, Governance and Regulatory Updates Seminar 2014 • Evaluating & Implementing Overseas Investment Strategies • Introductory workshop on the Management Philosophy of the Late Mr. Wang Yung-ching (founder of Formosa Plastics Group)
Nicholas Tan Chye Seng	<ul style="list-style-type: none"> • Introductory workshop on the Management Philosophy of the Late Mr. Wang Yung-ching (founder of Formosa Plastics Group) • Revenue Recognition – Changes under New Accounting Standards, Fraud Risk Management, Related Party Transactions and Corporate Disclosure Policy
Sow Soon Hock	<ul style="list-style-type: none"> • Financial Statements Integrity & Directors' Legal Responsibility • Detecting, Preventing & Reporting Financial Irregularities & Fraud – Painful But Necessary

CORPORATE GOVERNANCE STATEMENT

During the financial year, the Chief Financial Officer and External Auditors also briefed the Board members on any relevant changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements. The Directors continue to undergo relevant training programs 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 President'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 30 to 33 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, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for obtaining the Audit Committee's approval for such services.

In assessing the independence of external auditors, the Audit Committee received a written assurance from 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.

In line with the MCGG 2012 and the Listing Requirements of Bursa, the Company has in place a Systems & Internal Audit ("SIA") function, which reports directly to the Audit Committee on the adequacy and effectiveness of the current system of internal controls from the perspectives of governance, risks and controls. All internal audits carried out are guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors. The SIA is independent of the activities it audits and the scope of work covered by the SIA during the financial year under review is set out in the Audit Committee Report set out on pages 30 to 33 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

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. Accordingly, the Board has formalized the Corporate Disclosure Policies and Procedures to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, and set out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

To augment the process of disclosure, the Company's website has a section on corporate governance, where information on the Company's announcements to Bursa, the 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 Annual General Meeting ("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 which were addressed by the Board and Senior Management.

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. 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.

(ii) Communication and engagement with shareholders and investors

The Board recognises the importance of being transparent and accountable to the Company's investors. The Company will hold group and individual discussions with analysts, institutional shareholders, and investment communities, at their request, with the view to fostering greater understanding of the business of the Group. 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.my where shareholders can access corporate information, annual reports, press releases, financial information, and company announcements. 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.

This Statement is dated 8 April 2015.

OTHER STATEMENTS AND DISCLOSURES

1. Share Buy-Back

During the financial year ended 31 December 2014, 2,000 ordinary shares of RM1.00 each were repurchased as treasury shares at a total consideration of RM12,256.65. 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 2014.

The details of the shares bought back during the financial year ended 31 December 2014 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 2014	1,000	6.16	6.16	6.16	6,208.85
August 2014	1,000	6.00	6.00	6.00	6,047.80
Total	2,000				12,256.65

2. Non-Audit Fees

The amount of non-audit fees paid by the Company to its external auditors or a firm or company affiliate to the external auditors during the financial year ended 31 December 2014 was RM182,325.

3. 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 2014.

4. 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 2014 as stated in note 31 of the financial statements on page 91 to 92 of this Annual Report.

5. 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 the environment, occupational safety and health as well as welfare of its employees and the community.

The Group views the employees as its biggest asset, and believes that building a diverse workplace can help to maintain the Group's sustainability in the market place. A diversity practice guidelines in terms of ensuring gender, ethnicity and age group balance at workplace was put in place and this guidelines provides Human Resources Department to act accordingly to the interest of the Group. Employees of different background, gender, age, ethnicity, religion are given equal opportunity for career development and progression.

This may involve internal training and on-job training programmes and providing resources and opportunities for career advancement. Employees stand to experience more personal growth in an environment where they are exposed to differences in culture, opinions and ideas.

OTHER STATEMENTS AND DISCLOSURES

During the year, enhancement in human resources through learning, skills development, research and development in areas related to the Group's operations were provided to the employees. In recognizing the loyalty and contributions of the long service employees towards the Group, those employees with 10 years and 25 years of service were awarded with Long Service Award. An education subsidy was also provided to eligible employees to assist them in acquiring higher qualification for their career development. The APM Education Awards benefited employees whose children secured places in College or University in Malaysia. This is done not only to motivate our employees and to recognize their children's achievement but to encourage continuous learning and education in the younger generation.

The Group is committed to create a safe working environment and ensuring a safe and healthy workplace at all times. It continues to implement various ongoing safety and health programmes, create awareness on road safety, fire safety and to educate employees on the various aspects of safe practices. The Group will continue to emphasise on the importance of safety and health at the work place and ensuring an accident free working environment is achieved at all times.

As for the community, the Group continued to donate to several children and welfare homes. During the year, contributions were made to Sekolah Jenis Kebangsaan (T) Ladang Batu Ampat to help the poor children to improve their fluency in Bahasa Malaysia; Pejabat Kebajikan Masyarakat Daerah Klang for the underprivileged children; and Masjid Kampung Raja Uda for the poor and disable people; and provided financial assistance to flood victims who were affected by the recent floods.

Ensuring 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 improve and develop environmental friendly products from designs stage and manage the products life through our research centre via the Products Lifecycle Management system.

The Group is also committed to continuously enhance value for its shareholders and aim to provide quality products and services to its customers and business associates at all times.

INTERNAL CONTROL STATEMENT

In accordance with Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa”), the Board of Directors (“Board”) of listed company is required to include in its annual report, a statement about the state of internal control of the listed issuer as a group. Further, the Malaysian Code on Corporate Governance stipulates that the Board should establish a sound risk management framework and internal controls system to safeguard the Group’s assets and shareholders’ investments. Accordingly, the Board is pleased to provide the Internal Control Statement which outlines the nature and scope of internal control of APM and its subsidiaries (“the Group”) during the financial year ended 31 December 2014.

BOARD’S RESPONSIBILITY

The Board is committed in maintaining a sound system of risk management system and internal control to safeguard the shareholders’ investment and the Group’s assets. The Board acknowledges and affirms its responsibility by 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 Board has established a process for identifying, evaluating and managing significant risks faced by the Group. This is embedded in the Group’s Risk Management Framework (RMF) and the internal control system. These are reviewed on a periodic basis to ensure their continued effectiveness, adequacy and integrity. The Audit Committee which has oversight responsibility over risk management and internal control, assists the Board in reviewing the adequacy and integrity of the system of risk management and internal control in the Group.

The membership of the Audit Committee, summary of its terms of reference and activities are set out on pages 30 to 33 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 process established accords with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers”, a publication of Bursa.

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 Internal Audit department assists to 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 appropriately.

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.

The Group has in place a Fraud Prevention Policy (FPP) and a Special Complaints Policy (SCP) to mitigate the risks of fraud, corruption and other irregularities. The policies establish a procedure that allow employees and other stakeholders to report any wrongdoing by any person in the Group so that appropriate action can be taken immediately. All concerns raised via the SCP channels will be addressed. The policies also include provisions to safeguard the confidentiality of the informants, if he or she has acted in good faith, and measures to avoid abuse of the policy for the purposes of making false or malicious allegations.

INTERNAL CONTROL STATEMENT

INTERNAL AUDIT FUNCTION

The Audit Committee is assisted by the Group's in-house Internal Audit department. The internal audit function is an integral part of the Group's internal control system with the audit department reporting to the Audit Committee. Internal audit's primary role is to provide independent, objective assurance and consulting services designed to add value and improve the operations of the Group. Internal audit carries out regular and systematic reviews of the system of 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 the Audit Committee for review on a quarterly basis. Included in the reports are recommended corrective measures on findings identified for implementation by Management.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Other 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 clearly 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 associates and joint ventures where the Group does not have full management over them. However, the Group's interest is served through representations on the Board of the respective associates and joint ventures.

The Board has received reasonable assurance from the Management that Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the Group's risk management framework.

INTERNAL CONTROL STATEMENT

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this statement pursuant to the scope set out in Recommended Practice Guide (“RPG”) 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the annual report for the year ended 31 December 2014, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b) is factually inaccurate.

RPG 5 (Revised) does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

AUDIT COMMITTEE 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 22 January 2013.

Composition and Meetings

The members of the AC and their attendance at the AC meetings held during the financial year ended 31 December 2014 were as follows:

Name	Attendance
Dato’ N. Sadasivan, Chairman, Senior Independent Non-Executive	5/5
Dato’ Haji Kamaruddin @ Abas Nordin, Independent Non-Executive	5/5
Dato’ Heng Ji Keng, Independent Non-Executive	4/5

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.

AUDIT COMMITTEE REPORT

Functions

The functions of the AC shall be, amongst others, to:-

- 1) review the following and report the same to the Board:
 - (a) the audit plan, the evaluation of the system of internal controls and the audit report with the external auditor; as well as the assistance given by the employees of the Company/Group to the external auditors;
 - (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 programmes, processes, the results of the internal audit programmes, processes or investigations undertaken and whether or not 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 of Directors, focusing on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards established by professional bodies and other legal requirements;
 - (e) any related party transactions 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 auditors;
- 3) assess, review and monitor the suitability and independence of the external auditors, including obtaining written assurance from external auditors confirming they are, and have been, independent throughout the conduct of audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- 4) 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;
- 5) set policy on non-audit services which may be provided by the external auditors, and conditions and procedures which must be adhered by the external auditors in the provision of such services;
- 6) approve non-audit services provided by external auditors; and
- 7) 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 meeting 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.

AUDIT COMMITTEE REPORT

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 auditors shall attend the meeting to consider the final audited 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

The AC has carried out the following activities during the year, which encompassed:

- reviewed the Group's audit strategy and plan with the external auditors before commencement of the audit for the financial year end;
- reviewed the annual audited financial statements and principal matters arising from audit with the external auditors;
- reviewed the quarterly financial results before recommending to the Board for consideration and approval;
- reviewed and approved the Annual Internal Audit Plan to ensure adequacy of resources, competencies and coverage of auditable entities with significant and high risks;
- reviewed the internal audit reports and risk management reports of the Group;
- reviewed the Internal Control Statement;
- reviewed the related party transactions and recurrent related party transactions of the Group on quarterly basis;
- made recommendation to the Board on the re-appointment of the External Auditors and the audit fees;

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group has an adequately resourced in-house internal audit function. The principal role of the internal audit function is to undertake regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that:

- the Group has sound system of internal control;
- established policies and procedures are adhered to; and
- continue to be effective in addressing the risks identified.

It reports directly to the AC, which reviews and approves its annual audit plan. Internal audit functions independently of the activities it audits.

During the year ended 31 December 2014, the internal audit function undertook audit reviews to major subsidiaries of the Group covering operation audit, financial audit and compliance audit. In addition, it also performed ad hoc reviews/ investigations as well as routine year end reviews such as annual stock takes, recurrent related party transactions and its pricing reviews.

AUDIT COMMITTEE REPORT

On quarterly basis, internal audit submits audit reports and status of the internal audit plan for review and approval by the AC. Audit reports also encompassed recommendations for improvements which were deemed practical and necessary for implementation by management. Follow-up reviews were carried out to ascertain that management action plans had been duly implemented. The internal audit function also assisted the Group Risk Management Committee in discharging its responsibilities by ensuring that the on-going risk management process had been duly accomplished.

During the financial year ended 31 December 2014, the total cost incurred for the internal audit function was RM471,528 (2013: RM420,345).

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 2014, 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

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DIRECTORS' REPORT

For the Year Ended 31 December 2014

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

Principal activities

The Company is principally an investment holding company. The principal activities of the subsidiaries are as stated in Note 32 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group	Company
	RM'000	RM'000
Profit for the year attributable to:		
Owners of the Company	98,403	65,376
Non-controlling interests	12,749	-
	<hr/> 111,152	<hr/> 65,376

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 ordinary share under the single-tier system totalling RM23,483,000 in respect of the financial year ended 31 December 2013 on 27 June 2014; and
- b) an interim ordinary dividend of 7.5 sen per ordinary share under the single-tier system totalling RM14,676,000 in respect of the financial year ended 31 December 2014 on 29 September 2014.

The Directors now recommend the declaration of final ordinary dividend of 12 sen per ordinary share under single-tier system totalling RM23,483,000 in respect of the financial year ended 31 December 2014. This dividend is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

DIRECTORS' REPORT

For the Year Ended 31 December 2014

Directors of the Company

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

Dato' Tan Heng Chew
Dato' Tan Eng Hwa
Low Seng Chee
Dato' N. Sadasivan s/o N.N. Pillay
Dato' Haji Kamaruddin @ Abas Nordin
Dato' Heng Ji Keng
Siow Tiang Sae
Nicholas Tan Chye Seng
Sow Soon Hock

Directors' interests in shares

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 1.1.2014	Bought	Sold	At 31.12.2014
<i>Shareholdings in which Directors have direct interests:</i>				
Interest in the Company:				
Dato' Tan Heng Chew	5,924,999	-	-	5,924,999
Dato' Tan Eng Hwa	207,008	-	-	207,008
Dato' Haji Kamaruddin @ Abas Nordin	5,448	-	-	5,448
Nicholas Tan Chye Seng	163,000	22,600	-	185,600
Siow Tiang Sae	2,050	-	-	2,050
<i>Shareholdings in which Directors have deemed interest in the Company</i>				
Interest in the Company:				
Dato' Tan Heng Chew	96,540,735 ¹	273,600	(4,656,551)	92,157,784
Dato' Tan Eng Hwa	15,267,728 ²	-	-	15,267,728

¹ Including interests of spouse and child by virtue of Section 134(12)(c) of the Companies Act, 1965.

² Including interests of spouse by virtue of Section 134(12)(c) of the Companies Act, 1965

Dato' Tan Heng Chew 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 32 to the financial statements.

None of the other Directors holding office at 31 December 2014 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

For the Year Ended 31 December 2014

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 31 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 RM6.13 per ordinary share. The total consideration paid for the repurchase including transaction costs was RM12,257. The ordinary shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2014, the Company held as treasury shares a total of 5,914,000 of its 201,600,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM12,818,000 and further relevant details are disclosed in Note 16 to the financial statements.

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.

DIRECTORS' REPORT

For the Year Ended 31 December 2014

Other statutory information (continued)

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 2014 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:

Low Seng Chee

Dato' Tan Eng Hwa

Kuala Lumpur,

Date: 8 April 2015

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Note	31.12.2014 RM'000	Group 31.12.2013 RM'000 Restated	1.1.2013 RM'000 Restated	Company 31.12.2014 RM'000	31.12.2013 RM'000
Assets						
Property, plant and equipment	3	406,103	234,123	212,477	-	842
Prepaid lease payments	4	14,869	14,586	15,286	-	-
Investment properties	5	97,290	91,917	87,799	-	-
Investments in subsidiaries	6	-	-	-	384,712	355,745
Investment in an associate	7	8,864	8,455	-	-	-
Investments in joint ventures	8	34,524	32,651	30,956	-	-
Intangible assets	9	11,632	873	474	-	-
Deferred tax assets	10	14,731	15,683	12,801	-	73
Total non-current assets		588,013	398,288	359,793	384,712	356,660
Inventories	11	209,096	229,062	167,627	-	-
Other investments	12	78,506	-	-	500	-
Current tax assets		5,760	3,527	4,492	538	647
Trade and other receivables, including derivatives	13	282,824	277,755	216,287	41,363	48,140
Deposits and prepayments	14	55,019	74,379	17,796	24	73
Cash and cash equivalents	15	279,384	306,416	424,909	7,058	3,215
Total current assets		910,589	891,139	831,111	49,483	52,075
Total assets		1,498,602	1,289,427	1,190,904	434,195	408,735
Equity						
Share capital		201,600	201,600	201,600	201,600	201,600
Reserves		954,774	799,718	766,097	240,412	213,195
Treasury shares		(12,818)	(12,806)	(12,796)	(12,818)	(12,806)
Total equity attributable to owners of the Company	16	1,143,556	988,512	954,901	429,194	401,989
Non-controlling interests		32,949	26,200	20,821	-	-
Total equity		1,176,505	1,014,712	975,722	429,194	401,989
Liabilities						
Employee benefits	17	11,448	10,301	13,187	615	615
Deferred tax liabilities	10	28,246	5,552	4,884	-	-
Total non-current liabilities		39,694	15,853	18,071	615	615
Loans and borrowings	18	37,029	12,847	20,570	-	-
Provisions	19	21,503	23,547	9,364	-	-
Trade and other payables, including derivatives	20	221,464	215,852	163,609	4,386	6,131
Current tax liabilities		2,407	6,616	3,568	-	-
Total current liabilities		282,403	258,862	197,111	4,386	6,131
Total liabilities		322,097	274,715	215,182	5,001	6,746
Total equity and liabilities		1,498,602	1,289,427	1,190,904	434,195	408,735

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014 (in USD equivalent)

	31.12.2014 USD'000	Group 31.12.2013 USD'000 Restated	1.1.2013 USD'000 Restated
Assets			
Property, plant and equipment	116,195	71,346	64,750
Prepaid lease payments	4,254	4,445	4,658
Investment properties	27,837	28,011	26,756
Investment in an associate	2,536	2,577	-
Investments in joint ventures	9,878	9,950	9,433
Intangible assets	3,328	266	144
Deferred tax assets	4,215	4,779	3,901
Total non-current assets	168,243	121,374	109,642
Inventories	59,827	69,804	51,082
Other investments	22,462	-	-
Current tax assets	1,648	1,075	1,369
Trade and other receivables, including derivatives	80,925	84,642	65,912
Deposits and prepayments	15,742	22,666	5,423
Cash and cash equivalents	79,938	93,377	129,486
Total current assets	260,542	271,564	253,272
Total assets	428,785	392,938	362,914
Equity			
Share capital	57,682	61,435	61,435
Reserves	273,183	243,705	233,459
Treasury shares	(3,668)	(3,902)	(3,899)
Total equity attributable to owners of the Company	327,197	301,238	290,995
Non-controlling interests	9,427	7,984	6,345
Total equity	336,624	309,222	297,340
Liabilities			
Employee benefits	3,276	3,139	4,019
Deferred tax liabilities	8,082	1,692	1,488
Total non-current liabilities	11,358	4,831	5,507
Loans and borrowings	10,595	3,915	6,268
Provisions	6,153	7,176	2,854
Trade and other payables, including derivatives	63,366	65,778	49,858
Current tax liabilities	689	2,016	1,087
Total current liabilities	80,803	78,885	60,067
Total liabilities	92,161	83,716	65,574
Total equity and liabilities	428,785	392,938	362,914

The information presented on this page does not form part of the audited financial statements of the Group.

The audited figures are converted into USD equivalent using the exchange rate of RM3.495 = USD1.00 (2013 - RM3.2815 = USD1.00) which approximates the prevailing rate on 31 December 2014.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Revenue	21	1,227,870	1,259,020	70,000	141,521
Cost of sales		(1,003,896)	(992,476)	-	-
Gross profit		223,974	266,544	70,000	141,521
Other income		15,093	12,487	38	39
Distribution expenses		(27,673)	(40,953)	-	-
Administration expenses		(72,184)	(71,054)	(5,284)	(4,965)
Other expenses		(3,593)	(4,408)	(69)	(80)
Results from operating activities		135,617	162,616	64,685	136,515
Finance costs	22	(1,326)	(339)	(186)	(151)
Finance income	23	9,791	10,311	1,086	993
Net finance income		8,465	9,972	900	842
Share of profit of associate, net of tax		228	448	-	-
Share of profit of joint ventures, net of tax		975	8,968	-	-
Profit before tax	24	145,285	182,004	65,585	137,357
Income tax expense	26	(34,133)	(40,635)	(209)	(980)
Profit for the year		111,152	141,369	65,376	136,377
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability/ (asset)		-	1,635	-	(65)
Revaluation of property, plant and equipment		92,395	-	-	-
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		2,417	(5,308)	-	-
Other comprehensive income/(expense) for the year	27	94,812	(3,673)	-	(65)
Total comprehensive income for the year		205,964	137,696	65,376	136,312
Profit attributable to:					
Owners of the Company		98,403	128,290	65,376	136,377
Non-controlling interests		12,749	13,079	-	-
Profit for the year		111,152	141,369	65,376	136,377
Total comprehensive income attributable to:					
Owners of the Company		193,215	124,617	65,376	136,312
Non-controlling interests		12,749	13,079	-	-
Total comprehensive income for the year		205,964	137,696	65,376	136,312
Basic earnings per ordinary share (sen)	28	50.3	65.6		

The notes on pages 48 to 112 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2014 (in USD equivalent)

	Group	
	2014 USD'000	2013 USD'000 Restated
Revenue	351,322	383,672
Cost of sales	(287,238)	(302,446)
Gross profit	64,084	81,226
Other income	4,318	3,805
Distribution expenses	(7,918)	(12,480)
Administration expenses	(20,654)	(21,653)
Other expenses	(1,028)	(1,343)
Results from operating activities	38,802	49,555
Finance costs	(379)	(103)
Finance income	2,801	3,142
Net finance income	2,422	3,039
Share of profit of associate, net of tax	65	137
Share of profit of joint ventures, net of tax	279	2,733
Profit before tax	41,568	55,464
Income tax expense	(9,766)	(12,383)
Profit for the year	31,802	43,081
Other comprehensive income/(expense), net of tax		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability/(asset)	-	498
Revaluation of property, plant and equipment	26,436	-
Items that will be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	692	(1,618)
Other comprehensive income/(expense) for the year	27,128	(1,120)
Total comprehensive income for the year	58,930	41,961
Profit attributable to :		
Owners of the Company	28,154	39,095
Non-controlling interests	3,648	3,986
Profit for the year	31,802	43,081
Total comprehensive income attributable to :		
Owners of the Company	55,282	37,975
Non-controlling interests	3,648	3,986
Total comprehensive income for the year	58,930	41,961
Basic earnings per ordinary share (sen)	14.4	20.0

The information presented on this page does not form part of the audited financial statements of the Group.

The audited figures are converted into USD equivalent using the exchange rate of RM3.495 = USD1.00 (2013 - RM3.2815 = USD1.00) which approximates the prevailing rate on 31 December 2014.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2014

Group	Note	Attributable to the owners of the Company					Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Share premiums RM'000	Revaluation reserve RM'000	Translation reserve RM'000				
At 1 January 2013, as previously stated		201,600	(12,796)	17,898	-	(6,834)	687,776	887,644	20,821	908,465
Impact of changes in accounting policy	37	-	-	-	-	-	67,257	67,257	-	67,257
At 1 January 2013, restated		201,600	(12,796)	17,898	-	(6,834)	755,033	954,901	20,821	975,722
Foreign currency translation differences for foreign operations	27	-	-	-	-	(5,308)	-	(5,308)	-	(5,308)
Remeasurement of defined benefit liability	27	-	-	-	-	-	1,635	1,635	-	1,635
Profit for the year		-	-	-	-	-	128,290	128,290	13,079	141,369
Total comprehensive income for the year		-	-	-	-	(5,308)	129,925	124,617	13,079	137,696
Own shares acquired		-	(10)	-	-	-	-	(10)	-	(10)
Dividends to owners of the Company										
- Final 2012 ordinary	29	-	-	-	-	-	(17,612)	(17,612)	-	(17,612)
- Special final 2012 ordinary	29	-	-	-	-	-	(14,677)	(14,677)	-	(14,677)
- Interim 2013 ordinary	29	-	-	-	-	-	(14,677)	(14,677)	-	(14,677)
- Special interim 2013 ordinary	29	-	-	-	-	-	(44,030)	(44,030)	-	(44,030)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(7,700)	(7,700)
Total transactions with owners of the Company		-	(10)	-	-	-	(90,996)	(91,006)	(7,700)	(98,706)
At 31 December 2013, restated		201,600	(12,806)	17,898	-	(12,142)	793,962	988,512	26,200	1,014,712
At 1 January 2014, as previously stated		201,600	(12,806)	17,898	-	(12,142)	722,204	916,754	26,200	942,954
Impact of changes in accounting policy	37	-	-	-	-	-	71,758	71,758	-	71,758
At 1 January 2014, restated		201,600	(12,806)	17,898	-	(12,142)	793,962	988,512	26,200	1,014,712
Revaluation of property, plant and equipment, net of tax	27	-	-	-	92,395	-	-	92,395	-	92,395
Foreign currency translation differences for foreign operations	27	-	-	-	-	2,417	-	2,417	-	2,417
Profit for the year		-	-	-	-	-	98,403	98,403	12,749	111,152
Total comprehensive income for the year		-	-	-	92,395	2,417	98,403	193,215	12,749	205,964
Own shares acquired		-	(12)	-	-	-	-	(12)	-	(12)
Dividends to owners of the Company										
- Final 2013 ordinary	29	-	-	-	-	-	(23,483)	(23,483)	-	(23,483)
- Interim 2014 ordinary	29	-	-	-	-	-	(14,676)	(14,676)	-	(14,676)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(6,000)	(6,000)
Total transactions with owners of the Company		-	(12)	-	-	-	(38,159)	(38,171)	(6,000)	(44,171)
At 31 December 2014		201,600	(12,818)	17,898	92,395	(9,725)	854,206	1,143,556	32,949	1,176,505
		Note 16	Note 16	Note 16	Note 16	Note 16	Note 16			

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2014

		← Attributable to the owners of the Company →				
		← Non-distributable →		Distributable		
Company	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2013		201,600	(12,796)	17,898	149,981	356,683
Profit for the year		-	-	-	136,377	136,377
Remeasurement of defined benefit assets	27	-	-	-	(65)	(65)
Total comprehensive income for the year		-	-	-	136,312	136,312
Own shares acquired		-	(10)	-	-	(10)
Dividends to owners of the Company						
- Final 2012 ordinary	29	-	-	-	(17,612)	(17,612)
- Special final 2012 ordinary	29	-	-	-	(14,677)	(14,677)
- Interim 2013 ordinary	29	-	-	-	(14,677)	(14,677)
- Special interim 2013 ordinary	29	-	-	-	(44,030)	(44,030)
Total transactions with owners of the Company		-	(10)	-	(90,996)	(91,006)
At 31 December 2013		201,600	(12,806)	17,898	195,297	401,989
At 1 January 2014		201,600	(12,806)	17,898	195,297	401,989
Profit for the year		-	-	-	65,376	65,376
Total comprehensive income for the year		-	-	-	65,376	65,376
Own shares acquired		-	(12)	-	-	(12)
Dividends to owners of the Company						
- Final 2013 ordinary	29	-	-	-	(23,483)	(23,483)
- Interim 2014 ordinary	29	-	-	-	(14,676)	(14,676)
Total transactions with owners of the Company		-	(12)	-	(38,159)	(38,171)
At 31 December 2014		201,600	(12,818)	17,898	222,514	429,194
		Note 16	Note 16	Note 16	Note 16	

The notes on pages 48 to 112 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Cash flows from operating activities					
Profit before tax		145,285	182,004	65,585	137,357
<i>Adjustments for:</i>					
Amortisation of intangible assets	9	351	412	-	-
Amortisation of prepaid lease payments	4	93	96	-	-
Depreciation of property, plant and equipment	3	31,778	24,886	125	270
Change in fair value of investment properties	5	(5,434)	(3,755)	-	-
Employee benefits	17	1,541	1,458	-	321
Finance costs	22	1,326	339	186	151
Interest income	23	(9,791)	(10,311)	(1,086)	(993)
(Gain)/Loss on disposal of property, plant and equipment		(1,029)	(134)	51	80
Provision of warranties	19	3,765	19,328	-	-
Provision of warranties reversed	19	(1,148)	(441)	-	-
Property, plant and equipment written off		3,358	88	-	-
Share of profit of associate, net of tax		(228)	(448)	-	-
Share of profit of joint ventures, net of tax		(975)	(8,968)	-	-
Operating profit before changes in working capital		168,892	204,554	64,861	137,186
Deposits and prepayments		19,360	(56,583)	49	747
Inventories		22,813	(59,388)	-	-
Trade and other payables, including derivatives		5,612	50,799	(1,745)	(25,635)
Trade and other receivables, including derivatives		(5,069)	(57,098)	6,777	(7,507)
Cash generated from operations		211,608	82,284	69,942	104,791
Employee benefits paid	17	(394)	(2,435)	-	(1,050)
Interest received	23	9,791	10,311	1,086	993
Interest paid	22	(1,326)	(339)	(186)	(151)
Warranties paid	19	(4,661)	(4,859)	-	-
Income tax refund		2,698	-	133	-
Income tax paid		(43,160)	(39,642)	(160)	(348)
Net cash generated from operating activities		174,556	45,320	70,815	104,235

STATEMENTS OF CASH FLOWS

For the Year Ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(91,210)	(48,968)	-	-
Addition of intangible assets	9	(101)	(811)	-	-
Acquisition of business	9	(13,856)	-	-	-
Acquisition of subsidiary, net of cash and cash equivalents acquired		-	(2,150)	-	-
Net increase in other investments	12	(78,506)	-	(500)	-
Investment in subsidiaries		-	-	(28,967)	(13,306)
Lease payment for leasehold land	4	-	(932)	-	-
Proceeds from disposal of property, plant and equipment		2,010	648	130	156
Proceeds from transfer of property, plant and equipment		-	-	536	-
Proceeds from disposals in joint ventures		315	-	-	-
Subscription of shares in joint ventures		(2,122)	(4,117)	-	-
Net cash used in investing activities		(183,470)	(56,330)	(28,801)	(13,150)
Cash flows from financing activities					
Dividends paid to non-controlling interests		(6,000)	(7,700)	-	-
Dividends paid to owners of the Company	29	(38,159)	(90,996)	(38,159)	(90,996)
Dividend received from joint ventures		600	-	-	-
Loans and borrowings		24,182	(7,723)	-	-
Purchase of Company's own shares		(12)	(10)	(12)	(10)
Net cash used in financing activities		(19,389)	(106,429)	(38,171)	(91,006)
Net (decrease)/increase in cash and cash equivalents		(28,303)	(117,439)	3,843	79
Effect of exchange rate fluctuations		1,271	(1,054)	-	-
Cash and cash equivalents at 1 January	(i)	306,416	424,909	3,215	3,136
Cash and cash equivalents at 31 December	(i)	279,384	306,416	7,058	3,215

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		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits placed with licensed banks	15	181,492	242,463	5,862	-
Corporate management account	15	47,522	45,267	497	1,706
Cash and bank balances	15	50,370	18,686	699	1,509
		279,384	306,416	7,058	3,215

Corporate management accounts are interest bearing current accounts maintained with a bank.

The notes on pages 48 to 112 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 Sultan Azlan Shah
51200 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2014 comprised the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associate and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2014 do not include other entities.

The Company is principally an investment holding company. The principal activities of the subsidiaries are as stated in Note 32 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 8 April 2015.

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 requirements of the Companies Act, 1965 in Malaysia.

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 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment and MFRS 138, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements - Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*

The Group plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except for Amendments to MFRS 2 which is not applicable to the Group.
- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for Amendments to MFRS 5 and Amendments to MFRS 14, which are not applicable to the Group.
- from the annual period beginning on 1 January 2017 for the accounting standard that is effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 January 2018 for the accounting standard that is effective for annual periods beginning on or after 1 January 2018.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The initial application of the accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group and the Company except as mentioned below:-

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretations 15, *Agreements for Construction of Real Estate*, IC interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

(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 3 - Valuation of property, plant and equipment

Note 5 - Valuation of investment properties

Note 19 - Provisions for warranties and contingent liabilities

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. 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.

For new acquisitions, the Group measures the cost of 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.

(iii) Acquisitions of non-controlling interests

The Group accounts for 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.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Loss of control (continued)

If the Group retains any interest in the former 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) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Non-controlling interests

Non-controlling interests at the end of the 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 profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and 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.

(viii) 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 associates and joint ventures 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.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur 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 foreign currency translation reserve ("FCTR") in equity.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

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

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 gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. 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.

(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.

Other 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(j)).

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (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 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.

Other 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 control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. 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.

(d) Property, plant and equipment

(i) Recognition and measurement

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

Freehold land is stated at revaluation.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

The Group has changed its accounting policy with respect to the measurement of land and buildings from the cost model to the revaluation model. The Group applied the change in accounting policy prospectively. The Group's properties were revalued in the financial year ended 31 December 2014 by independent professional qualified valuers. Valuations will be performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the reporting date. The Group revalues a property comprising land and building every 3 years or at more frequent interval when there is a significant change in its fair value. The effects from the change are disclosed in Note 37.

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.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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 or 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" and "other expenses" respectively in profit or loss.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component 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 component of an item of property, plant and equipment from the date that they are available for use. 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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 at end of the reporting period and adjusted as appropriate.

(e) Leased assets

(i) Finance leases

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, 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, or as investment property if held to earn rental income or for capital appreciation or for both.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(f) Intangible assets (continued)

(i) Research and development expenditure (continued)

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

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) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

(iii) Other intangible assets

Intangible assets, other than goodwill that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

(v) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

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

- | | |
|----------------------------|-------------|
| • development expenditures | 3 - 5 years |
| • trademarks | 2 years |
| • design | 3 years |

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(g) Investment properties

(i) Investment properties carried at fair value

Investment properties are properties which are owned or held under leasehold interest to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. 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.

The Group has changed its accounting policy in respect to accounting for investment property during the financial year. In the previous year, investment properties are measured subsequently at cost less depreciation/impairment loss.

In the current year, investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier. The change in accounting policy has been made retrospectively and the effects from the change are disclosed in Note 37.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of the materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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 an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(h) Inventories

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

The cost of inventories is calculated using 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on 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.

(j) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries, investment in joint ventures and investment in associates) 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. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

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.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, investment properties measured at fair value and 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 goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(j) Impairment (continued)

(ii) Other assets (continued)

Impairment loss arises on the land and building carried at revaluation model will be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Any excess will be charged to profit or loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 financial year in which the reversals are recognised.

(k) Equity instruments

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

(i) 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 effects, 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.

(l) 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 or 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed every three years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(l) Employee benefits (continued)

(iii) Defined benefit plans (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer to those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(m) 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.

(i) 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.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(n) Revenue and other income (continued)

(ii) Services

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

(iii) 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.

(iv) 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.

(v) Interest income

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

(o) 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.

(p) 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 following temporary differences: the 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.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(p) Income tax (continued)

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.

(q) 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.

(r) 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, 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.

(s) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:-

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Under construction RM'000	Total RM'000
Cost/Valuation								
At 1 January 2013	18,911	27,789	118,859	396,882	25,292	8,269	4,178	600,180
Additions	6,098	76	22,563	14,805	2,473	1,645	1,308	48,968
Disposals	-	-	-	(4,812)	(205)	(1,472)	(40)	(6,529)
Acquisition through business combination	-	-	-	52	1	45	-	98
Written off	-	-	(19)	(4,977)	(117)	(1)	(3)	(5,117)
Transfer	-	-	705	2,508	163	-	(3,376)	-
Transfer to investment properties	-	(897)	-	-	-	-	-	(897)
Effect of movement in exchange rates	-	-	(606)	(1,371)	(7)	(29)	4	(2,009)
At 31 December 2013/ 1 January 2014	25,009	26,968	141,502	403,087	27,600	8,457	2,071	634,694
Additions	17,417	-	10,509	36,657	3,216	4,368	19,043	91,210
Disposals	-	-	-	(3,184)	(463)	(2,797)	-	(6,444)
Revaluation surplus (Note 27)	19,976	34,386	61,566	-	-	-	-	115,928
Elimination of accumulated depreciation on revaluation	-	(5,854)	(51,532)	-	-	-	-	(57,386)
Written off	-	-	(3,279)	(199)	(33)	-	(67)	(3,578)
Transfer	-	-	6,618	1,998	-	-	(8,616)	-
Transfer from investment properties	-	-	-	-	61	-	-	61
Effect of movement in exchange rates	-	-	495	754	264	3	-	1,516
At 31 December 2014	62,402	55,500	165,879	439,113	30,645	10,031	12,431	776,001

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Under construction RM'000	Total RM'000
Accumulated depreciation								
At 1 January 2013	-	5,662	40,902	315,327	21,265	4,547	-	387,703
Charge for the year	-	346	4,933	16,761	1,985	861	-	24,886
Disposals	-	-	-	(4,736)	(202)	(1,077)	-	(6,015)
Written off	-	-	(4)	(4,938)	(86)	(1)	-	(5,029)
Transfer to investment properties	-	(535)	-	-	-	-	-	(535)
Effect of movement in exchange rates	-	-	(86)	(323)	(2)	(28)	-	(439)
At 31 December 2013/ 1 January 2014	-	5,473	45,745	322,091	22,960	4,302	-	400,571
Charge for the year	-	381	5,616	21,297	2,698	1,786	-	31,778
Disposals	-	-	-	(3,177)	(463)	(1,823)	-	(5,463)
Elimination of accumulated depreciation on revaluation	-	(5,854)	(51,532)	-	-	-	-	(57,386)
Written off	-	-	-	(187)	(33)	-	-	(220)
Effect of movement in exchange rates	-	-	171	375	74	(2)	-	618
At 31 December 2014	-	-	-	340,399	25,236	4,263	-	369,898
Carrying amounts								
At 1 January 2013	18,911	22,127	77,957	81,555	4,027	3,722	4,178	212,477
At 31 December 2013/ 1 January 2014	25,009	21,495	95,757	80,996	4,640	4,155	2,071	234,123
At 31 December 2014	62,402	55,500	165,879	98,714	5,409	5,768	12,431	406,103

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Company	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 January 2013	949	1,587	2,536
Disposals	-	(330)	(330)
At 31 December 2013/1 January 2014	949	1,257	2,206
Disposals	(5)	(364)	(369)
Transfer to a subsidiary	(944)	(893)	(1,837)
At 31 December 2014	-	-	-
Accumulated depreciation			
At 1 January 2013	791	397	1,188
Charge for the year	103	167	270
Disposals	-	(94)	(94)
At 31 December 2013/1 January 2014	894	470	1,364
Charge for the year	41	84	125
Disposals	(5)	(183)	(188)
Transfer to a subsidiary	(930)	(371)	(1,301)
At 31 December 2014	-	-	-
Carrying amounts			
At 1 January 2013	158	1,190	1,348
At 31 December 2013/1 January 2014	55	787	842
At 31 December 2014	-	-	-

During the year, the Group changed its accounting policy for properties from a cost less accumulated depreciation and impairment model to a revaluation less accumulated depreciation and impairment model (Note 37).

The Group's freehold land, leasehold land and buildings were revalued in November 2014 by independent professional qualified valuers using an open market value method.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Had the revalued properties been carried under the cost model, the net carrying amount of the properties that would have been included in the financial statements of the Group as at 31 December 2014 is as follows:

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
2014				
Cost	42,426	26,968	155,845	225,239
Accumulated depreciation	-	(5,854)	(51,532)	(57,386)
	42,426	21,114	104,313	167,853

Fair value information

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2014				
Freehold land	-	-	62,402	62,402
Long term leasehold land	-	-	55,500	55,500
Buildings	-	-	165,879	165,879
	-	-	283,781	283,781

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the land and buildings.

Fair values of land and buildings have been generally derived using the sales comparison and depreciated replacement cost approach. In the sales comparison approach, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. Depreciated replacement cost approach is based on how much it would cost to reproduce the property after adjusting for depreciation.

Valuation process applied by the Group for Level 3 fair value

The fair value of land and buildings is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

NOTES TO THE FINANCIAL STATEMENTS

4. Prepaid lease payments

Group	Unexpired period less than or equal to 50 years RM'000
Cost	
At 1 January 2013	15,565
Additions	932
Effect of movement in exchange rate	(1,515)
At 31 December 2013/1 January 2014	14,982
Effect of movement in exchange rate	377
At 31 December 2014	15,359
Accumulated amortisation	
At 1 January 2013	279
Charge during the year	96
Effect of movement in exchange rate	21
At 31 December 2013/1 January 2014	396
Charge during the year	93
Effect of movement in exchange rate	1
At 31 December 2014	490
Carrying amounts	
At 1 January 2013	15,286
At 31 December 2013/1 January 2014	14,586
At 31 December 2014	14,869

NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 1 January 2013, as previously stated	917	10,336	5,749	17,002
Change in accounting policy (Note 37)	1,923	63,572	5,302	70,797
At 1 January 2013, restated	2,840	73,908	11,051	87,799
Transfer from property, plant and equipment	-	-	363	363
Change in fair value	120	3,510	125	3,755
At 31 December 2013/1 January 2014, as previously stated	917	10,206	5,494	16,617
Change in accounting policy (Note 37)	2,043	67,212	6,045	75,300
At 31 December 2013/1 January 2014, restated	2,960	77,418	11,539	91,917
Transfer to property, plant and equipment	-	-	(61)	(61)
Change in fair value	212	5,270	(48)	5,434
At 31 December 2014	3,172	82,688	11,430	97,290

5.1 Fair value information

Fair value of investment properties are categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.12.2014				
Freehold land	-	-	3,172	3,172
Long term leasehold land	-	-	82,688	82,688
Buildings	-	-	11,430	11,430
	-	-	97,290	97,290
31.12.2013 (Restated)				
Freehold land	-	-	2,960	2,960
Long term leasehold land	-	-	77,418	77,418
Buildings	-	-	11,539	11,539
	-	-	91,917	91,917

NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties (continued)

5.1 Fair value information (continued)

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
1.1.2013 (Restated)				
Freehold land	-	-	2,840	2,840
Long term leasehold land	-	-	73,908	73,908
Buildings	-	-	11,051	11,051
	-	-	87,799	87,799

The fair value of investment properties can be categorised based on the following:

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

Fair values of lands and buildings have been generally derived using the sales comparison and depreciated replacement cost approach. In the sales comparison approach, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. Depreciated replacement cost approach is based on how much it would cost to reproduce the property after adjusting for depreciation.

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation companies provide the fair value of the Group's investment properties portfolio every year. Changes in Level 3 fair values are analysed by the management every year after obtaining valuation report from the valuation company.

6. Investment in subsidiaries

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost	394,251	365,284
Less: Accumulated impairment losses	(9,539)	(9,539)
	384,712	355,745

Details of the subsidiaries are shown in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in subsidiaries (continued)

6.1 Non-controlling interest in subsidiaries

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows:

	Fuji Seats (Malaysia) Sdn. Bhd.	2014 Other subsidiaries with immaterial NCI	Total
	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest (Held via Fuji Seat Co., Ltd)	40%		
Carrying amount of NCI	30,529	2,420	32,949
Profit allocated to NCI	12,440	309	12,749

Summarised financial information before intra-group elimination

As at 31 December 2014	RM'000
Non-current assets	37,086
Current assets	122,960
Non-current liabilities	(982)
Current liabilities	(82,742)
Net assets	76,322

Year ended 31 December 2014	RM'000
Revenue	300,300
Profit for the year	31,100
Total comprehensive income	31,100

	RM'000
Cash flows from operating activities	43,333
Cash flows from investing activities	(34,254)
Cash flows from financing activities	(15,002)
Net decrease in cash and cash equivalents	(5,923)
Dividends paid to NCI	6,000

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in subsidiaries (continued)

6.1 Non-controlling interest in subsidiaries (continued)

	Fuji Seats (Malaysia) Sdn. Bhd.	2013 Other subsidiaries with immaterial NCI	Total
	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest (Held via Fuji Seat Co., Ltd)	40%		
Carrying amount of NCI	23,888	2,312	26,200
Profit allocated to NCI	12,297	782	13,079

Summarised financial information before intra-group elimination

As at 31 December 2013	RM'000
Non-current assets	4,200
Current assets	108,353
Non-current liabilities	(907)
Current liabilities	(51,926)
Net assets	59,720

Year ended 31 December 2013	RM'000
Revenue	283,714
Profit for the year	30,743
Total comprehensive income	30,787

	RM'000
Cash flows from operating activities	30,171
Cash flows from investing activities	(636)
Cash flows from financing activities	(19,249)
Net increase in cash and cash equivalents	10,286
Dividends paid to NCI	7,700

6.2 Restriction imposed by shareholder's agreement

For Fuji Seats (Malaysia) Sdn. Bhd., the non-controlling interests shareholder holds protective rights restricting the Group's ability to use the net assets of the subsidiary to settle the liabilities of the Group, unless approval is obtained from the non-controlling interests shareholder.

NOTES TO THE FINANCIAL STATEMENTS

7. Investment in an associate

	Group	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost	5,048	5,048
Share of post-acquisition reserves	3,816	3,407
	8,864	8,455

Detail of the material associate is as follow:

Name of entity	Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest	
			2014	2013
P.T. Armada Johnsons Controls	Indonesia	Manufacturing and supplying automotive products to the Group	12.5%	12.5%

8. Investments in joint ventures

	Group	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost	26,969	25,162
Share of post-acquisition reserves	7,555	7,489
	34,524	32,651

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in joint ventures (continued)

Details of joint ventures are as follows:

Name of joint ventures	Nature of the relationship	Effective ownership interest	
		2014	2013
APM Tachi-S Seating Systems Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Technical partner and tier-one automotive seats manufacturer for Original Equipment Market customers of the Group.	51%	60%
P.T. APM Armada Autoparts (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture interior products and is one of the strategic partnerships to develop Indonesia's automotive market.	50%	50%
IAC APM Automotive Systems Ltd (held via 100% owned subsidiary, APM Automotive International Ltd.)	Manufacture interior plastic components and is one of the strategic partnerships to develop Thailand's automotive market.	40%	40%
Diversified Furniture Systems Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Dormant	50%	50%

There is no individually material joint venture to the Group.

9. Intangible assets

Group	Trademarks and design	Development expenditure	Goodwill	Total
	RM'000	RM'000		
Cost				
At 1 January 2013	-	2,236	-	2,236
Additions	712	99	-	811
At 31 December 2013/1 January 2014	712	2,335	-	3,047
Additions	-	101	-	101
Acquisition of business	4,313	-	6,696	11,009
At 31 December 2014	5,025	2,436	6,696	14,157
Accumulated amortisation				
At 1 January 2013	-	1,762	-	1,762
Charge for the year	-	412	-	412
At 31 December 2013/1 January 2014	-	2,174	-	2,174
Charge for the year	208	143	-	351
At 31 December 2014	208	2,317	-	2,525

NOTES TO THE FINANCIAL STATEMENTS

9. Intangible assets (continued)

Group	Trademarks and design	Development expenditure	Goodwill	Total
	RM'000	RM'000	RM'000	RM'000
Carrying amounts				
At 1 January 2013	-	474	-	474
At 31 December 2013/1 January 2014	712	161	-	873
At 31 December 2014	4,817	119	6,696	11,632

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

During the financial year, APM Auto Components (Australia) Pty. Ltd., a wholly-owned subsidiary of Auto Parts Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company, had on 1 August 2014 completed the acquisition from McConnell Seats Australia Pty. Ltd. of its public sector mass transit seating manufacturing business known as "McConnell Seats Australia" including all goodwill and assets associated with the business free from encumbrances for a cash consideration of RM13,856,000. Through the acquisition of the business, the Group recognised a trademarks and design and goodwill of RM4,313,000 and RM6,696,000 respectively. The remaining consideration was allocated to the other assets and liabilities that were acquired.

10. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets			Liabilities			Net		
	31.12.2014	31.12.2013	1.1.2013	31.12.2014	31.12.2013	1.1.2013	31.12.2014	31.12.2013	1.1.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		Restated	Restated		Restated	Restated		Restated	Restated
Employee benefits	116	1,546	3,535	(197)	-	-	(81)	1,546	3,535
Property, plant and equipment	5,603	4,667	5,275	(31,270)	(8,055)	(6,211)	(25,667)	(3,388)	(936)
Investment properties	-	-	-	(3,627)	(3,542)	(3,540)	(3,627)	(3,542)	(3,540)
Provisions	4,621	3,437	2,361	-	-	-	4,621	3,437	2,361
Others	11,890	12,682	6,838	(651)	(604)	(341)	11,239	12,078	6,497
Tax assets/(liabilities)	22,230	22,332	18,009	(35,745)	(12,201)	(10,092)	(13,515)	10,131	7,917
Set off of tax	(7,499)	(6,649)	(5,208)	7,499	6,649	5,208	-	-	-
Net deferred tax assets/(liabilities)	14,731	15,683	12,801	(28,246)	(5,552)	(4,884)	(13,515)	10,131	7,917

Company

Property, plant and equipment	-	-	-	-	(147)	(192)	-	(147)	(192)
Employee benefits	-	22	-	-	-	-	-	22	-
Others	-	198	351	-	-	-	-	198	351
Tax assets/(liabilities)	-	220	351	-	(147)	(192)	-	73	159
Set off of tax	-	(147)	(192)	-	147	192	-	-	-
Net deferred tax assets	-	73	159	-	-	-	-	73	159

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year

Group	At	Recognised	Recognised	At	Recognised	Recognised	At
	1.1.2013	in profit	in other	31.12.2013/	in profit	in other	31.12.2014
	RM'000	or loss	comprehensive	1.1.2014	or loss	comprehensive	RM'000
	Restated	(Note 26)	income	Restated	(Note 26)	income	
		RM'000	(Note 27)		RM'000	(Note 27)	RM'000
Employee benefits	3,535	(1,444)	(545)	1,546	(1,627)	-	(81)
Property, plant and equipment	(936)	(2,452)	-	(3,388)	1,254	(23,533)	(25,667)
Investment properties	(3,540)	(2)	-	(3,542)	(85)	-	(3,627)
Provisions	2,361	1,076	-	3,437	1,184	-	4,621
Others	6,497	5,581	-	12,078	(839)	-	11,239
	7,917	2,759	(545)	10,131	(113)	(23,533)	(13,515)

Company

Property, plant and equipment	(192)	45	-	(147)	147	-	-
Employee benefits	-	-	22	22	(22)	-	-
Others	351	(153)	-	198	(198)	-	-
	159	(108)	22	73	(73)	-	-

Unrecognised deferred tax assets

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

	Group	
	2014	2013
	RM'000	RM'000
Unutilised tax losses	14,565	15,073
Unabsorbed capital allowances	224	797
Deductible temporary differences	2,495	4,247
	17,284	20,117

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 RM10,486,000 (IDR37,253,719,000) (2013: RM11,567,000 (IDR36,376,937,000)) which will expire in financial year 2015-2019 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

11. Inventories

	Group	
	2014	2013
	RM'000	RM'000
Raw materials	132,189	163,234
Work-in-progress	13,962	10,648
Manufactured inventories and trading inventories	55,822	47,020
Spare parts and others	7,123	8,160
	209,096	229,062

12. Other Investments

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current				
Financial assets at fair value through profit or loss				
- Liquid investment with licensed financial institutions	78,506	-	500	-
	78,506	-	500	-

13. Trade and other receivables, including derivatives

		Group		Company	
	Note	2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
Trade					
Trade receivables		231,642	218,040	-	-
Less: Impairment losses		(593)	(1,301)	-	-
		231,049	216,739	-	-
Joint ventures	13.1	11,198	25,406	-	-
Related parties	13.1	22,982	25,487	-	-
		265,229	267,632	-	-
Non-trade					
Other receivables		16,694	10,057	2,625	1,153
Subsidiaries	13.2	-	-	38,738	46,987
Derivatives held for trading at fair value through profit or loss					
- Forward exchange contracts		901	66	-	-
		17,595	10,123	41,363	48,140
		282,824	277,755	41,363	48,140

NOTES TO THE FINANCIAL STATEMENTS

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

13.1 The trade amounts due from joint ventures and related parties are subject to 30-60 days trade credit term.

13.2 The non-trade amounts due from subsidiaries is unsecured, interest free and repayable on demand except for amount due from subsidiaries, amounting to RM29,480,000 (2013: RM30,905,000) which is subject to interest ranging from 3.2% to 3.4% (2013: 3.3% to 3.5%) per annum.

14. Deposits and prepayments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits	4,699	16,267	5	5
Prepayments	50,320	58,112	19	68
	55,019	74,379	24	73

Included in the prepayment are prepayments due to complete knock down components purchased from overseas supplier amounting to RM18,446,000 (2013: RM30,698,000).

15. Cash and cash equivalents

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits placed with licensed banks	181,492	242,463	5,862	-
Corporate management accounts	47,522	45,267	497	1,706
Cash and bank balances	50,370	18,686	699	1,509
	279,384	306,416	7,058	3,215

Corporate management accounts are interest bearing current accounts maintained with a bank.

NOTES TO THE FINANCIAL STATEMENTS

16. Capital and reserves

Share capital

	Group and Company			
	Amount	Number of shares	Amount	Number of shares
	2014 RM'000	2014 '000	2013 RM'000	2013 '000
Authorised				
Ordinary shares of RM1.00 each	300,000	300,000	300,000	300,000
Issued and fully paid				
Ordinary shares of RM1.00 each	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.

Treasury shares

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 28 May 2014, 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 (2013: 2,000) of its issued ordinary share capital from the open market at an average price of RM6.13 (2013: RM5.34) per ordinary share. The purchase transactions were financed by internally generated funds. The ordinary shares purchased are retained as treasury shares.

At 31 December 2014, the Company held 5,914,000 (2013: 5,912,000) of the Company's shares.

Share premium

The reserve comprises the premium paid on subscription of shares 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.

Revaluation reserve

The revaluation reserve relates to the revaluation of Group's freehold land, leasehold land and buildings.

NOTES TO THE FINANCIAL STATEMENTS

17. Employee benefits

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Recognised liability for employee benefits	11,448	10,301	615	615

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.

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

Group	Net defined benefit liability	
	2014 RM'000	2013 RM'000
Balance at 1 January	10,301	13,187
Included in profit or loss		
Current service cost	1,084	779
Past service credit	-	279
Interest cost	457	512
Effect of movements in exchange rate	-	159
	1,541	1,729
Included in other comprehensive income		
Actuarial gain recognised in equity	-	(2,180)
Others		
Benefits paid	(394)	(2,435)
Balance at 31 December	11,448	10,301

NOTES TO THE FINANCIAL STATEMENTS

17. Employee benefits (continued)

Company	Net defined benefit liability	
	2014 RM'000	2013 RM'000
Balance at 1 January	615	1,257
Included in profit or loss		
Current service cost	-	74
Past service credit	-	225
Interest cost	-	22
	-	321
Included in other comprehensive income		
Actuarial gain recognised in equity	-	87
Others		
Benefits paid	-	(1,050)
Balance at 31 December	615	615

Actuarial assumptions

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

	Group and Company	
	2014	2013
Discount rate	5.75% - 6.0%	5.75% - 6.0%
Future salary growth	6.5%	6.5%
Future pension growth	12% - 13%	12% - 13%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at age 60 years for both genders at the end of the reporting date.

At 31 December 2014, the weighted-average duration of the defined benefit obligation was 3 years (2013: 3 years).

NOTES TO THE FINANCIAL STATEMENTS

18. Loans and borrowings

	Group	
	2014	2013
	RM'000	RM'000
Current		
Unsecured foreign currency loans	22,029	12,306
Unsecured bankers' acceptances	-	541
Unsecured revolving credit	15,000	-
	37,029	12,847

The borrowings of the Group are subject to interest at 0.83% to 4.05% (2013: 0.90% to 3.80%) per annum.

19. Provisions

	Group RM'000
At 1 January 2013	9,364
Provisions made during the year	19,483
Provisions paid during the year	(4,859)
Provisions reversed during the year	(441)
At 31 December 2013/1 January 2014	23,547
Provisions made during the year	3,765
Provisions paid during the year	(4,661)
Provisions reversed during the year	(1,148)
At 31 December 2014	21,503

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.

NOTES TO THE FINANCIAL STATEMENTS

20. Trade and other payables, including derivatives

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade					
Trade payables		101,024	120,192	-	-
Joint ventures	20.1	72	3,104	-	-
Related parties	20.1	11,220	9,196	-	-
		112,316	132,492	-	-
Non-trade					
Other payables and accruals		106,390	78,778	3,596	2,719
Subsidiaries	20.2	-	-	790	3,412
Joint ventures	20.2	8	3,646	-	-
Related parties	20.2	2,675	689	-	-
Derivatives held for trading at fair value through profit or loss					
- Forward exchange contracts		75	247	-	-
		109,148	83,360	4,386	6,131
		221,464	215,852	4,386	6,131

20.1 The trade amounts due to joint ventures and related parties are subject to 30-60 days trade credit term.

20.2 The non-trade amounts due to subsidiaries, related parties and joint ventures are unsecured, interest free and repayable on demand.

21. Revenue

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sale of goods	1,227,870	1,259,020	-	-
Dividend income	-	-	70,000	141,521
	1,227,870	1,259,020	70,000	141,521

NOTES TO THE FINANCIAL STATEMENTS

22. Finance costs

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- unsecured bankers' acceptances	15	207	-	-
- other borrowings	1,311	132	186	151
	1,326	339	186	151

23. Finance income

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest income received from deposits placed with licensed banks	9,791	10,311	-	-
Interest income received from subsidiaries	-	-	1,086	993
	9,791	10,311	1,086	993

24. Profit before tax

	Group		Company	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Profit before tax is arrived at after charging:				
Amortisation of intangible assets	351	412	-	-
Amortisation of prepaid lease payments	93	96	-	-
Auditors' remuneration:				
Audit fees				
- KPMG Malaysia	385	364	44	42
- Other auditors	119	56	-	-
Non-audit fees				
- KPMG Malaysia	19	24	19	24
- Local affiliates of KPMG Malaysia	160	115	60	16
- Overseas affiliates of KPMG Malaysia	-	1,102	-	900
- Other auditors	4	4	-	-

NOTES TO THE FINANCIAL STATEMENTS

24. Profit before tax (continued)

	Group		Company	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Profit before tax is arrived at after charging (continued):				
Depreciation of property, plant and equipment	31,778	24,886	125	270
Impairment loss				
- trade receivables	100	588	-	-
Loss on disposal of property, plant and equipment	-	-	51	80
Net foreign exchange loss				
- realised	-	-	18	30
Personnel expenses (including key management personnel)				
- Employee benefits	1,541	1,570	-	321
- Termination benefits	-	261	-	-
- Contributions to state plans	8,434	7,966	165	304
- Wages, salaries and others	117,934	105,816	1,485	1,381
Property, plant and equipment written off	3,358	88	-	-
Provision of warranties	3,765	19,483	-	-
Rental of premises	1,189	1,307	-	-
Royalties	11,748	13,999	-	-
and after crediting:				
Gain on disposal of property, plant and equipment	1,029	134	-	-
Net foreign exchange gain				
- realised	1,074	4,845	-	-
- unrealised	149	92	38	-
Rental income from investment properties	2,903	2,355	-	-
Reversal of impairment loss				
- trade receivables	528	345	-	-
Reversal of provision of warranties	1,148	441	-	-
Net dividends received from subsidiaries	-	-	70,000	141,521
Fair value adjustment on investment properties	5,434	3,755	-	-

NOTES TO THE FINANCIAL STATEMENTS

25. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors				
- Fees	270	256	270	234
- Remuneration	5,328	6,830	1,485	1,381
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	112	212	-	120
Total short-term employee benefits	5,710	7,298	1,755	1,735
Post-employment benefits	-	65	-	-
	5,710	7,363	1,755	1,735
Other key management personnel:				
- Short-term employee benefits	5,570	3,941	-	-
- Post-employment benefits	-	162	-	-
	5,570	4,103	-	-
	11,280	11,466	1,755	1,735

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

26. Income tax expense

	Group		Company	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Recognised in profit or loss				
Income tax expense	34,133	40,635	209	980
Share of tax of associate	226	186	-	-
Share of tax of joint ventures	850	4,546	-	-
	35,209	45,367	209	980

NOTES TO THE FINANCIAL STATEMENTS

26. Income tax expense (continued)

	Group		Company	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Current tax expense				
Malaysia				
- Current year	32,984	43,332	136	168
- Under/(Over) provision in prior year	567	(367)	-	699
Overseas				
- Current year	367	240	-	-
Total current tax recognised in profit or loss	33,918	43,205	136	867
Others	102	189	-	5
Deferred tax expense				
- Origination and reversal of temporary differences	(115)	(1,000)	73	98
- Under/(Over) provision in prior year	228	(1,759)	-	10
Total deferred tax recognised in profit or loss	113	(2,759)	73	108
Share of tax of associate	226	186	-	-
Share of tax of joint ventures	850	4,546	-	-
Total income tax expense	35,209	45,367	209	980
Reconciliation of tax expense				
Profit for the year	111,152	141,369	65,376	136,377
Total income tax expense	35,209	45,367	209	980
Profit excluding tax	146,361	186,736	65,585	137,357
Income tax using Malaysian tax rate of 25% (2013: 25%)	36,590	46,684	16,396	34,339
Non-deductible expenses	3,400	4,752	1,313	1,318
Tax exempt income	-	(125)	(17,500)	(35,250)
Tax incentives	(3,204)	(3,243)	-	(141)
Other items	(2,448)	(764)	-	-
Withholding tax	76	190	-	5
	34,414	47,494	209	271
Malaysia				
- Under/(Over) provision of tax expense in prior year	567	(367)	-	699
- Under/(Over) provision of deferred tax expense in prior year	228	(1,760)	-	10
Total tax expense	35,209	45,367	209	980

NOTES TO THE FINANCIAL STATEMENTS

27. Other comprehensive income/(expense)

	2014			2013		
	Before tax RM'000	Tax RM'000	Net of tax RM'000	Before tax RM'000	Tax RM'000	Net of tax RM'000
Group						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit asset	-	-	-	2,180	(545)	1,635
Revaluation of property, plant and equipment	115,928	(23,533)	92,395	-	-	-
Items that will be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations						
- Gains/(Losses) arising during the financial year	2,417	-	2,417	(5,308)	-	(5,308)
	118,345	(23,533)	94,812	(3,128)	(545)	(3,673)
Company						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liability	-	-	-	(87)	22	(65)

NOTES TO THE FINANCIAL STATEMENTS

28. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2014 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2014	2013 Restated
Profit for the year attributable to ordinary shareholders (RM'000)	98,403	128,290
<hr/>		
Weighted average number of ordinary shares ('000 units)		
Issued ordinary shares at 1 January	201,600	201,600
Effect of treasury shares held	(5,914)	(5,912)
<hr/>		
Weighted average number of ordinary shares at 31 December	195,686	195,688
<hr/>		
Basic earnings per ordinary share (sen)	50.3	65.6

29. Dividends

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2014			
Interim 2014 ordinary – single tier	7.50	14,676	29 September 2014
Final 2013 ordinary – single tier	12.00	23,483	27 June 2014
		<hr/>	
		38,159	
<hr/>			
2013			
Special interim 2013 ordinary - net of tax	22.50	44,030	30 September 2013
Interim 2013 ordinary - net of tax	7.50	14,677	30 September 2013
Final 2012 ordinary - net of tax	9.00	17,612	28 June 2013
Special final 2012 ordinary - net of tax	7.50	14,677	28 June 2013
		<hr/>	
		90,996	

After the reporting period the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share	Total amount RM'000
Final 2014 ordinary - single tier	12.0	23,483

NOTES TO THE FINANCIAL STATEMENTS

30. Capital and other commitments

	Group	
	2014 RM'000	2013 RM'000
Property, plant and equipment		
Contracted but not provided for	36,457	10,809
Authorised but not contracted for	48,621	36,701

31. 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 32.
- 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").

The Director of the Company, Dato' Tan Heng Chew is deemed interested in the shares held by TCC and WH by virtue of Section 6A of the Companies Act, 1965.

For the purpose of related parties transactions and balances disclosure, the Group and the Company treat TCC as the ultimate controlling shareholder.

NOTES TO THE FINANCIAL STATEMENTS

31. Related parties (continued)

Identity of related parties (continued)

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
With TCMH Group				
Sales	52,823	111,280	-	-
Purchases	(8,262)	(7,497)	-	-
Administrative and consultancy services	(1,267)	(1,282)	-	(19)
Insurance	(2,239)	(2,903)	(51)	(13)
Rental expenses	(10)	(11)	-	-
Rental income	2,806	1,824	-	-
With WTCH Group				
Sales	3	27	-	-
Administrative and consultancy services	(2,192)	(2,266)	-	-
Rental income	68	-	-	-
Rental expenses	(898)	(1,053)	-	-
With TCIL Group				
Sales	66,937	73,837	-	-
Provision of consultancy services	123	1,095	-	-

These transactions have been entered into in the normal course of business and have been established under 30-60 days trade credit term.

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 13 and Note 20 respectively.

There are no allowances for impairment losses made and no bad or doubtful receivables recognised for the financial year ended 31 December 2014 and 31 December 2013 in respect of related parties balances.

NOTES TO THE FINANCIAL STATEMENTS

32. 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	
		2014 %	2013 %
Incorporated in Malaysia:			
APM Auto Electrics Sdn. Bhd.	Manufacture and sale of automotive electrical components	100	100
APM Climate Control Sdn. Bhd.	Manufacture and sale of automotive air-conditioners and radiators	100	100
APM Coil Springs Sdn. Bhd.	Manufacture and sale of automotive coil springs	100	100
APM Plastics Sdn. Bhd.	Manufacture and sale of plastic injection and extrusion moulded parts and components	100	100
APM Seatings Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Manufacture and sale of automotive seats	100	100
APM Shock Absorbers Sdn. Bhd.	Manufacture and sale of shock absorbers and related component parts	100	100
APM Springs Sdn. Bhd.	Manufacture and sale of automotive leaf springs	100	100
Auto Parts Manufacturers Co. Sdn. Bhd.	Manufacture and sale of automotive seats	100	100
APM Auto Parts Marketing (Malaysia) Sdn. Bhd.	Marketing and sale of automotive parts and accessories	100	100
APM Auto Parts Marketing Sdn. Bhd.	Marketing and sale of automotive parts and accessories	100	100
Auto Parts Holdings Sdn. Bhd.	Investment holding	100	100
APM Automotive International Ltd.	Investment holding	100	100
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
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

NOTES TO THE FINANCIAL STATEMENTS

32. Subsidiaries (continued)

Name of subsidiary	Principal activities	Effective ownership interest	
		2014 %	2013 %
Incorporated in Malaysia: (continued)			
APM Corporate Services Sdn. Bhd.	Provision of management services	100	100
APM Engineering & Research Sdn. Bhd.	Provision of automotive research and development	100	100
APM Auto Mechanisms Sdn. Bhd.	Property investment	100	100
KAB Otomotif Sdn. Bhd.	Property investment	100	100
Perusahaan Tilam Kereta Sdn. Bhd.	Property investment	100	100
APM Chalmers Suspensions Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Dormant	100	100
APM Automotive Modules Sdn. Bhd.	Assembly and sale of door trim module and instrument panel module parts	100	100
APM Interiors Sdn. Bhd.	Dormant	100	100
APM Metal Industries Sdn. Bhd.	Dormant	100	100
Able Motor Sdn. Bhd. (formerly known as APM Motorsports Sdn. Bhd.)	Dormant	100	100
APM Radiators Sdn. Bhd.	Dormant	100	100
APM Tooling Centre Sdn. Bhd.	Dormant	100	100
Atsugi Parts Manufacturing Sdn. Bhd.	Dormant	100	100
Pandamaran Special Steel Sdn. Bhd.	Dormant	100	100
APM Suspension Systems Sdn. Bhd.	Dormant	100	100
APM Automotive Australia Ltd. ^Δ	Investment holding	100	-
APM Automotive Indonesia Ltd. ^Δ	Investment holding	100	-
APM Thermal Systems Sdn. Bhd.	Dormant	100	100
APM Auto Safety Systems Sdn. Bhd.	Manufacture and sale of automotive seat belt	100	100
APM-Coachair Sdn. Bhd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Distribution and provision of after sales service for bus coach air conditioning	100	100

NOTES TO THE FINANCIAL STATEMENTS

32. Subsidiaries (continued)

Name of subsidiary	Principal activities	Effective ownership interest	
		2014 %	2013 %
Incorporated in Malaysia: (continued)			
APM Automotive IndoChina Ltd. (held via 100% owned subsidiary, APM Automotive International Ltd.)	Investment holding	100	100
APM Automotive Thailand Ltd. (held via 100% owned subsidiary, APM Automotive IndoChina Ltd.)	Investment holding	100	100
APM Automotive Myanmar Ltd. (held via 100% owned subsidiary, APM Automotive IndoChina Ltd.)	Investment holding	100	100
Incorporated in Canada:			
APM Holdings Inc. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.)	Investment holding	100	100
APM Components America Inc. (held via 100% owned subsidiary, APM Holdings Inc.)	Dormant	100	100
Incorporated in Vietnam:			
APM Springs (Vietnam) Co., Ltd.* (held via 100% owned subsidiary, APM Automotive International Ltd.)	Manufacture and sale of automotive suspension parts	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
Incorporated in Thailand:			
APM Auto Components (Thailand) Ltd.* (held via 100% owned subsidiary, APM Automotive Thailand Ltd., APM Automotive IndoChina Ltd. and APM Automotive International Ltd.)	Dormant	100	100
Incorporated in United States of America:			
APM Auto Components (USA) Inc. (held via 100% owned subsidiary, APM Automotive International Ltd.)	Marketing and sale of automotive parts and accessories	100	100
APM Component USA (held via 100% owned subsidiaries, Auto Parts Holdings Sdn. Bhd.)	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

32. Subsidiaries (continued)

Name of subsidiary	Principal activities	Effective ownership interest	
		2014 %	2013 %
Incorporated in Australia:			
McConnell Seats Australia Pty. Ltd. * (formerly known as APM Auto Components (Australia) Pty. Ltd. (held via 100% owned subsidiary, Auto Parts Holdings Sdn. Bhd.))	Manufacture of transportation seating for trains, buses and trams	100	100
Incorporated in Indonesia:			
P.T. APM Auto Components Indonesia * (held via 100% owned subsidiaries, Auto Parts Holdings Sdn. Bhd. and APM Automotive International Ltd.)	Manufacture and sale automotive heat exchange product	100	100
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	100
P.T. APM Automotive Indonesia # (held via 100% owned subsidiary, APM Automotive Indonesia Ltd. and APM Automotive International Ltd.)	Dormant	100	-
P.T. APM Leaf Springs Indonesia [∆] (held via 100% owned subsidiary, P.T. APM Automotive Indonesia and P.T. APM Auto Components Indonesia)	Dormant	100	-
P.T. APM Shock Absorbers Indonesia [∂] (held via 100% owned subsidiary, P.T. APM Automotive Indonesia and P.T. APM Auto Components Indonesia)	Dormant	100	-
Incorporated in Myanmar:			
APM Auto Components Myanmar Co., Ltd.* (held via 100% owned subsidiary, APM Automotive Myanmar Ltd. and APM Automotive IndoChina Ltd.)	Dormant	100	100

Deed of establishment has been approved on 7 November 2014 by the Ministry of Law and Human Rights of the Republic of Indonesia

∆ Incorporated on 18 June 2014 under the Labuan Companies Act, 1990

∂ Deed of establishment has been approved on 5 December 2014 by the Ministry of Law and Human Rights of the Republic of Indonesia.

* Audited by another firm of Public Accountants

NOTES TO THE FINANCIAL STATEMENTS

33. 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, cinemas and rails and light rails system.
- *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:* Business 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.

NOTES TO THE FINANCIAL STATEMENTS

33. Operating segments (continued)

	Suspension	Interior and plastics	Electrical and heat exchange	Marketing	Operations outside Malaysia	Others	Eliminations	Total
	2014	2014	2014	2014	2014	2014	2014	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)	21,739	89,812	25,225	8,096	2,971	(2,268)	(290)	145,285
<i>Included in the measure of segment profit are:</i>								
Revenue from external customers	123,078	668,737	182,531	193,885	57,355	2,284	-	1,227,870
Inter-segment revenue	122,648	179,843	21,300	8,400	17,146	35,434	(384,771)	-
Provisions for warranties	(1,241)	(1,012)	(1,512)	-	-	-	-	(3,765)
Depreciation and amortisation	(7,000)	(14,581)	(3,486)	(210)	(2,729)	(5,452)	1,236	(32,222)
Finance income	1,369	5,820	1,275	486	903	2,223	(2,285)	9,791
<i>Not included in the measure of segment profit but provided to CODM:</i>								
Income tax expense	(4,136)	(22,228)	(4,638)	(1,305)	(367)	(1,437)	(22)	(34,133)
Segment assets	208,859	430,429	118,383	15,735	161,493	774,913	(211,210)	1,498,602
<i>Included in the measure of segment assets are:</i>								
Additions to non-current assets other than financial instruments and deferred tax assets	3,904	33,397	2,543	417	40,768	20,664	627	102,320
	Suspension	Interior and plastics	Electrical and heat exchange	Marketing	Operations outside Malaysia	Others	Eliminations	Total
	2013	2013	2013	2013	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
				Restated		Restated		Restated
Segment profit/(loss)	11,539	128,899	18,290	12,198	9,767	1,879	(568)	182,004
<i>Included in the measure of segment profit are:</i>								
Revenue from external customers	121,578	685,210	229,317	195,814	24,584	2,517	-	1,259,020
Inter-segment revenue	118,897	302,899	24,200	5,524	14,940	27,578	(494,038)	-
Provisions for warranties	(1,637)	(1,673)	(6,393)	(130)	-	(9,650)	-	(19,483)
Depreciation and amortisation	(7,168)	(9,510)	(3,755)	(73)	(2,421)	(3,361)	894	(25,394)
Finance income	1,382	6,544	588	941	679	10,272	(10,095)	10,311
<i>Not included in the measure of segment profit but provided to CODM:</i>								
Income tax expense	(3,879)	(29,297)	(4,659)	(2,958)	(241)	(1,394)	1,793	(40,635)
Segment assets	221,585	524,840	168,478	29,872	135,811	698,458	(489,617)	1,289,427
<i>Included in the measure of segment assets are:</i>								
Additions to non-current assets other than financial instruments and deferred tax assets	3,870	11,612	2,423	363	3,433	29,545	(535)	50,711

NOTES TO THE FINANCIAL STATEMENTS

33. 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	Non-current assets
2014	RM'000	RM'000
Malaysia	1,078,701	455,386
Indonesia	19,317	79,493
Vietnam	16,701	12,197
Europe	30,124	-
America	19,208	-
Australia	35,105	12,960
Other countries	28,714	13,246
	1,227,870	573,282
2013		
Restated		
Malaysia	1,151,372	312,680
Indonesia	7,513	57,953
Vietnam	14,018	10,812
Europe	30,642	-
America	17,575	-
Australia	10,051	-
Other countries	27,849	1,160
	1,259,020	382,605

Major customers

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

	Revenue		Segments
	2014	2013	
	RM'000	RM'000	
All common control companies of:			
- Company A	427,187	457,358	Suspension, Interior and Plastics and Electrical and Heat Exchange
- Company B	96,989	105,362	Suspension, Interior and Plastics and Electrical and Heat Exchange
- Company C	50,220	99,231	Suspension, Interior and Plastics and Electrical and Heat Exchange

NOTES TO THE FINANCIAL STATEMENTS

34. Financial instruments

34.1 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
Financial assets			
Group			
2014			
Other investments	78,506	-	78,506
Trade and other receivables, including derivatives	282,824	281,923	901
Cash and cash equivalents	279,384	279,384	-
	640,714	561,307	79,407
Company			
Other investments	500	-	500
Trade and other receivables, including derivatives	41,363	41,363	-
Cash and cash equivalents	7,058	7,058	-
	48,921	48,421	500
Financial liabilities			
Group			
2014			
Loans and borrowings	(37,029)	(37,029)	-
Trade and other payables, including derivatives	(221,464)	(221,389)	(75)
	(258,493)	(258,418)	(75)
Company			
Trade and other payables, including derivatives	(4,386)	(4,386)	-

NOTES TO THE FINANCIAL STATEMENTS

34. Financial instruments (continued)

34.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (OL) RM'000	FVTPL -HFT RM'000
Financial assets			
Group			
2013			
Trade and other receivables, including derivatives	277,755	277,689	66
Cash and cash equivalents	306,416	306,416	-
	584,171	584,105	66
Company			
Trade and other receivables, including derivatives	48,140	48,140	-
Cash and cash equivalents	3,215	3,215	-
	51,355	51,355	-
Financial liabilities			
Group			
2013			
Loans and borrowings	(12,847)	(12,847)	-
Trade and other payables, including derivatives	(215,852)	(215,605)	(247)
	(228,699)	(228,452)	(247)
Company			
Trade and other payables, including derivatives	(6,131)	(6,131)	-

34.2 Net gains and losses arising from financial instruments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net gains/(losses) on:				
Loans and receivables	11,442	15,005	1,106	963
Financial liabilities measured at amortised cost	(1,326)	(339)	(186)	(151)
Fair value through profit or loss	826	(181)	-	-
	10,942	14,485	920	812

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

35.1 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	
	2014	2013
	RM'000	RM'000
Malaysia	238,712	255,806
Asia	6,111	3,408
Europe	976	3,784
North America	1,813	2,147
Central America	1,204	-
South America	-	723
Oceania	10,890	1,764
Africa	2,422	-
Middle East	3,101	-
	265,229	267,632

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management (continued)

35.1 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
2014			
Not past due	176,604	-	176,604
Past due 0 - 90 days	66,621	-	66,621
Past due 91 - 180 days	19,119	(18)	19,101
Past due more than 180 days	3,478	(575)	2,903
	265,822	(593)	265,229
2013			
Not past due	190,424	(303)	190,121
Past due 0 - 90 days	69,672	-	69,672
Past due 91 - 180 days	7,788	(33)	7,755
Past due more than 180 days	1,049	(965)	84
	268,933	(1,301)	267,632

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

	2014 RM'000	2013 RM'000
At 1 January	1,301	1,058
Impairment loss recognised	100	588
Impairment loss reversed	(528)	(345)
Written off	(280)	-
At 31 December	593	1,301

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.

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management (continued)

35.1 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.

35.2 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.

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management (continued)

35.2 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
2014					
<i>Non-derivative financial liabilities</i>					
Unsecured revolving credit	15,000	4.05	15,608	15,608	-
Unsecured foreign currency loan	22,029	1.36	22,329	22,329	-
Trade and other payables, excluding derivatives	221,389	-	221,389	221,389	-
	258,418		259,326	259,326	-
<i>Derivative financial liabilities</i>					
Forward exchange contracts (gross settled):					
Outflow	-	-	46,504	46,504	-
Inflow	(826)	-	(47,330)	(47,330)	-
	257,592		258,500	258,500	-
Company					
2014					
<i>Non-derivative financial liabilities</i>					
Trade and other payables, excluding derivatives	4,386	-	4,386	4,386	-

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management (continued)

35.2 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 -3 years RM'000
2013					
<i>Non-derivative financial liabilities</i>					
Unsecured bankers' acceptances	541	3.80	541	541	-
Unsecured foreign currency loan	12,306	0.90	12,357	12,357	-
Trade and other payables, excluding derivatives	215,605		215,605	215,605	-
	228,452		228,503	228,503	-
<i>Derivative financial liabilities</i>					
Forward exchange contracts (gross settled):					
Outflow	181		20,084	20,084	-
Inflow	-		(19,903)	(19,903)	-
	228,633		228,684	228,684	-
Company					
2013					
<i>Non-derivative financial liabilities</i>					
Trade and other payables, excluding derivatives	6,131		6,131	6,131	-

35.3 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.

35.3.1 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).

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management (continued)

35.3 Market risk (continued)

35.3.1 Currency risk (continued)

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.

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 <i>In thousands RM</i>	Denominated in					
	USD	JPY	EURO	AUD	IDR	THB
2014						
Trade receivables	10,432	142	4,346	2,020	1,747	-
Trade payables	(11,705)	(8,010)	(2,203)	(18)	(5,729)	(2,589)
Forward exchange contracts	50	(23)	45	2	-	134
Net exposure	(1,223)	(7,891)	2,188	2,004	(3,982)	(2,455)
2013						
Trade receivables	12,073	160	3,383	682	912	-
Trade payables	(14,885)	(12,038)	(752)	(577)	(1,391)	(8,709)
Forward exchange contracts	(113)	42	(47)	-	-	(24)
Net exposure	(2,925)	(11,836)	2,584	105	(479)	(8,733)

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management (continued)

35.3 Market risk (continued)

35.3.1 Currency risk (continued)

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

35.3.2 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed rate instruments				
Financial asset				
Deposits placed with licensed banks	181,492	242,463	5,862	-
Financial liabilities				
Unsecured foreign currency loan	(22,029)	(12,306)	-	-
Unsecured bankers' acceptances	-	(541)	-	-
Unsecured revolving credit	(15,000)	-	-	-
	144,463	229,616	5,862	-
Floating rate instruments				
Financial assets				
Liquid investment with licensed financial institutions	78,506	-	500	-
Corporate management accounts	47,522	45,267	497	1,706
	126,028	45,267	997	1,706

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.

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management (continued)

35.4 Fair value information

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

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets										
Forward exchange contracts	-	901	-	901	-	-	-	-	901	901
Liquid investment with licensed financial institutions	-	78,506	-	78,506	-	-	-	-	78,506	78,506
	-	79,407	-	79,407	-	-	-	-	79,407	79,407
Financial liabilities										
Forward exchange contracts	-	(75)	-	(75)	-	-	-	-	(75)	(75)
2013										
Financial assets										
Forward exchange contracts	-	66	-	66	-	-	-	-	66	66
Financial liabilities										
Forward exchange contracts	-	(247)	-	(247)	-	-	-	-	(247)	(247)

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2013: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS

36. 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 2013 and 2014, the Group was in net cash position.

	Group	
	2014	2013
	RM'000	RM'000
Other investments (Note 12)	78,506	-
Cash and cash equivalents (Note 15)	279,384	306,416
Less: Loans and borrowings (Note 18)	(37,029)	(12,847)
Net cash	320,861	293,569

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

37. Significant changes in accounting policies

37.1 Accounting for property, plant and equipment

During the year, the Group changed its accounting policy with respect to the subsequent measurement of property, plant and equipment (for land and buildings) from the cost model less depreciation and impairment loss to the revaluation model less depreciation and impairment loss, with differences in fair value and carrying amount recognised in other comprehensive income. The Group believes that subsequent measurement using the revaluation model provides more relevant information about the financial performance of these assets and assists users to better understand the risks associated with these assets.

The revaluation of land and buildings is derived as follows:-

	RM'000
Revaluations surplus (Note 27)	115,928
Accumulated depreciation (Note 3)	(57,386)
	58,542

37.2 Accounting for investment property

During the year, the Group changed its accounting policy with respect to the subsequent measurement of investment property from the cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets and assists users to better understand the risks associated with these assets.

The change in accounting policy with respect to accounting for investment property was applied retrospectively and had an insignificant impact on earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

37. Significant changes in accounting policies (continued)

37.3 Financial impact on the Group's financial position and comprehensive income

The following tables summarise the impacts of the changes on the Group's financial position and comprehensive income.

i) Consolidated statements of financial position

Group	← 1.1.2013 →			← 31.12.2013 →		
	As previously stated RM'000	Effect of adoption RM'000	As restated RM'000	As previously stated RM'000	Effect of adoption RM'000	As restated RM'000
Non-current assets						
Investment properties	17,002	70,797	87,799	16,617	75,300	91,917
Equity						
Reserves	698,840	67,257	766,097	727,960	71,758	799,718
Non-current liabilities						
Deferred tax liabilities	1,344	3,540	4,884	2,010	3,542	5,552

ii) Consolidated statements of profit or loss and other comprehensive income

	As previously stated RM'000	Effect of adoption of revaluation model RM'000	As restated RM'000
Period ended 31 December 2013			
Administration expense	(71,801)	747	(71,054)
Other income	8,732	3,755	12,487
Profit before tax	177,502	4,502	182,004
Tax expense	(40,634)	(1)	(40,635)
Profit for the period	136,868	4,501	141,369
Profit for the period attributable to:			
Owners of the Company	123,789	4,501	128,290
Total comprehensive income attributable to owners of the Company	120,116	4,501	124,617
Basis earnings per ordinary shares (sen)	63.3	2.3	65.6

iii) Consolidated statement of cash flow

Period ended 31 December 2013			
Profit before tax	177,502	4,502	182,004
Non-cash and non-operating items	27,052	(4,502)	22,550

NOTES TO THE FINANCIAL STATEMENTS

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 2014, 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	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised profits	775,618	713,550	222,514	195,224
- unrealised profits	70,323	61,991	-	73
	845,941	775,541	222,514	195,297
Total share of retained earnings of associate:				
- realised profits	8,488	8,260	-	-
Total share of retained earnings of joint ventures:				
- realised profits	24,079	23,104	-	-
	878,508	806,905	222,514	195,297
Less: consolidation adjustments	(24,302)	(12,943)	-	-
Total retained earnings	854,206	793,962	222,514	195,297

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 40 to 111 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 as of 31 December 2014 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 112 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:

Low Seng Chee

Dato' Tan Eng Hwa

Kuala Lumpur,

Date: 8 April 2015

STATUTORY DECLARATION

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

I, Khoo Peng Peng, 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 40 to 112 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 Selangor Darul Ehsan on 8 April 2015.

Khoo Peng Peng

Before me:

Subramaniam a/l Sinnappayan

No. B332

Commissioner for Oaths

Selangor Darul Ehsan

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 2014 of the Group and of the Company, and the statements of profit or loss and other 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 40 to 111.

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 at 31 December 2014 and of their financial performance and cash flows for the financial 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 the subsidiaries of which we have not acted as auditors, which are indicated in Note 32 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

We draw attention to the fact that USD equivalent statements of financial positions and statements of profit or loss and other comprehensive income on page 41 and page 43 do not form part of 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: 2867/08/16(J)
Chartered Accountant

Petaling Jaya,

Date: 8 April 2015

GROUP PROPERTIES

Location	Description	Land Area (sq m)	Tenure Expiry Date	Net Book Value @ 31 Dec 2014 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	43,230	17	2014	1984
Lot 3 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office, warehouse & vacant land	42,046	Leasehold/ 21.06.2092	46,940	20	2014	1984
No. 23 & 25 Jalan Selat Selatan 21 Sobena Jaya Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	2,358	Freehold	4,530	4	2014	2000
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	1,280	18	2014	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	1,310	18	2014	2001
Lot 600 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	40,353	Leasehold/ 19.10.2076	55,300	28	2014	1977
Lot 601 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	20,234	Leasehold/ 19.10.2076	24,700	36	2014	1977
Lot 1622 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory & warehouse	16,186	Leasehold/ 19.10.2076	19,150	5	2014	2005
Lot 1621 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	22,573	Leasehold/ 06.04.2079	25,600	3-18	2014	1996
Lot 19712 - 19717 Persiaran Raja Muda Musa 42000 Port Klang, Selangor	Vacant industrial land	1,220	Freehold	2,300	-	2014	2011
PT 9 Block C (CG05, C105, C205, C305 and C3A05) Oasis Square No. 2 Jalan PJU 1A/7A Ara Damansara 47301 Petaling Jaya, Selangor	Office building, design, research & development centre	N/A	Freehold	11,200	1	2014	2013
PT 9 Block C (CG3A, C13A, C23A, C33A, C3A3A) Oasis Square No. 2 Jalan PJU 1A/7A Ara Damansara 47301 Petaling Jaya, Selangor	Office building, design, research & development centre	N/A	Freehold	7,100	1	2014	2013

GROUP PROPERTIES

Location	Description	Land Area (sq m)	Tenure Expiry Date	Net Book Value @ 31 Dec 2014 RM'000	Age of Building (years)	Date of last revaluation	Date of acquisition
HS (D) 45445, PT 16073 Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office & warehouse	32,326	Freehold	35,400	6-12	2014	2002
Lot 30081 Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office, warehouse & vacant land	32,354	Freehold	30,100	5-10	2014	2002
No 5 Jalan Jasmine 3 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory & warehouse	16,172	Freehold	21,900	9	2014	2013
No 12 Lot 9378 Jalan Jasmine 4 Bandar Bukit Beruntung 48300 Rawang, Selangor	Factory, office & warehouse	8,094	Freehold	7,700	15	2014	2012
Lot 17295, 17296, 17297 Proton City Vendors Park Tanjung Malim, Perak	Factory, office, warehouse & vacant land	39,882	Freehold	12,400	10	2014	2004
GM65, Lot 911 Padang Meha Pekan Sungai Karangan Daerah Kulim, Kedah	Vacant industrial land	35,429	Freehold	6,350	-	2014	2014
25 Dai Lo Tu Do, Vietnam Singapore Industrial Park Thuan An District Binh Duong Province Socialist Republic of Vietnam	Factory, office & warehouse	10,215	Leasehold 08.08.2054	3,395	10	2014	2004
25A Dai Lo Tu Do, Vietnam Singapore Industrial Park Thuan An District Binh Duong Province Socialist Republic of Vietnam	Factory, office & warehouse	9,777	Leasehold 08.08.2054	3,515	5	2014	2004
27 Dai Lo Tu Do, Vietnam Singapore Industrial Park Thuan An District Binh Duong Province Socialist Republic of Vietnam	Vacant industrial land	9,514	Leasehold 08.08.2054	2,496	-	2014	2010
Suryacipta City of Industry, Jl Surya Utama Kav I-15A, Ciampel, Karawang Jawa Barat 41361 Indonesia	Factory, office & warehouse	20,131	Leasehold 25.05.2025	9,518	7	2014	2008
Jl Surya Utama Kav I-15A Ciampel Karawang Jawa Barat	Vacant industrial land	37,516	Leasehold 25.05.2025	9,276	-	-	2012
Plot A215, Amata City Industrial Estate Rayong Province, Thailand	Vacant industrial land	56,404	Freehold	11,250	-	2014	2014

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2015

ANALYSIS BY SIZE OF HOLDINGS

(Based on Record of Depositors as at 31 March 2015)

Size of shareholders	No. of shareholders	% of shareholders	No. of shares held	% of issued capital
1 – 99	427	7.570	15,161	0.007
100 – 1,000	3,386	60.035	1,364,556	0.697
1,001 – 10,000	1,493	26.471	5,063,988	2.587
10,001 – 100,000	244	4.326	7,224,943	3.692
100,001 – 9,784,214 (less than 5% of issued shares)	89	1.578	119,682,926	61.161
9,784,215 (5% of issued shares) and above	1	0.017	62,332,726	31.853
Sub Total	5,640	100.000	195,684,300	100.000
Treasury Shares			5,915,700	
	5,640	100.000	201,600,000	100.000

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

(Based on Register of Substantial Shareholders as at 31 March 2015)

Name of Substantial Shareholders	Direct		Indirect	
	No. of shares held	%*	No. of shares held	%*
Tan Chong Consolidated Sdn. Bhd.	73,382,326	37.50	-	-
Wealthmark Holdings Sdn. Bhd.	15,260,600	7.80	-	-
Dato' Tan Heng Chew	5,924,999	3.03	88,642,926	45.30 ¹
Tan Eng Soon	-	-	88,642,926	45.30 ¹
Tan Kheng Leong	30,000	0.02	73,382,326	37.50 ²

¹ 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").

² 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 31 March 2015

SHAREHOLDINGS OF DIRECTORS

(Based on Register of Directors as at 31 March 2015)

Name of Directors	No. of shares held	%*	No. of shares held	%*
Dato' Tan Heng Chew	5,924,999	3.03	92,157,784	47.10 ¹
Dato' Tan Eng Hwa	207,008	0.11	15,267,728	7.80 ²
Dato' Haji Kamaruddin @ Abas bin Nordin	5,448	- ³	-	-
Siow Tiang Sae	2,050	- ³	-	-
Nicholas Tan Chye Seng	185,600	0.09	-	-

The other directors, Dato' N. Sadasivan, Dato' Heng Ji Keng, Messrs. Low Seng Chee and Sow Soon Hock 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 interests of spouse and son by virtue of Section 134(12)(c) of the Act.

² 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.

³ Less than 0.01%.

* Percentage is based on issued shares less treasury shares.

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDERS

(Based on Record of Depositors as at 31 March 2015)

No.	Name	No. of shares held	%*
1.	Tan Chong Consolidated Sdn. Bhd.	62,332,726	31.853
2.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account – Ambank (M) Berhad for Wealthmark Holdings Sdn. Bhd.	9,010,000	4.604
3.	Tan Kim Hor	8,847,451	4.521
4.	Tan Chong Consolidated Sdn. Bhd.	8,839,600	4.517
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	6,753,500	3.451
6.	HSBC Nominees (Asing) Sdn. Bhd. TNTC For Mondrian Emerging Markets Small Cap Equity Fund, L.P.	5,296,800	2.706
7.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wealthmark Holdings Sdn. Bhd. (50003 PZDM)	4,250,000	2.171
8.	Maybank Nominees (Asing) Sdn. Bhd. DBS Bank for One North Capital – Asia Value Master Fund (290017)	3,656,000	1.868
9.	Amanahraya Trustees Berhad Public SmallCap Fund	3,487,100	1.782
10.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for the Bank of New York Mellon (Mellon Acct)	3,356,700	1.715

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2015

No.	Name	No. of Shares held	%*
11.	Amanahraya Trustees Berhad <i>Public Islamic Optimal Growth Fund</i>	3,306,200	1.689
12.	Kumpulan Wang Persaraan (Diperbadankan)	3,171,200	1.620
13.	Cartaban Nominees (Asing) Sdn. Bhd. <i>BBH (Lux) SCA for Fidelity Funds Asean</i>	3,054,600	1.560
14.	Pang Sew Ha @ Phang Sui Har	2,980,195	1.522
15.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Khor Swee Wah @ Koh Bee Leng (PBCL-0G0031)</i>	2,522,508	1.289
16.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Tan Heng Chew (MM1063)</i>	2,463,600	1.258
17.	Tan Boon Pun	2,328,276	1.189
18.	Tan Chong Consolidated Sdn. Bhd.	2,210,000	1.129
19.	Tan Ban Leong	2,048,885	1.047
20.	Tan Beng Keong	2,048,885	1.047
21.	Tan Chee Keong	2,048,885	1.047
22.	Tan Hoe Pin	2,048,885	1.047
23.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Heng Chew (E-KLC)</i>	1,960,600	1.001
24.	Hong Leong Assurance Berhad <i>As Beneficial Owner (Life Par)</i>	1,779,800	0.909
25.	ChinChoo Investment Sdn. Berhad	1,735,300	0.886
26.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	1,698,300	0.867
27.	Gan Teng Siew Realty Sdn. Berhad	1,389,000	0.709
28.	Amanahraya Trustees Berhad <i>Public Strategic SmallCap Fund</i>	1,350,000	0.689
29.	Wealthmark Holdings Sdn. Bhd.	1,272,200	0.650
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Bank Negara Malaysia National Trust Fund (Hwang)</i>	1,220,400	0.623

* Percentage is based on issued shares less treasury shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth 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, 27 May 2015 at 11:00 a.m. to transact the following businesses:

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. *(Resolution 1)*
2. To declare a final single-tier dividend of 12 sen per ordinary share for the financial year ended 31 December 2014. *(Resolution 2)*
3. To re-elect the following Directors who are eligible and have offered themselves for re-election, in accordance with Article 96 of the Company’s Articles of Association:-
 - (i) Dato’ Tan Heng Chew *(Resolution 3)*
 - (ii) Mr. Siow Tiang Sae *(Resolution 4)*
4. To consider and if thought fit, to pass the following resolutions:-
 - (i) “THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato’ Haji Kamaruddin @ Abas Nordin be and is hereby re-appointed as Director of the Company to hold office until the next annual general meeting, AND THAT he continues to be designated as an Independent Non-Executive Director of the Company.” *(Resolution 5)*
 - (ii) “THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato’ N. Sadasivan be and is hereby re-appointed as Director of the Company to hold office until the next annual general meeting, AND THAT he continues to be designated as an Independent Non-Executive Director of the Company.” *(Resolution 6)*
5. To re-appoint Messrs KPMG as Auditors of the Company for the financial year ending 31 December 2015 and to authorise the Directors to fix their remuneration. *(Resolution 7)*

As Special Business

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

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

“THAT, subject always to the Companies Act, 1965 (“Act”), the Articles of Association of the Company and approvals and requirements of the relevant governmental/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 ten per centum (10%) 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 8)

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT, subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares 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 Securities 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 ten per centum (10%) of the issued and paid-up share capital of the Company at any point in time of the purchase.

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 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 Securities 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:

- (I) at the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (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 but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

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

(Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING

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

"THAT, subject to the Companies Act, 1965 ("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 2015 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 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 10)

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

"THAT, subject to the Companies Act, 1965 ("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 2015 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 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)

NOTICE OF ANNUAL GENERAL MEETING

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

"THAT, subject to the Companies Act, 1965 ("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 2015 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 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)

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Eighteenth Annual General Meeting of APM Automotive Holdings Berhad, a final single-tier dividend of 12 sen per ordinary share for the financial year ended 31 December 2014 will be paid on 26 June 2015. The entitlement date shall be 5 June 2015.

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 5 June 2015 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 KWEE CHENG (MIA 9160)
ANG LAY BEE (MAICSA 7000388)
QUAH KHIAN KHOON (MAICSA 7030264)
Company Secretaries

Kuala Lumpur
30 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A depositor whose name appears in the Record of Depositors of the Company as at 20 May 2015 ("Record of Depositors") shall be regarded as a member entitled to attend, speak and vote at the meeting.
2. A member, other than an Authorised Nominee (as defined under the Security Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to attend and vote for him at the meeting. A proxy 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 Companies Act, 1965 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.
3. Subject to Note 6 below, 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.
4. Subject to Note 6 below, 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, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee 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.
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.
7. 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.
8. The Form of Proxy must be deposited at the Registered Office of the Company, 62-68 Jalan Sultan Azlan Shah, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes On Special Business:

(1) Resolution 8 - 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 cost involved in convening a general meeting to approve such issue of shares, the Directors of the Company had obtained the general mandate at the Company's 17th Annual General Meeting held on 28 May 2014 to allot and issue shares in the Company 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. The Company has not issued any new shares under the general mandate granted to the Directors at the 17th Annual General Meeting which will lapse at the conclusion of the 18th Annual General Meeting to be held on 27 May 2015.

A renewal of the mandate is being sought at the 18th Annual General Meeting under proposed Resolution 8. The renewed mandate, 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.

(2) Resolution 9 – Proposed Renewal of Authority for the Company to Purchase its Own Ordinary Shares

The proposed Resolution 9, 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, will expire at the conclusion of the next Annual General Meeting of the Company.

Further information on Resolution 9 is set out in the Circular to Shareholders dated 30 April 2015 despatched together with the Company's 2014 Annual Report.

(3) Resolutions 10, 11 and 12 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions

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

Further information on Resolutions 10, 11 and 12 are set out in the Circular to Shareholders dated 30 April 2015 despatched together with the Company's 2014 Annual Report.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 18th Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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 _____

(Name and NRIC no)

or failing him/her _____

(Name and NRIC no)

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Eighteenth 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, 27 May 2015 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 single-tier dividend of 12 sen per ordinary share		
Resolution 3	Re-election of Dato' Tan Heng Chew		
Resolution 4	Re-election of Mr. Siow Tiang Sae		
Resolution 5	Re-appointment of Dato' Haji Kamaruddin @ Abas Nordin pursuant to Section 129 (6) of the Companies Act, 1965 and his designation as an Independent Non-Executive Director		
Resolution 6	Re-appointment of Dato' N. Sadasivan pursuant to Section 129 (6) of the Companies Act, 1965 and his designation as an Independent Non-Executive Director		
Resolution 7	Re-appointment of Auditors		
Resolution 8	Proposed grant of authority pursuant to Section 132D of the Companies Act, 1965		
Resolution 9	Proposed renewal of authority for the Company to purchase its own ordinary shares		
Resolution 10	Proposed shareholders' mandate for recurrent related party transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
Resolution 11	Proposed shareholders' mandate for recurrent related party transactions with Warisan TC Holdings Berhad and its subsidiaries		
Resolution 12	Proposed shareholders' mandate for recurrent related party transactions with Tan Chong International Limited and its subsidiaries		

(If you wish to instruct your proxy how to vote, insert 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	%
_____	Signature/Common Seal	Proxy 1 _____	
	Date:	Proxy 2 _____	
		Total	100%

Notes:

1. A depositor whose name appears in the Record of Depositors of the Company as at 20 May 2015 ("Record of Depositors") shall be regarded as a member entitled to attend, speak and vote at the meeting.
2. A member, other than an Authorised Nominee (as defined under the Security Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to attend and vote for him at the meeting. A proxy 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 Companies Act, 1965 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.
3. Subject to Note 6 below, 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.
4. Subject to Note 6 below, 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, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee 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.

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AFFIX
STAMP

Company Secretaries
APM AUTOMOTIVE HOLDINGS BERHAD
62-68 Jalan Sultan Azlan Shah
51200 Kuala Lumpur

Then fold here

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.
7. 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.
8. The Form of Proxy must be deposited at the Registered Office of the Company, 62-68 Jalan Sultan Azlan Shah, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 18th Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Fold this flap for sealing

PERSONAL DATA PROTECTION NOTICE

This Personal Data Protection Notice (“Notice”) is issued to all shareholders (including substantial shareholders) (“Shareholders”) of APM AUTOMOTIVE HOLDINGS BERHAD (“Company”, “APM”, “we”, “us” or “our”) in accordance with the Personal Data Protection Act 2010 (“Act”) which came into force on 15 November 2013. The Act regulates the processing of personal data and requires us to notify you on matters relating to your personal data that is being processed, or that is to be collected and further processed by us. For the purpose of this Notice, the terms “personal data” and “processing” used in this Notice shall have the meaning prescribed in the Act.

Bursa Malaysia Securities Berhad (“Bursa Malaysia”) has also on 15 November 2013 amended the Main Market Listing Requirements (“Listing Requirements”) consequential to the Act. Under Paragraph 2.14A of the Listing Requirements, any person who provides or has provided personal data to Bursa Malaysia should read and be aware of Bursa Malaysia’s personal data notice available at Bursa Malaysia’s website www.bursamalaysia.com (“Bursa Malaysia’s personal data notice”). If the Company provides Bursa Malaysia with personal data of the Shareholders, the Company must notify the Shareholders of Bursa Malaysia’s personal data notice.

As Shareholders of APM, your personal data which may include your name, national registration identity card number (NRIC no.), passport number, address, date of birth/age, contact details and number, email address, gender, nationality, shareholding in APM, bank account number, CDS account number and any other personal data required, may be processed by APM and its related companies (“APM Group”) for the following purposes (“Purposes”):

- (a) Compliance with the Companies Act, 1965, Listing Requirements and applicable relevant laws, regulations and guidelines, as may be amended, from time to time;
- (b) Verification of information to authorities and governmental agencies;
- (c) Deliver, communicate and transmit to the Shareholders of APM’s annual report, circular to shareholders, and any other information through modes of communication and delivery we deem appropriate;
- (d) Payment of dividends and giving of other benefits to you as shareholders, if applicable;
- (e) Maintain, upkeep and update our records regarding the Shareholders’ information; and
- (f) Dealings with all matters in connection with your shareholding in APM; or such other purposes as may be related to the foregoing.

The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.

Your personal data may be disclosed by us in connection with the Purposes to parties including but not limited to companies within APM Group (whether present or future), our professional advisers, insurance companies, auditors, lawyers, banks, share registrars and other service providers, governmental and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligations which is imposed on APM Group. Your personal data may be transferred to a place outside Malaysia.

If you fail to supply to us your personal data, we may not be able to process your personal data for any of the Purposes.

We are committed to ensuring that your personal data is stored securely. You are responsible for ensuring that the personal data you provide to us is accurate, complete and not misleading and that such personal data is kept up to date.

Please also be notified that you have the right to request access to and correction of your personal data and you have a choice to limit the consent of the processing of your personal data.

PERSONAL DATA PROTECTION NOTICE

Your written requests or queries pertaining to your personal data should be addressed to:

Company Secretaries
APM Automotive Holdings Berhad
62-68 Jalan Sultan Azlan Shah
51200 Kuala Lumpur
Tel No. : 03-4047 8888
Facsimile : 03-4047 8636
Email address : apmah@apm.com.my

By providing to us your personal data, you hereby consent to the processing of your personal data in accordance with all of the foregoing. You shall also procure the consent of your proxy appointed to attend any general meeting of APM on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

In accordance with the Act, the Notice is issued in both English and Bahasa Malaysia. In the event of inconsistency between the English version and the Bahasa Malaysia version, the English version shall prevail.

Issued by : APM Automotive Holdings Berhad
30 April 2015

NOTIS PERLINDUNGAN DATA PERIBADI

Notis Perlindungan Data Peribadi ini (“Notis”) dikeluarkan kepada semua pemegang saham (termasuk pemegang-pemegang saham utama) (“Pemegang Saham”) APM AUTOMOTIVE HOLDINGS BERHAD (“Syarikat”, “APM” atau “kami”) menurut Akta Perlindungan Data Peribadi 2010 (“Akta”) yang berkuatkuasa pada 15 November 2013. Akta ini mengawal selia pemrosesan data peribadi dan menghendaki kami untuk memaklumkan anda berkenaan perkara-perkara yang berkaitan dengan data peribadi anda yang sedang diproses, atau yang akan dikumpul dan diproses oleh kami. Untuk tujuan Notis ini, terma-terma “data peribadi” dan “pemrosesan” yang digunakan dalam Notis ini hendaklah membawa maksud sepertimana yang ditakrifkan dalam Akta tersebut.

Bursa Malaysia Securities Berhad (“Bursa Malaysia”) telah membuat pindaan kepada Keperluan Penyenaraian Pasaran Utama (“Keperluan Penyenaraian”) pada 15 November 2013 akibat daripada Akta ini. Seperti yang tertakluk di bawah perenggan 2.14A Keperluan Penyenaraian, sesiapa yang memberi atau telah memberi data peribadi kepada Bursa Malaysia, haruslah membaca dan menyedari tentang notis data peribadi Bursa Malaysia yang terdapat di laman web Bursa Malaysia di www.bursamalaysia.com (“notis data peribadi Bursa Malaysia”). Sekiranya Syarikat membekalkan data peribadi Pemegang Saham kepada Bursa Malaysia, Syarikat mesti memaklumkan Pemegang Saham tentang notis data peribadi Bursa Malaysia.

Sebagai Pemegang Saham APM, data peribadi anda mungkin termasuk nama, nombor kad pengenalan, nombor pasport, alamat, tarikh lahir/umur, maklumat dan nombor perhubungan, alamat emel, jantina, kewarganegaraan, pegangan saham dalam APM, nombor akaun bank, nombor akaun Sistem Depositori Pusat (CDS) anda dan data peribadi lain yang dikehendaki, yang mungkin diproses oleh APM dan syarikat-syarikat yang berkaitan dengannya (“Kumpulan APM”) untuk tujuan-tujuan berikut (“Tujuan”):

- (a) Mematuhi Akta Syarikat 1965, Keperluan Penyenaraian dan undang-undang, peraturan-peraturan dan garis panduan berkaitan yang mungkin dipinda dari semasa ke semasa;
- (b) Pengesahan maklumat kepada pihak berkuasa dan agensi kerajaan;
- (c) Menyampaikan, menghubungi dan menghantar laporan tahunan APM, pekeliling kepada pemegang saham, dan lain-lain maklumat kepada Pemegang Saham melalui cara komunikasi dan penyampaian yang kami anggap sesuai;
- (d) Pembayaran dividen dan manfaat lain kepada anda sebagai Pemegang Saham, jika berkenaan;
- (e) Mengekal, menyelia dan mengemaskinikan rekod kami yang berkaitan dengan maklumat-maklumat Pemegang Saham; dan
- (f) Untuk menguruskan dengan semua perkara yang berkaitan dengan pegangan saham anda dalam APM; atau bagi tujuan-tujuan lain yang mungkin berkaitan dengan perkara-perkara yang dinyatakan di atas.

Data peribadi anda yang diproses oleh kami merangkumi segala maklumat yang diberi oleh anda serta maklumat lain yang mungkin kami perolehi berkenaan anda.

Maklumat peribadi anda mungkin didedahkan oleh kami untuk Tujuan di atas kepada pihak lain termasuk dan tidak terhad kepada syarikat-syarikat dalam Kumpulan APM (sama ada pada masa kini atau masa depan), penasihat profesional, syarikat-syarikat insurans, juruaudit, peguam, bank, pendaftar saham dan pembekal perkhidmatan lain, semua jabatan dan/atau agensi kerajaan dan/atau kuasi-kerajaan, badan-badan penguatkuasa dan/atau berkanun dan sebarang pihak ketiga, sebagaimana yang dikehendaki undang-undang atau timbul daripada apa-apa kewajipan undang-undang yang dikenakan ke atas Kumpulan APM. Data peribadi anda mungkin akan dipindahkan ke suatu tempat di luar Malaysia.

Sekiranya anda gagal membekalkan data peribadi anda kepada kami, kami mungkin tidak dapat memproses data peribadi anda bagi apa-apa Tujuan tersebut.

Kami akan memastikan semua data peribadi anda disimpan dengan selamat. Anda bertanggungjawab untuk memastikan bahawa data peribadi yang anda berikan kepada kami adalah tepat, lengkap, tidak mengelirukan dan dikemaskini.

NOTIS PERLINDUNGAN DATA PERIBADI

Adalah dimaklumkan bahawa anda mempunyai hak untuk meminta akses dan membetulkan data peribadi anda atau menghadkan pemprosesan data peribadi anda.

Setiap permintaan bertulis atau pertanyaan berkenaan data peribadi anda perlu disampaikan ke alamat di bawah:

Setiausaha-setiausaha Syarikat
APM Automotive Holdings Berhad
62-68 Jalan Sultan Azlan Shah
51200 Kuala Lumpur
Tel No. : 03-4047 8888
Faks : 03-4047 8636
Alamat Emel : apmah@apm.com.my

Dengan membekalkan data peribadi anda kepada kami, bermaksud anda bersetuju membenarkan kami memproses data peribadi anda selaras dengan apa-apa yang dinyatakan di atas. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung APM bagi pihak anda sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Mengikut Akta tersebut, Notis ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan diguna pakai.

Dikeluarkan oleh : APM Automotive Holdings Berhad
30 April 2015