



APM AUTOMOTIVE HOLDINGS BERHAD

Registration No. 199701009342 (424838-D)

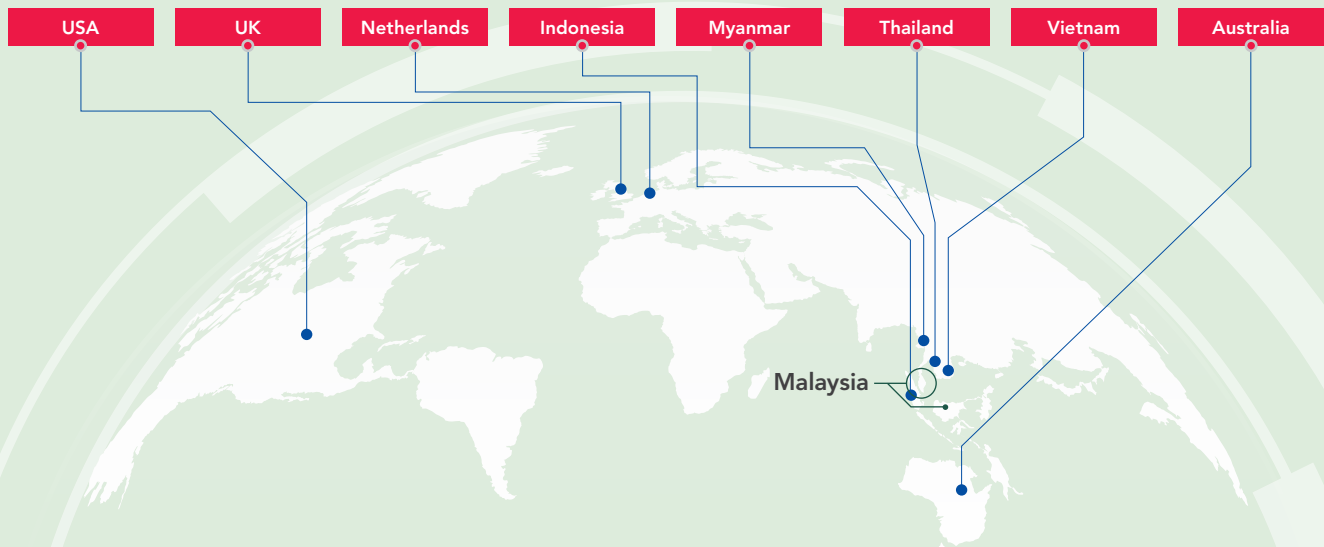


EMBRACE INNOVATION
FORGE AHEAD

Annual Report **2024**



Our World Wide Segments



OUR VISION

A Globally Preferred Innovative Mobility Solutions Provider.

OUR MISSION

Cultivate a Sustainable Team-Oriented Culture Involving Employees Through Leadership and Accountability.

Value Creation Through Operational Excellence, Innovation and Exemplary Customer Service.

OUR CORE VALUES OF TCFIMPeD



Go Digital

In our efforts of going digital, please scan the QR codes below for more information.



Administrative Notes

Scan the QR code to read APM Administrative Notes 2024 online



Corporate Website

Scan the QR code for more information



Annual Reports

Scan the QR code to read APM Annual Report 2024 online



Notice of 28th AGM

Scan the QR code to read Notice of 28th Annual General Meeting

Contents

1 CORPORATE PROFILE

Corporate Information	2
Business Divisions	3
Recognition & Achievement	4
Profile of the Board of Directors	5
Profile of Key Senior Management	10

2 BUSINESS REVIEW & REPORTS

President's Statement	14
Management Discussion and Analysis	17

3 FINANCIAL SUMMARY

5-Year Financial Highlights	35
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4 SUSTAINABILITY

Sustainability Statement	37
Bursa Securities' Enhanced Sustainability Reporting Requirements – Performance Data	62

5 CORPORATE GOVERNANCE

Corporate Governance Overview Statement	64
Risk Management and Internal Control Statement	75
Audit Committee Report	81
Statement on Directors' Responsibility for Preparing the Audited Financial Statements	86
Other Statements and Disclosures	86

6 FINANCIAL STATEMENTS

Directors' Report	88
Statements of Financial Position	94
Statements of Profit or Loss and Other Comprehensive Income	96
Consolidated Statement of Changes in Equity	99
Statement of Changes in Equity	101
Statements of Cash Flows	102
Notes to the Financial Statements	106
Statement by Directors	174
Statutory Declaration	175
Independent Auditors' Report	176

7 OTHER INFORMATION

Group Properties	180
Analysis of Shareholdings	184

8 AGM INFORMATION

Notice of Annual General Meeting	187
Form of Proxy	•

9 PERSONAL DATA PROTECTION

Personal Data Protection Notice	197
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Corporate Information

1

DIRECTORS

DATO' TAN HENG CHEW
President

NICHOLAS TAN CHYE SENG
Executive Vice President

LEE MIN ON
Senior Independent Non-Executive Director

DATO' TAN ENG HWA
Chief Executive Officer

**DATO' N. SADASIVAN S/O
N.N. PILLAY**
Non-Independent Non-Executive Director

DATO' CHAN CHOY LIN
Independent Non-Executive Director

KHOO PENG PENG
Executive Vice President/
Chief Financial Officer

LOW SENG CHEE
Non-Independent Non-Executive Director

DATO' AZMIL BIN MOHD ZABIDI
Independent Non-Executive Director

Audit Committee

DATO' CHAN CHOY LIN (Chairperson)
LEE MIN ON
DATO' AZMIL BIN MOHD ZABIDI
DATO' N. SADASIVAN S/O N.N. PILLAY
LOW SENG CHEE

Nominating and Remuneration Committee

LEE MIN ON (Chairman)
DATO' N. SADASIVAN S/O N.N. PILLAY
DATO' CHAN CHOY LIN
DATO' AZMIL BIN MOHD ZABIDI

Company Secretary

SOO SHIOW FANG (MAICSA 7044946)
(SSM PC No. 201908003869)

Registered Office

62-68, Jalan Sultan Azlan Shah
51200 Kuala Lumpur, Malaysia

Telephone : (603) 4047 8888
Facsimile : (603) 4047 8636
E-mail : apmah@apm.com.my

Corporate Office

Lot 600
Pandamaran Industrial Estate
Locked Bag No. 218
42009 Port Klang
Selangor Darul Ehsan, Malaysia

Telephone : (603) 3161 8888
Facsimile : (603) 3161 8833
E-mail : apmah@apm.com.my

Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.
[Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

Telephone : (603) 2783 9299
Facsimile : (603) 2783 9222
E-mail : is.enquiry@vistra.com

Auditors

KPMG PLT
(LLP0010081-LCA & AF 0758)
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

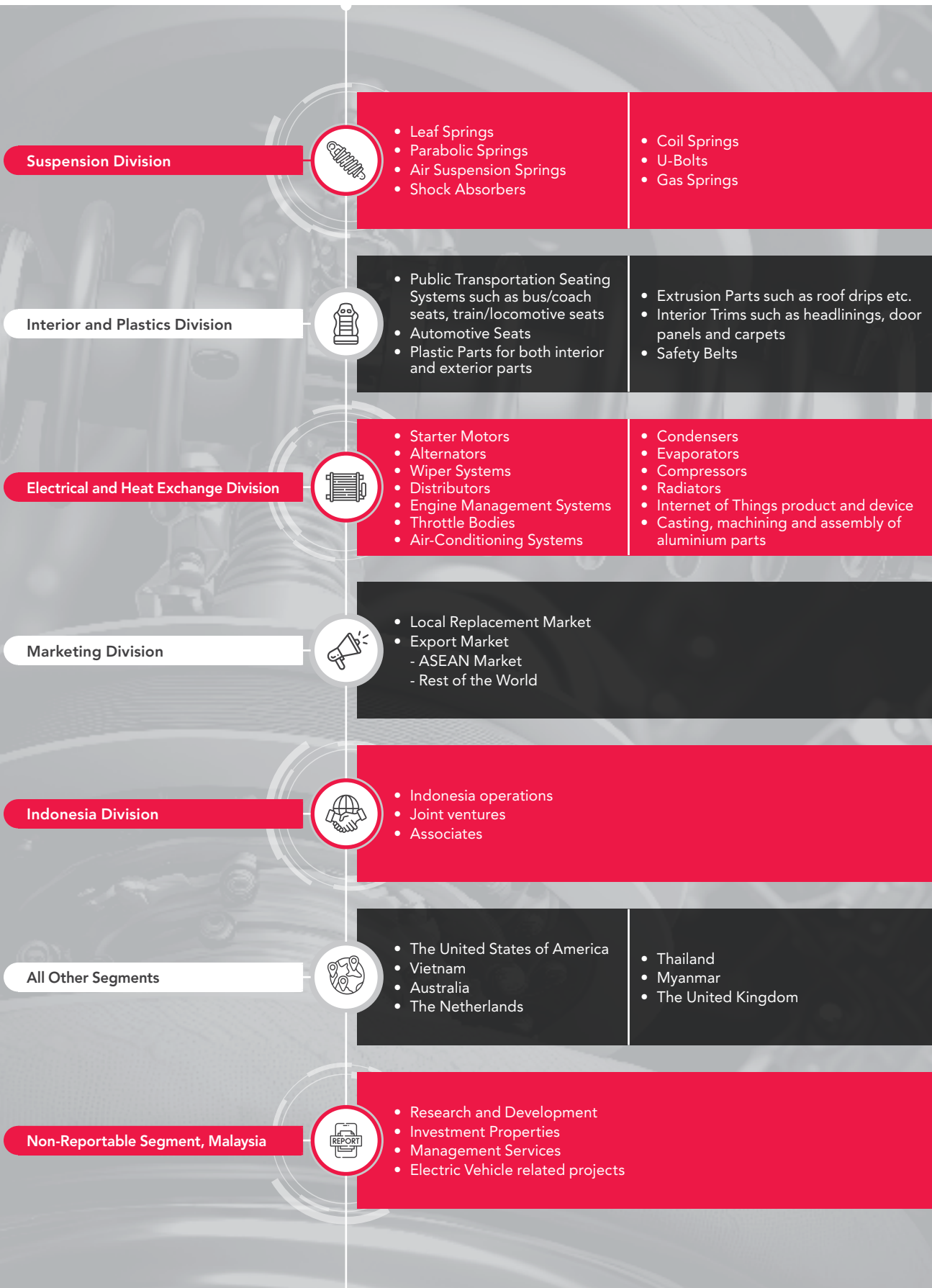
Stock Exchange Listing

Main Market
Bursa Malaysia Securities Berhad
Stock Code : 5015

Corporate Website

www.apm.com.my

Business Divisions



Recognition & Achievement

1
2
3
4
5
6
7
8
9

1
**2023 New Honda Circle
Convention Consolation Award**
by Honda Malaysia Suppliers Club

2
**Gold/Silver Achievement for
outstanding performance as a
Sustainability Shared Prosperity
Organisation**
by Malaysia Productivity Corporation

3
**Best Quality Performance
2023 Award**
by Isuzu Hicom Malaysia Sdn. Bhd.

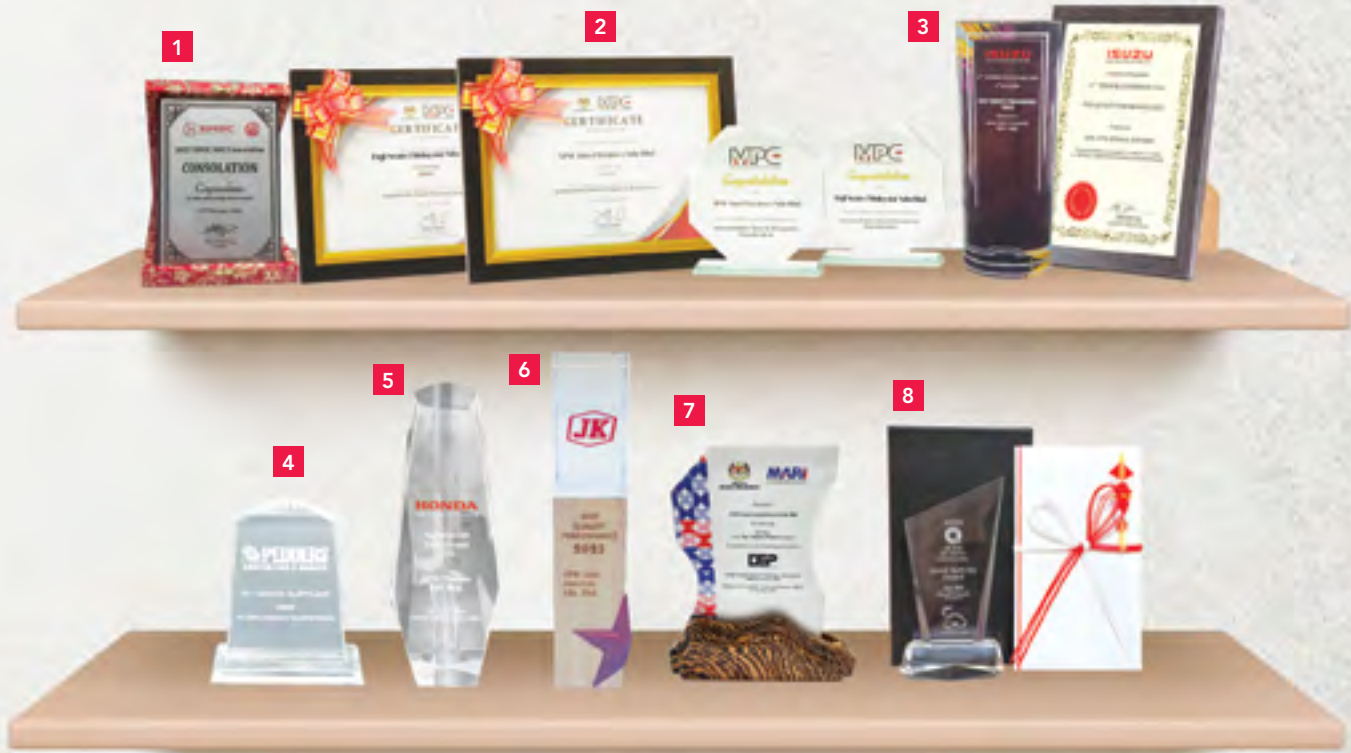
4
"A" Grade Supplier Award
by Pedders Suspension & Brakes

5
**Appreciation Environment
2023 Award**
by Honda Malaysia Sdn. Bhd.

6
**Best Quality Performance
2023 Award**
by J.K. Wire Harness Sdn. Bhd.

7
**MARii Engineering & Technology
Achievement (META) Award 2024
(4th Place in the Top 5 Industry
Pioneer Category)**
by Malaysia Automotive Robotics
& IoT Institute

8
Good Activity Award
by Fuji Seat Co., Ltd.



Profile of the Board of Directors

Dato' Tan Heng Chew

JP, DJMK / President

Age	Gender	Nationality
78	Male	Malaysian

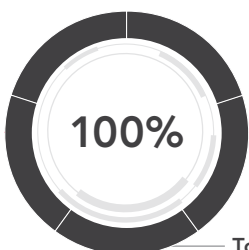
Dato' Tan Heng Chew was the first Director of the Company when it was incorporated on 26 March 1997. He was appointed the Chairman of the Board on 1 November 1999 and was re-designated as Executive Chairman on 1 January 2011. His corporate title has been changed to President effective 1 January 2015.

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

Dato' Tan is the President of TCMH and Warisan TC Holdings Berhad. He is also a major shareholder of the Company.

Dato' Tan is a brother of Dato' Tan Eng Hwa and the father of Mr. Nicholas Tan Chye Seng, both of whom are Directors of the Company, and a brother of Mr. Tan Eng Soon, a major shareholder of the Company. Dato' Tan is also a director and shareholder of Tan Chong Consolidated Sdn. Bhd., which is a major shareholder of the Company. Save for the related party transactions between the Group and the related parties involving himself, there is no other conflict of interest, including interest in any competing business, that he has with the Group. Dato' Tan has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

Board Meetings Attended:



Total: 5/5

Dato' Tan Eng Hwa

DIMP / Chief Executive Officer

Age	Gender	Nationality
70	Male	Malaysian

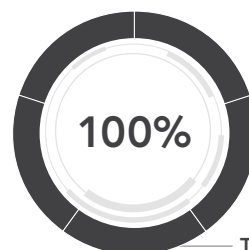
Dato' Tan Eng Hwa, also known as Dato' Robert Tan, was first appointed to the Board as a Non-Independent Non-Executive Director on 1 November 1999. Dato' Robert Tan was re-designated as an Executive Director on 23 March 2004 and was subsequently re-designated as Executive Director and Chief Operating Officer on 1 June 2013. He was re-designated and has taken over the role of Chief Executive Officer on 1 April 2023.

Dato' Robert 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.

He is a brother of Dato' Tan Heng Chew, a Director of the Company and Mr. Tan Eng Soon, both are major shareholders of the Company, and an uncle of Mr. Nicholas Tan Chye Seng, a Director of the Company. Dato' Tan Heng Chew, Mr. Tan Eng Soon and himself are the directors and shareholders of Tan Chong Consolidated Sdn. Bhd., which is a major shareholder of the Company. Save for the related party transactions between the Group and the related parties that he deemed to be interested by virtue of him being a connected person to the related parties, there are no other business arrangements with the Group in which he has personal interests, including interest in any competing business. Dato' Robert Tan has abstained from deliberating and voting in respect of transactions between the Group and related parties involving himself.

He is a director of The Tan Heng Chew Foundation.

Board Meetings Attended:



Total: 5/5

Profile of the Board of Directors

Khoo Peng Peng

Executive Vice President / Chief Financial Officer

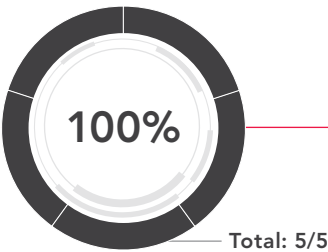
Age	Gender	Nationality
50	Female	Malaysian

Ms. Khoo Peng Peng was appointed as the Chief Financial Officer ("CFO") on 1 June 2014. She was subsequently appointed as an Executive Director on 5 January 2022 with the corporate title of Executive Vice President - Finance and Corporate. Her corporate title has subsequently been changed to Executive Vice President effective 1 December 2024.

Ms. Khoo graduated with a Bachelor of Accountancy (Honours) degree from the University of Malaya in 1999 and is an accountant by profession. She is a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and ASEAN Chartered Professional Accountant.

She has more than 25 years of working experience in the areas of finance, accounting, corporate finance, auditing and taxation in a variety of industries including audit, property development, construction, building material manufacturing and automotive. She began her career with an audit firm, KPMG in 1999 and thereafter joined a public listed company in 2003 as a Group Accountant. Prior to joining APM Automotive Holdings Berhad ("APM") Group, she was under the employment of Tan Chong Motor Holdings Berhad as the Deputy Group Financial Controller. She is the CFO of APM since 1 June 2014, and continues holding the roles as of to-date.

Board Meetings Attended:



Nicholas Tan Chye Seng

Executive Vice President

Age	Gender	Nationality
51	Male	Malaysian

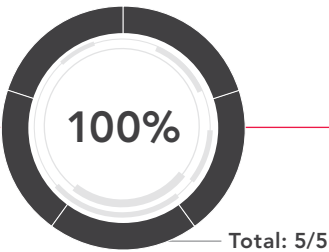
Mr. Nicholas Tan Chye Seng was appointed to the Board as a Non-Independent Non-Executive Director on 1 June 2013. He was re-designated as an Executive Director on 1 December 2024 with the corporate title of Executive Vice President.

Mr. Nicholas Tan graduated from Boston University Questrom School of Business, the United States of America (USA) with a Bachelor of Science degree. He joined Tan Chong Motor Holdings Berhad ("TCMH") in 2008 and headed the Corporate Planning and Strategic Investments Division. Currently, he is the Executive Vice President of Finance Services, and he developed the supporting eco-system for car financing, car sharing, leasing, rentals and insurance product verticals.

Mr. Nicholas Tan is part of the key management of TCMH and Warisan TC Holdings Berhad. He was on the founding board of Grab Inc. (a Singapore-based technology company that offers ride-hailing, ride sharing, food delivery service and logistics services through its app in Southeast Asia) until end 2017. He was also formerly an Executive Director and Vice-President of equities research in global investment banks for 10 years in Kuala Lumpur, Singapore and Hong Kong prior to joining TCMH.

Mr. Nicholas Tan is the eldest son of Dato' Tan Heng Chew, a Director and major shareholder of the Company. He is also a nephew of Dato' Tan Eng Hwa, a Director of the Company and Mr. Tan Eng Soon, a major shareholder of the Company. Save for the related party transactions between the Group and the related parties that he deemed to be interested by virtue of him being a connected person to the related parties, there are no other business arrangements with the Group in which he has personal interest, including interest in any competing business. He has abstained from deliberating and voting in respect of transactions between the Group and the related parties involving himself.

Board Meetings Attended:



Profile of the Board of Directors

Lee Min On

Senior Independent Non-Executive Director

Age	Gender	Nationality
65	Male	Malaysian

Mr. Lee Min On was appointed to the Board as an Independent Non-Executive Director on 30 November 2016. He was re-designated as Senior Independent Non-Executive Director on 1 April 2023. He is the Chairman of the Nominating and Remuneration Committee and a member of the Audit Committee.

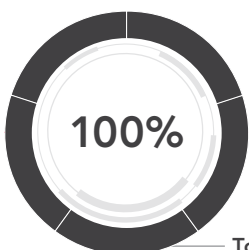
Mr. Lee is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA"), a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a Fellow Member of The Institute of Internal Auditors, Malaysia. He is also a member of Audit and Risk Management Committee of MIA.

Mr. Lee started his career with KPMG Malaysia in 1979 and retired as a Partner of the Firm on 31 December 2015. During his tenure with KPMG, he served in the external audit division before moving on to helm the Firm's risk consulting practice, providing board advisory services that encompassed corporate governance, risk management and risk-based internal audit for both listed as well as private corporations.

Mr. Lee co-wrote the "Corporate Governance Guide – Towards Boardroom Excellence" 1st and 2nd Editions, which were published by Bursa Malaysia Berhad ("Bursa Malaysia"). He also sat on the Task Force which was responsible for developing the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers", a document issued by Bursa Malaysia in 2012. As a strong advocate of good governance and integrity in the marketplace, Mr. Lee speaks regularly at public seminars and conferences, including in-house sessions, sharing his thoughts and insights, particularly on Sustainability, Governance, Risk and Compliance.

Mr. Lee also serves as an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad, Warisan TC Holdings Berhad, Kotra Industries Berhad and Lii Hen Industries Berhad. He has abstained from deliberating and voting in respect of transactions between the Group and related parties that involved him as a Director.

Board Meetings Attended:



Total: 5/5

Dato' Chan Choy Lin

DIMP / Independent Non-Executive Director

Age	Gender	Nationality
67	Female	Malaysian

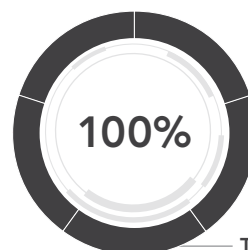
Dato' Chan Choy Lin was appointed to the Board as an Independent Non-Executive Director on 31 July 2018. She is the Chairperson of the Audit Committee and a member of the Nominating and Remuneration Committee.

Dato' Chan is a Chartered Accountant of the Malaysian Institute of Accountants and a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants. She began her accountancy training in 1979 with a reputable accounting firm and left KPMG in 1984 for the corporate sector, where she gained most of her experience with large public listed companies.

Dato' Chan has more than 30 years' experience with public listed companies engaged in the businesses of banking and insurance, automotive manufacturing and distribution, trading and services, property development and construction, plantation, hospitality and education. Dato' Chan's senior management experience covers the areas of mergers, acquisitions and divestments, finance and treasury, corporate secretarial and legal, including corporate governance, risk management, internal controls and corporate social responsibilities. Over the years, Dato' Chan has held several key management positions, was a key member of various group committees and also served as a nominee director on the boards of various group companies of a public listed conglomerate.

Dato' Chan is also an Independent Director of Ann Joo Resources Berhad, The Pacific Insurance Berhad and Sumisaujana Group Berhad.

Board Meetings Attended:



Total: 5/5

Profile of the Board of Directors

Dato' Azmil bin Mohd Zabidi

DIMP / PCM / BCM / Independent Non-Executive Director

Age	Gender	Nationality
63	Male	Malaysian

Dato' Azmil bin Mohd Zabidi was appointed to the Board as an Independent Non-Executive Director on 1 February 2022. He is a member of the Audit Committee and the Nominating and Remuneration Committee.

Dato' Azmil graduated from Wartburg College of Liberal Arts, United States of America (USA) with a Bachelor of Arts (English) degree and subsequently obtained his Master of Arts (English Literature) from Iowa State University of Science & Technology, USA. He gained his Post-Graduate Certificate in Diplomatic Studies from the University of Oxford, United Kingdom.

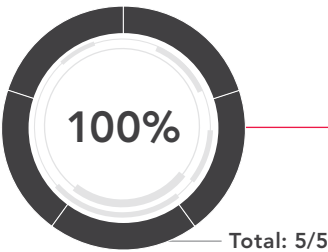
Dato' Azmil started his government service as an Administrative and Diplomatic Officer in 1991, joining Ministry of Foreign Affairs in 1992. He previously served as Assistant Secretary (Southeast Asia I) from 1993 until 1995 before serving as Second Secretary at the Embassy of Malaysia to Belgium, Luxemburg and the European Union from 1995 until 1998 and as First Secretary at the High Commission of Malaysia in New Zealand. He later returned to serve as Senior Assistant Secretary from 1999 until 2001, and as Principal Assistant Secretary from 2001 until 2003, both at the Regional Economic, Social and Cultural Affairs unit of the foreign ministry.

Dato' Azmil was appointed as Minister Counsellor and Deputy Chief of Mission at the Embassy of Malaysia in China in Beijing from 2003 to 2007 and as Consul General of Malaysia to Shanghai, China, from 2007 until 2010. He has also served as Undersecretary for Multilateral Economic and Regional Cooperation from 2010 until 2011, Ambassador of Malaysia to Vietnam from 2011 until 2016 and as Undersecretary for Europe at the foreign ministry from 2016 until 2017. He was the Director General at the Southeast Asia Regional Centre for Counter Terrorism (SEARCCT) from 2017, prior to his appointment as the Ambassador of Malaysia to the United States in 2019. He had served the Ministry of Foreign Affairs for about three decades and retired in August 2021.

Dato' Azmil is also a Director of Kanger International Berhad.

In August 2024, Dato' Azmil disclosed to the Audit Committee of a potential conflict of interest arising from his position as the Chairman of TC Services Vietnam Co., Ltd. ("TCSV"), a wholly-owned subsidiary of Tan Chong Motor Holdings Berhad where one of its business activities, i.e., trading of automotive spare parts, is similar to a wholly-owned subsidiary of the Company in Vietnam, namely, APM Marketing (Vietnam) Co., Ltd. ("APMMV"). Dato' Azmil has abstained from deliberating and voting in respect of transactions involving TCSV and APMMV.

Board Meetings Attended:



Profile of the Board of Directors

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

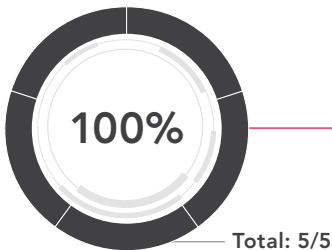
DPMP / JSM / KMN / Non-Independent Non-Executive Director

Age	Gender	Nationality
85	Male	Malaysian

Dato' N. Sadasivan s/o N.N. Pillay was appointed to the Board as an Independent Non-Executive Director on 1 November 1999. He was re-designated as Senior Independent Non-Executive Director on 22 January 2013 and ceased from holding the said position following his re-designation as Non-Independent Non-Executive Director on 1 April 2023. Currently, he is a member of the Audit Committee and the Nominating and Remuneration Committee.

Dato' N. Sadasivan graduated from the University of Malaya with a Bachelor of Arts (Honours) degree majoring in Economics in 1963. In the same year, Dato' N. Sadasivan commenced working with 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' N. Sadasivan was formerly a Director of Bank Negara Malaysia. Currently, he is a Director of Leader Energy Holding Berhad.

Board Meetings Attended:



Low Seng Chee

Non-Independent Non-Executive Director

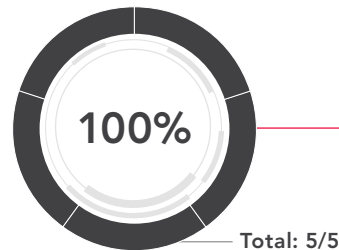
Age	Gender	Nationality
65	Male	Malaysian

Mr. Low Seng Chee was appointed to the Board as an Executive Director on 1 July 2010. He was re-designated as Executive Director and Chief Executive Officer ("CEO") on 1 June 2013. He had subsequently stepped down as the CEO and re-designated as a Non-Independent Non-Executive Director on 1 April 2023. He is a member of the Audit Committee.

Mr. Low graduated from Monash University, Melbourne, Australia with a Bachelor of Electrical and Computer 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 including heading the operations of automotive assembly plants of several global marques in Malaysia and an aluminium foundry supplying to the automotive and motorcycle industries.

Board Meetings Attended:



Notes:

- Save as disclosed above, none of the Directors have:
 - any family relationship with any Director and/or major shareholder of the Company;
 - any other directorship in public companies and listed issuers; and
 - any actual or potential conflict of interest, including interest in any competing business with the Group.
- The above Directors have not been convicted of any offences within the past five (5) years other than traffic offence, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

Key Senior Management of APM Automotive Holdings Berhad (“APM”) Group comprises Dato’ Tan Heng Chew – President, Dato’ Tan Eng Hwa – Chief Executive Officer, Ms. Khoo Peng Peng – Executive Vice President / Chief Financial Officer, Mr. Nicholas Tan Chye Seng – Executive Vice President, whose profiles are included in the Profile of Board of Directors on pages 5 and 6 in the Annual Report 2024, and the following Key Senior Management personnel:

Siew Chee Kok

Chief Technology Officer

Age
56

Gender
Male

Nationality
Malaysian

Mr. Siew Chee Kok joined APM Group in August 2022 as the Head of Group Operations for Malaysia and was subsequently re-designated as Chief Technology Officer on 1 April 2024.

Mr. Siew graduated from the University of Melbourne, Australia in 1992 with a Bachelor’s degree in Mechanical and Manufacturing Engineering with honours. He thereafter obtained his Master of Engineering Science with a research thesis entitled “High Bandwidth Robotic Force Control” from the University of Melbourne in 1997 and a Master of Business Administration specialising in Finance from the University of Hull, United Kingdom in 1996.

Mr. Siew has extensive working experience, having been attached with a variety of industries, including construction, precision metal and heavy metal fabrication, with a recent career spanning over 20 years in the international automotive industry. Mr. Siew assumed various roles in manufacturing, marketing, operations, aftermarket sales and services, service network development, original equipment sales, e-mobility, and strategy management sectors in Malaysia, Southeast Asia, and Asia Pacific over the course of his career. In August 2022, Mr. Siew was certified as a professional technologist in the field of automotive technology by the Malaysia Board of Technologists.

Kho Kiat Seng

President – Fuji Seats (Malaysia) Sdn. Bhd.

Age
67

Gender
Male

Nationality
Malaysian

Mr. Kho Kiat Seng joined APM Group in May 2006 as a General Manager. He was promoted to Senior General Manager in July 2012 and was appointed as the Vice President of Fuji Seats (Malaysia) Sdn. Bhd. (“FSM”), a major subsidiary of the Company, in 2021 to oversee the seat operations of FSM. He was subsequently appointed as the President of FSM on 1 January 2023.

Mr. Kho graduated from Monash University, Australia with a Bachelor of Materials Engineering degree.

He has more than 40 years of working experience in manufacturing plant operations and management in various industries ranging from ceramic, iron and steel as well as automotive components. He was the Head of Interior of Plastics Division for APM Group since 2014 until his secondment to FSM in 2021 as its Vice President.

Profile of Key Senior Management

Chu Shu Lip

Head of Group OEM

Age
57

Gender
Male

Nationality
Malaysian

Mr. Chu Shu Lip is the Head of Group OEM where he manages and oversees strategy and business planning for the Group's OEM customers. He re-joined APM Group in March 2022 as a Senior General Manager of Group OEM, having previously worked in the same department from 1994 to 2014.

Mr. Chu graduated from the University of Arkansas, United States of America with a Bachelor's degree in Business Administration, majoring in Computer Information System. He has over 20 years of automotive industry experience and his last posting before re-joining APM was with a leading automotive body kit manufacturer and leather upholstery manufacturer.

Lee Wing Hong

Head of Interior and Plastics Division

Age
49

Gender
Male

Nationality
Malaysian

Mr. Lee Wing Hong joined the seat division of APM Group in June 2001 as production development engineer. He was appointed to oversee the Interior and Plastics Division in 2021 and was subsequently promoted as a Senior General Manager in January 2022.

Mr. Lee graduated from Sheffield Hallam University, the United Kingdom with a Bachelor of Engineering degree in 1999.

He has more than 20 years of working experience in automotive products development as well as manufacture seat, plastic and automotive components.

Ng Boon Hooi

Head of Suspension Division

Age
62

Gender
Male

Nationality
Malaysian

Mr. Ng Boon Hooi is the Head of Suspension Division in Malaysia since 2014.

Mr. Ng obtained his Master of Business Administration from Charles Sturt University, Australia, and also holds a professional qualification from the Chartered Institute of Procurement & Supply (UK). He has over 35 years of developing knowledge and expertise in his field.

He oversees the business operations of suspension division in Malaysia as well as in Vietnam and Indonesia. His diverse background and versatility working across subsidiaries of APM Group as the Head of Subsidiary has enabled him to accumulate vast and valuable experiences in the manufacturing and assembly of leaf springs, coil springs, shock absorbers and car seat products.

Profile of Key Senior Management

Chye Mun Heng

Head of Electrical and Heat Exchange Division

Age
61

Gender
Male

Nationality
Malaysian

Mr. Chye Mun Heng was appointed as the Head of Electrical and Heat Exchange Division in 2014.

Mr. Chye graduated from Universiti Pertanian Malaysia, now known as Universiti Putra Malaysia, with a Bachelor of Mechanical Engineering degree.

He has more than 30 years of working experience in automotive component manufacturing as well as sales and marketing of automotive components. He is in charge of the companies within the APM Group which manufacture products such as air-conditioning systems, radiators, starter motors, alternators, wiper system, distributors and other electrical parts. In addition, Mr. Chye is also in charge of a company that develops Internet of Things telematics platform and In-vehicle Infotainment systems.

Ng Kok Boon

Head of Sales and Marketing –
Local and ASEAN Replacement Market

Age
56

Gender
Male

Nationality
Malaysian

Mr. Ng Kok Boon joined APM Group in October 1993. He was promoted to a General Manager in January 2015 and subsequently appointed as the Head of Sales and Marketing for the Local Replacement Market. In July 2020, his portfolio was expanded to include sales and marketing for the ASEAN Replacement Market. He was promoted as a Senior General Manager in January 2023.

Mr. Ng graduated from Universiti Tunku Abdul Rahman with a Bachelor of Commerce Accounting (Honours) degree.

He has more than 25 years of working experience in finance, accounting, marketing, and sales operation. Prior to joining APM, he worked in a steel manufacturing company as well as in a transport and forwarding company.

David Haswell Brown

General Manager – Overseas Marketing
and Business Development

Age
51

Gender
Male

Nationality
British

Mr. David Haswell Brown joined APM Group in July 2013 as General Manager for Overseas Marketing and Business Development.

Mr. Brown graduated from London Guildhall University, Moorgate Business School in 1995 with a Bachelor of Economics (Honours) degree. In 1996, Mr. Brown graduated from London Westminster University Business School with a Master of Arts in International Business and Management.

Mr. Brown has worked in the international automotive industry for over 25 years. He was formerly the Regional Director for Asia Pacific of a major European Original Equipment Automotive component manufacturer. His experiences include automotive aftermarket sales and business development, strategic planning and marketing strategy management, original equipment sales and motorsports.

Profile of Key Senior Management

Chin Sze Cheon

Country Head, Indonesia

Age
51

Gender
Male

Nationality
Malaysian

Mr. Chin Sze Cheon joined APM Group in May 2006 and was assigned to Indonesia as the Head of Finance in August 2008. He was appointed as the Country Head, Indonesia in 2015.

Mr. Chin graduated from University of Western Australia with a Bachelor of Commerce (Finance and Accounting) degree in 1996.

He has more than 20 years of working experience in finance, manufacturing and management in automotive components industry.

Ling I Yeng

General Manager – Engineering and Research Division

Age
59

Gender
Male

Nationality
Malaysian

Mr. Ling I Yeng joined the seats division of APM Group in July 1990 as a product development engineer. He was promoted to General Manager in 2013 and has been overseeing the Engineering and Research Division since 2019.

Mr. Ling graduated from Tunku Abdul Rahman University College with a Diploma in Materials Engineering.

He has more than 25 years of working experience in automotive products design and development as well as the production of seats and automotive components.

Notes:

None of the abovementioned Key Senior Management personnel have:

- any directorship in public companies and listed issuers;
- any family relationship with any Director and/or major shareholder of the Company;
- any actual or potential conflict of interest, including interest in any competing business with the Group;
- any conviction of offences within the past five (5) years other than traffic offence, if any; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

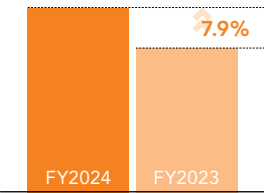
President's Statement

Dear Valued Shareholders,

Malaysia's automotive industry stands at a pivotal moment of transformation and opportunity. The past year witnessed the accelerated adoption of electric vehicles ("EVs"), advancements in smart mobility, and stronger localisation efforts in the supply chain. With the direction of the National Automotive Policy (NAP 2020) and the continued support from the government, Malaysia is well-positioned to solidify its role as a leading automotive and EV hub in Southeast Asia.

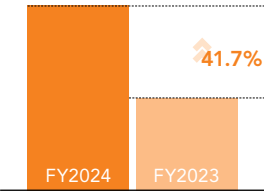
GROUP REVENUE

RM2,079.2 mil
FY2023: RM1,926.4 mil



PROFIT BEFORE TAX

RM153.5 mil
FY2023: RM108.3 mil



The Malaysian automotive sector achieved significant improvement in 2024 despite global economic uncertainties and supply chain challenges. The industry demonstrated robust growth and remained resilient, adapting to shifting consumer preferences and sustainability demands.

The Total Industry Volume ("TIV") surpassed the 800,000-unit mark for the first time, reaching an all-time high of 816,747 units, reflecting a 2.1% year-on-year increase from 799,821 units in 2023. This also marks the third consecutive record TIV since 2022.

Accordingly, I am proud to share the achievements and milestones, which shaped APM in an evolving and competitive automotive landscape. We remain steadfast in our mission to deliver high-quality, reliable, and sustainable mobility solutions notwithstanding such unforgiving circumstances. One of our key successes this year has been our expanded market presence, which reinforced our position in the local and regional automotive sector. We successfully maximised production capacity to meet the surging demand from key Original Equipment Manufacturer (OEM) customers, with several of our Malaysian plants operating at full capacity for extended periods. These milestones underscore our operational excellence, agility, and ability to adapt to evolving customer needs. These achievements would not have been possible without the dedication of our employees, the trust of our customers, the support from our supply chain and technical partners and the strong partnerships we have built across the industry.

With our revised 5-year strategic plan in place and a commitment to excellence, I am confident that APM will continue to drive sustainable growth and create long-term value for our stakeholders. Looking ahead, we are focused on accelerating towards this revised 5-year strategic plan by embracing new technologies to drive innovation and efficiency; strengthening our position in both domestic and international markets to increase our

global footprint; enhancing operational excellence to ensure that the demands of an evolving automotive landscape are met; and investing in sustainable green technology.

Moving forward and on behalf of the Board of Directors of APM Automotive Holdings Berhad (the "Company") and its subsidiaries (the "Group"), I wish to take this opportunity to present the Company's Annual Report for the financial year ended 31 December 2024 ("FY2024").

FINANCIAL PERFORMANCE OF THE GROUP IN BRIEF

Reflecting the record TIV in the Malaysian automotive sector, the Group's revenue for FY2024 grew by 7.9%, or RM152.8 million, reaching a new high of RM2.08 billion and exceeding the RM2 billion milestone for the first time in the Group's history. Profit Before Tax surged 41.7% or RM45.2 million to RM153.5 million, marking its highest level since 2013. These results reflect our ongoing commitment to operational excellence, customer satisfaction, and prudent financial management.

The Group's financial position remained robust with shareholders' fund totalling RM1.5 billion and a net cash position of RM300.1 million as of 31 December 2024. The Group's current ratio improved from 2.47 times to 2.52 times, primarily due to the increase in cash and cash equivalents following the issuance of RM200 million in Islamic Medium-Term Notes during the year under review.

DIVIDEND

As a result of our strong financial performance, I am pleased to announce that the Board of Directors has declared and approved two tranches of interim dividends totalling 28 sen per ordinary share for FY2024 (FY2023: 18 sen per ordinary share). The first interim dividend of 10 sen per ordinary share was paid on 2 October 2024, whereas the second interim dividend of 18 sen per ordinary share was paid on 27 March 2025. Both

President's Statement

the first and second interim dividends had resulted in a total dividend payment of RM54.7 million for FY2024. This reflects our commitment to returning value to our shareholders while ensuring that we continue to invest in key growth initiatives for the future. We believe in balancing shareholder returns with long-term investments that will further solidify APM's position in the automotive industry.

IMPROVING SHAREHOLDERS' VALUE

At the heart of creating shareholder value is our commitment to strategic decision-making and executing initiatives that drive revenue and profitability. Our goal is to align these efforts with the interests and expectations of our investors, ensuring that their concerns are always considered in the decisions we make.

To achieve true shareholder value, we focus on maximising profitability and growth. This includes exploring new revenue streams, identifying better business opportunities, optimising fixed costs through consolidation and rationalisation, and disposing of obsolete or underperforming assets. We also strive to reduce operational costs, restructure strategies where needed, and ensure consistent dividend payments, all while maintaining sustainability and integrity. We remain committed to these principles as we continue to pursue long-term value for our shareholders.

CORPORATE GOVERNANCE

At APM, we remain committed to maintaining high standards of corporate governance. We have further strengthened our governance framework, ensuring transparency, accountability, and robust oversight across all levels of the organisation. We continue to adopt recommended practices in corporate governance, which are pragmatic for implementation, including the establishment of rigorous internal controls, audit procedures, and risk management strategies.

DIGITAL TRANSFORMATION AND INDUSTRY 4.0

The automotive industry is undergoing a profound transformation driven by advancements in technology and digitalisation. At APM, we embrace digital transformation as a core element of our strategy. Our investments in Industry 4.0 technologies, such as automation and artificial intelligence (AI), help us optimise production, improve operational efficiency, and deliver superior products and services to our customers.

To avoid the maxim of "*haste makes waste*", our journey towards digitisation and automation has been meticulous and is progressing as scheduled. In this regard, I am proud to announce that in FY2024, the Group successfully commissioned the installation of various types of automation for better efficiency and productivity, such as and including the following:

- Semi-automated Robotic Ultrasonic Door Trim Welding Equipment to improve output efficiency while reducing manpower reliance; and



- Automated Drilling Machine for Suspension Division which significantly improved efficiency and accuracy while reducing reliance on manpower.



President's Statement



SUSTAINABILITY

Sustainability remains at the core of our strategic vision, as we recognise the growing importance of environmental responsibility in the automotive industry. As a forward-thinking company, we are committed to leading the transition towards a greener future, integrating sustainable practices across all aspects of our operations.

By continuing to embed sustainability into our core business strategy, we are not only reducing our environmental footprint but also driving long-term value for our customers, partners, and communities. Together, we can build a smarter, cleaner, and more sustainable future for the automotive industry.

Our Sustainability journey for the financial year under review can be viewed in the Sustainability Statement section of this Annual Report.

GOING FORWARD

After 3 consecutive years of record-breaking TIV in Malaysia's automotive sector, the Malaysian Automotive Association projects the TIV for 2025 to normalise to a 3-year low of 780,000 units. This outlook is aligned with the consensus among most analysts, who expect the TIV to taper off and moderate in 2025.

For us in APM, we remain cautiously optimistic of Malaysia's automotive sector as we anticipate buying interest amongst Malaysian automotive consumers to remain steady due to the potential influx of new and upcoming technology driven value for money Chinese models and the introduction of newer models from other

carmakers. However, the uncertainties surrounding the potential petrol subsidy rationalisation exercise and the recent export tariff hikes by the United States of America could dampen consumers' demand for large purchases such as motor vehicles.

Looking ahead, we are confident that APM is well-positioned to thrive in an evolving automotive landscape. We will continue to focus on innovation, operational efficiency, and sustainability, ensuring that we remain at the forefront of industry trends. As the global automotive market moves toward electrification, digitalisation, and sustainability, we will embrace these changes and adapt to meet the needs of tomorrow's consumers.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my heartfelt appreciation to the Management and staff for their tireless effort and contribution to the Group's progress, as well as our shareholders for the resolute support and confidence.

I would also like to thank all our business partners, suppliers and distributors for their resolute commitment and loyalty over the years. In conclusion, I wish to extend my sincere gratitude to all my fellow Board members for their valuable advice and guidance in shaping the Group's strategies as we move forward.

On behalf of the Board,

DATO' TAN HENG CHEW
President

Management Discussion and Analysis

OVERVIEW

BIOGRAPHY

APM Automotive Holdings Berhad ("APM" or "the Group") is a leading manufacturer and supplier of vehicle parts, specialising in design, assembly, and production. Established in 1978 and being a Malaysian native, APM began as a local supplier of leaf springs and shock absorbers. We have since expanded into a diversified automotive component assembly, manufacturing and supply business.

We are a home-grown Malaysian company, driven by our commitment to excellence and innovation. Today, our portfolio includes seat systems, air-conditioning systems for buses, electrical components, coil springs, metal parts, PVC body side mouldings, shock absorbers, tapered leaf springs, vehicle interior linings, radiators, and more.

Through our subsidiaries, joint ventures, and associates, APM has morphed into one of Malaysia's largest automotive parts suppliers with a growing global presence. We operate in key markets, including the United States of America ("USA"), Australia, the Netherlands, the United Kingdom, Indonesia, Vietnam, Myanmar, and Thailand.

To ensure long-term success, APM remains committed to the APM Manufacturing System ("AMS"), a customised framework inspired by the Lean Production System and the Japanese manufacturing principles of *Kaizen* (continuous improvement), *Gemba* (process optimisation at the source), and *Poka-Yoke* (error-proofing). By strategically expanding our network and enhancing operational efficiencies, APM continues to drive business growth while building a strong and sustainable organisation.

BUSINESS

The Group is structured around six core divisions that are supported by the Non-Reportable Segment, which provides additional operational and strategic backing. Each core division plays a critical role in its operations and growth. Briefly, these divisions are as follows:



SUSPENSION DIVISION

Focuses on producing suspension components such as shock absorbers, coil springs, and tapered leaf springs;



MARKETING DIVISION

Manages the Group's sales, distribution, and customer engagement strategies;



INTERIOR AND PLASTICS DIVISION

Handles the production of vehicle interior linings, PVC body side mouldings, and other plastic components;



INDONESIA DIVISION

Oversees operations and market expansion in Indonesia, a key growth region for APM; and



ELECTRICAL AND HEAT EXCHANGE DIVISION

Specialises in electrical components and radiators, catering to the thermal management needs of vehicles;



ALL OTHER SEGMENTS

Comprises overseas operations in key regions such as Australia, Europe, the USA, Vietnam and Thailand.

Details on these divisions and segments can be found in the Business Divisions section of this Annual Report.

Management Discussion and Analysis

OPERATION

To ensure long-term success, APM has implemented the AMS, which is designed to:

- Enhance operational efficiency;
- Meet customer demands with precision and reliability; and
- Drive continuous improvement across all processes.

STRATEGY

APM's strategy revolves around:

- **Disciplined network expansion:** Strategically growing its presence in existing and new markets;
- **Operational efficiency:** Streamlining processes to reduce waste and improve productivity;
- **Sustainable growth:** Building a strong, resilient organisation capable of adapting to industry changes and challenges; and
- **Keeping current:** Constantly reviewing and, where necessary, revising our goals and strategy for growth to stay ahead and preserve relevance.

We recently revised our 5-year strategic goals to include an amplified focus on increasing productivity and efficiency through innovation and automation whilst maintaining our commitment towards sustainability. This revised strategy is scheduled to commence from 2025 and is subject to change, depending on prevailing conditions of our operating environment and market demands.

GROUP STRATEGY GOALS



BUSINESS GROWTH



PROFITABILITY



INNOVATION

- Industry 4.0
- Research & Development



SUSTAINABILITY

By adhering to these principles, APM aims to maintain its trajectory as a leading automotive parts supplier, both in Malaysia and globally, while fostering a culture of innovation, quality, and sustainability.

GROUP FINANCIAL PERFORMANCE REVIEW

The Malaysian Automotive Association ("MAA") initially projected Malaysia's total industry volume ("TIV") for 2024 at 765,000 units but later revised it to 800,000 units, reflecting a 4.6% increase. The actual TIV for 2024 reached 816,747 units, marking a commendable 2.1% growth from 2023.

According to the MAA, the exceptional performance in 2024 was driven by several key factors as follows:

- Resilient domestic economy, with gross domestic product ("GDP") growing 5.2% in the first three quarters of 2024, up from 3.8% in the same period of 2023;
- Stable Overnight Policy Rate (OPR) at 3% since May 2023, fostering a favourable environment for vehicle financing;
- Stable socio-political conditions, ensuring business and employment market confidence;
- Strong employment market, with the unemployment rate reaching a decade-low 3.2%;
- High backlog orders, particularly in the A-segment, boosting National Makes' share by 2% to 62% of TIV;
- Successful new model launches, featuring advanced technology and appealing features that were well-received by consumers;
- Surge in battery electric vehicle sales, rising 45% due to tax incentives and an influx of new models, especially from China; and
- Aggressive sales and promotional efforts by Original Equipment Manufacturers ("OEM") and distributors, driving strong market demand.

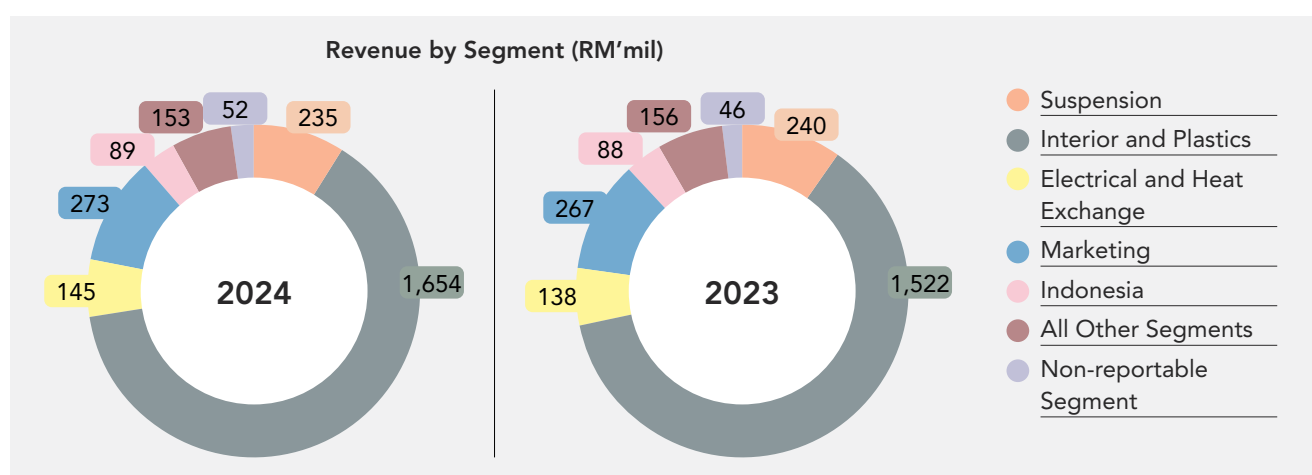
This Management Discussion and Analysis is intended to provide an insight into our key financial and operating performance at the Group level. A detailed commentary on the operating performance is highlighted under the respective business divisions' section.

FINANCIAL HIGHLIGHTS AND INSIGHTS

- The Group's revenue surpassed the RM2 billion mark for the first time in its history, reaching a record high of RM2.1 billion for the financial year ended 31 December 2024 ("FY2024"), an increase of RM152.8 million or 7.9% compared to RM1.9 billion in the financial year ended 31 December 2023 ("FY2023"). This revenue surge was primarily attributed to the higher demand from OEM customers, driven by the record TIV in Malaysia's automotive sector. As a result, both the Interior and Plastics Division and the Electrical and Heat Exchange Division experienced notable revenue growth. Additionally, the Group successfully secured the supply of parts and components for several new models launched during the year under review.

Management Discussion and Analysis

- Demand from export customers showed strong growth in 2024, driven by improved market conditions, particularly in USA, Australia, and Thailand. However, the domestic Replacement Equipment Manufacturer ("REM") segment faced a slowdown due to intense competition from imported goods. As a result, revenue for the Group's Marketing Division grew modestly by 2.2% or RM6.0 million, reaching RM273.4 million compared to RM267.4 million in 2023.
- Revenue from the Group's Indonesia Division for FY2024 remained relatively stable, increasing slightly to RM89.1 million from RM87.5 million in FY2023. The TIV in Indonesia declined by 13.9% year-on-year to 865,723 units, primarily due to challenges such as weak economic growth and reduced consumer demand. Despite these obstacles, the Indonesia Division demonstrated resilience, securing the supply of parts for new models, which contributed to a modest revenue growth for 2024.
- In line with revenue growth and augmented by revaluation gain arising from the revaluation exercise on the Group's investment properties, the Group's Profit Before Tax ("PBT") for FY2024 surged to RM153.5 million, up from RM108.3 million in FY2023.



STATEMENT OF FINANCIAL POSITION

Following the improved performance for the year and further supported by the revaluation of investment properties, the Group's net assets per share for FY2024 increased to RM7.36, up from RM7.31 in FY2023. However, this positive performance was partly offset by the unfavourable impact of foreign currency translation for the Group's foreign subsidiaries and joint ventures.

Non-current assets decreased slightly by 1.8%, or RM18.2 million. This decline was primarily due to the depreciation of property, plant, and equipment amounting to RM67.2 million, which was offset by higher capital expenditures and a revaluation gain from investment properties. The capital expenditures for the year were mainly driven by the acquisition of land in Indonesia, along with increased investments in tooling, machinery, and equipment.

In the second quarter of 2024, the Group successfully issued RM200 million in Islamic Medium-Term Notes ("IMTN"). The funds will be used for general corporate purposes and to build a reserve for potential opportunities. As a result, the Group's current ratio improved to 2.52 in FY2024, up from 2.47 in FY2023. The net cash position (i.e., cash and cash equivalents plus other investments (current assets) and less bank borrowings) stood at RM300.1 million, a

decrease from RM364.3 million in FY2023, primarily due to higher dividend payout and the acquisition of land in Indonesia during the year under review.

Non-current liabilities increased by 82% or RM151.3 million, predominantly due to the issuance of IMTN as explained in the paragraph above.

CAPITAL EXPENDITURE AND CASH FLOW POSITION

The Group generated RM55.8 million in cash from operating activities, a decrease compared to RM227.2 million generated in FY2023, mainly due to higher utilisation of working capital to support the supply of new models secured during FY2024. This resulted in an increase in trade and other receivables, which rose by RM102.3 million, along with higher deposits and prepayments of RM33.9 million due to down payments made to suppliers for goods that were shipped after the end of FY2024.

The Group recorded a cash outflow of RM145.2 million from investing activities for the year under review, primarily due to investments in unit trusts and the procurement of property, plant, and equipment. To achieve better returns on surplus funds, the Group increased its investment in unit trusts. Capital expenditures for the year under review included RM23.6 million for the acquisition of

Management Discussion and Analysis

land in Indonesia, while RM35.2 million was spent on upgrading plant facilities, purchasing tooling, machinery, and equipment, as well as funding investments and development costs for supplying parts for new car models. However, the disposal of a property in the USA during the fourth quarter of 2024 helped mitigate the cash outflow, with the Group receiving proceeds of RM18.5 million.

Net cash generated from financing activities was significantly higher at RM149.0 million primarily due to the issuance of RM200 million in IMTN during the year under review. This was partly offset by dividend payments to owners of the Company and non-controlling interest amounting to RM41.1 million and RM28.0 million, respectively.

CAPITAL MANAGEMENT

Capital management is a crucial business process that helps organisations effectively manage and utilise their assets, ensuring cash flow optimisation to meet financial obligations and operational expenses. By doing so, it maximises operational efficiency. Effective capital management also facilitates the liberation of cash, allowing for the reduction or retirement of borrowings, as well as enabling joint ventures, acquisitions, and investments.

The Group’s capital management strategy focuses on adopting prudent borrowing measures, securing financing on the most favourable market terms available to minimise outflows and maximise returns on cash reserves.

To optimise the deployment of financial resources and minimise financing costs, the Group operates a centralised treasury function. This department oversees and manages the Group’s exposure to foreign currency risks through appropriate hedging strategies. The Group monitors its

Foreign Exchange (“FX”) hedging policy, which aims to understand, measure, and mitigate the impact of exchange rate fluctuations on financial returns. The policy provides guidelines on FX exposure and ensures countermeasures are in place to mitigate the short-term impact of unfavourable FX movements on export proceeds, import payments, and trade loan obligations in foreign currencies.

A combined systematic and progressive FX hedging approach is utilised to reduce exposure to adverse currency fluctuations. This includes entering into forward FX contracts to secure foreign currency-denominated purchases and acquisitions.

In recognition of the Group’s financial strength and prudent capital management, RAM Holdings Berhad, a leading independent credit rating agency in Malaysia, has once again assigned a credit rating of AA2 to the Group’s IMTN Programme. This rating has been maintained for nine consecutive years.

The Group acknowledges that retaining sufficient cash reserves is vital for growth and expansion. Thus, the balance of IMTN of up to RM1.25 billion in nominal value remains available for future capital investments, should the need arise.

PERFORMANCE REVIEW, PROSPECT AND STRATEGIES

The Group’s business and operation consist of 5 primary divisions, namely Suspension, Interior and Plastics, Electrical and Heat Exchange, Marketing, and Indonesia. Each of these divisions offers distinct categories of products, services and activities and is supported by the International and Supplementary Segments.

BUSINESS DIVISIONS

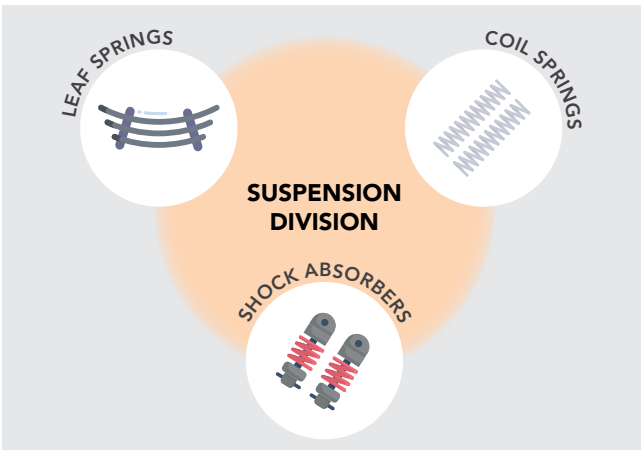
Challenges, Strategies and Prospects

SUSPENSION DIVISION



ABOUT THIS DIVISION

The Suspension Division plays a pivotal role in the design, manufacturing, and supply of automotive suspension components, which are essential for ensuring vehicle performance, safety, and comfort. This division specialises in producing a wide range of suspension products, including leaf springs, coil springs, and shock absorbers.



Management Discussion and Analysis

Key Focus Areas of the Suspension Division:

a Product Development and Innovation

- The Division is committed to continuous innovation, ensuring that its products meet evolving industry standards and customer demands.
- It invests in research and development to create advanced suspension solutions that enhance vehicle dynamics and durability.

b Precision High-Quality Manufacturing

- The Division adheres to stringent quality control processes at every stage of production, ensuring that all components meet the highest standards of reliability and performance.
- Advanced manufacturing technologies and precision engineering are employed to maintain consistency and excellence.

c Customer-Centric Approach

- The Division works closely with its customers to develop customised suspension systems tailored to the specific requirements of new vehicle models.
- This collaborative approach ensures that the suspension components integrate seamlessly with the overall vehicle design, optimising performance and comfort.

d Commitment to Safety and Performance

- Suspension components are critical to vehicle safety, stability, and ride quality. The Division prioritises the development of products that enhance these aspects, contributing to safer and more comfortable driving experiences.

The Suspension Division is a cornerstone of APM's business, showcasing the Group's expertise in automotive components and its ability to deliver innovative, high-quality solutions. By focusing on continuous improvement, customer collaboration, and operational excellence, the Division supports APM's mission to remain a leader in the automotive parts industry, both domestically and internationally.

Through its dedication to innovation and quality, the Suspension Division not only meets the needs of today's automotive market but also anticipates future trends, positioning APM for sustained growth and success in the global automotive industry.



PERFORMANCE REVIEW

The Suspension Division recorded a slight decline in revenue of 2.3%, reaching RM234.6 million in FY2024, primarily due to softening demand in the local REM market, while revenue from OEM remained flat. However, this was offset by robust export sales to key markets such as USA, Australia, and Thailand. Despite the decrease in revenue, the Division's PBT improved to RM2.8 million, up from RM1.9 million in FY2023. This growth in profitability was driven by lower material prices and reduced energy costs (natural gas), which helped mitigate the impact of softer local market demand.

CHALLENGES, STRATEGIES AND PROSPECT

Challenges

The Malaysian automotive market is expected to soften in 2025 following an exceptional performance in 2024, which is likely to impact demand from OEM customers. The REM segment faces significant challenges, particularly with the influx of imported goods flooding the local market, intensifying competition and putting pressure on pricing. Geopolitical tensions remain a major concern, especially with the recently announced reciprocal tariffs by USA potentially sparking trade wars that could disrupt the export market and further strain supply chains.

Strategies

To drive growth and improve performance, the Division will focus on several key strategies. Upgrading manufacturing facilities, including automated production lines, will enhance production capacity, improve quality control, and reduce operational costs. Streamlining operations through lean manufacturing, optimised supply chains, and enhanced inventory management will further improve efficiency, reduce lead times, and strengthen customer satisfaction.

Management Discussion and Analysis

Preparing for the rise of electric vehicles (“EVs”) is also crucial, with the Division needing to adapt to new suspension technologies that cater to the unique needs of EVs, such as lighter components and enhanced durability. Finally, investing in research and development (“R&D”) to develop innovative suspension products, focusing on sustainability and performance, will ensure the Division remains competitive and meets the evolving needs of OEM, REM, and export markets.

Prospect

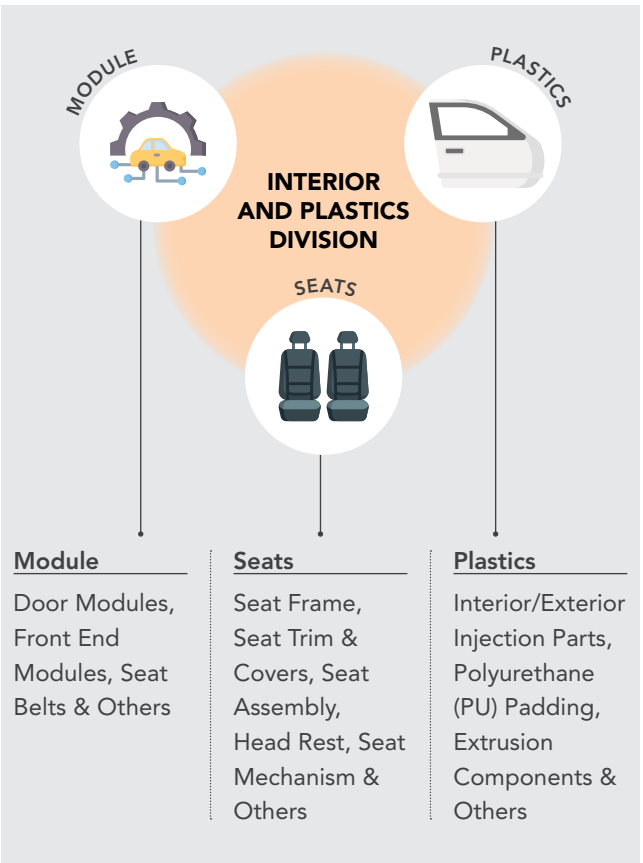
Despite the more cautious outlook from the MAA regarding a slight decline in the Malaysian automotive market in 2025, the Division remains confident that the suspension market will stay steady. This optimism is driven by the consumable nature of suspension products, the Division’s strong position as one of the leading OEM-quality leaf spring manufacturers in Malaysia, and its extensive inventory range, an advantage that few competitors can match. Moreover, export markets continue to recognise the quality of the Division’s products, and there are hopes to further penetrate and increase market share in key international markets, bolstering growth prospects for the future.

INTERIOR AND PLASTICS DIVISION



ABOUT THIS DIVISION

The Interior and Plastics Division is a key player in the design, manufacturing, and supply of interior automotive parts and components. This Division is structured around three core segments: Seat, Plastic, and Module, each contributing to the Division’s ability to deliver high-quality, innovative solutions for the automotive industry.



(A) KEY SEGMENTS AND CAPABILITIES

- 1** **Seat Segment**
 - **Production Capacity:** Capable of producing approximately 62,000 seats per month.
 - **Advanced Equipment:** Equipped with state-of-the-art machinery and testing facilities, including:
 - **Computer-Aided Engineering (CAE) Seat Static Testing Facilities:** Ensures the durability, safety, and comfort of seats.
 - **Heat Aging Tester:** Evaluates the long-term performance of materials under high temperatures.
 - **Temperature and Humidity Chamber:** Tests seat components under varying environmental conditions.
 - **QUV Accelerated Weathering Tester:** Simulates weathering effects to assess material resilience.
 - **Spectrophotometer:** Ensures colour consistency and quality.
 - **Xenon Weatherability Chamber:** Tests material resistance to sunlight and weather conditions.
 - **Melt Indexer:** Measures the flow rate of thermoplastic materials.
- 2** **Plastic Segment**
 - **Production Capacity:**
 - **Polyurethane (PU):** 35,000 vehicle sets per month.
 - **Plastic (Injection and Extrusion):** 30,000 vehicle sets per month.
 - **Applications:** Produces a wide range of plastic components used in vehicle interiors, including dashboards, door panels, and trim parts.
 - **Quality Assurance:** Utilises advanced testing equipment to ensure materials meet stringent automotive standards for durability, safety, and aesthetics.

Management Discussion and Analysis

3 Module Segment

- Focuses on the integration of various interior components into complete modules, providing streamlined solutions for automotive manufacturers.
- Enhances efficiency by delivering pre-assembled modules that reduce assembly time and complexity for vehicle production.

(B) DIVISION STRENGTHS

1 Innovation and Customisation

The Division emphasises product development and customisation to meet the specific needs of automotive manufacturers, ensuring compatibility with new vehicle models.

2 Quality and Precision

Rigorous testing and quality control processes are implemented to guarantee the reliability and performance of all components.

3 Scalability

With significant production capacities across its segments, the Division is well-equipped to handle large-scale orders while maintaining high standards of quality.

The Interior and Plastics Division is a vital part of APM's operations, contributing to the Group's reputation as a leading supplier of automotive components. By leveraging advanced technologies, innovative design capabilities, and a customer-centric approach, the Division supports APM's mission to deliver high-quality, sustainable solutions that meet the evolving demands of the global automotive industry.

This Division's focus on innovation, efficiency, and quality ensures that APM remains competitive in the market, while its scalable production capabilities position the Group for continued growth and success.



PERFORMANCE REVIEW

Revenue for this Division surged to RM1.7 billion, an increase of 8.6% from RM1.5 billion recorded in FY2023. Higher demand from certain OEM customers and the supply of parts to new models provided an uplift for the Division's revenue. The increase in revenue is consistent with Malaysia's Total Industry Production ("TIP") for vehicles, which recorded its highest TIP volume for 2024. The higher revenue translated into an improved bottom-line for this Division where PBT was registered at RM167.1 million compared to RM112.7 million in FY2023. The improved PBT was also aided by the lower production costs which resulted from a decrease in certain raw material prices and upward price revision received from certain customers.

CHALLENGES, STRATEGIES AND PROSPECT

Challenges

This Division is primarily focused on serving local OEM customers, and a potential decline in revenue heading into 2025 is anticipated due to slower uptake from OEM customers. This slowdown is attributed to the possibility of a broader industry deceleration, as mentioned earlier. One of the key challenges faced by the Division is production costs management, particularly as the Division remains labour-intensive. The recent increase in minimum wages from RM1,500 to RM1,700, effective 1 February 2025, further amplifies the need to focus on improving productivity and operational efficiency.

Strategies

This Division aims to position itself as a one-stop system solution provider to OEM customers, offering integrated solutions that streamline production processes and reduce complexity for clients. To achieve this, the Division is focused on ensuring ease of doing business by strategically locating its plants in close proximity to its customer base, facilitating faster lead times, reducing transportation costs, and enhancing responsiveness to customer needs. Additionally, the Division is committed to entering into strategic partnerships and alliances with technical partners to strengthen its product offerings, leverage cutting-edge technologies, and stay ahead of industry trends. These collaborations will enable the Division to deliver more innovative and cost-effective solutions, while meeting the evolving demands of OEM customers.

To maintain cost control and profitability, it is crucial for the Division to upgrade manufacturing facilities and automate production lines as this will enhance production capacity, improve quality control, and reduce operational costs. Incorporating automation into repetitive tasks will boost productivity and reduce dependency on manual

Management Discussion and Analysis

labour. Additionally, streamlining operations through lean manufacturing, optimised supply chains, and enhanced inventory management will further improve efficiency, reduce lead times, and strengthen customer satisfaction.

Prospect

Similar to the prospect projected for the Suspension Division, this Division also subscribes to the position

that its market will remain steadfast in view of its ability to competitively produce and supply goods that can meet customer requirements due to the sheer size of its operation and the reputation it has gained throughout the years. The influx of Chinese carmakers into the local automotive sector has presented opportunities for the Division to diversify its customer base and establish long-term relationship with Chinese OEMs, including the technical partners.

ELECTRICAL AND HEAT EXCHANGE DIVISION



ABOUT THIS DIVISION

The Electrical and Heat Exchange Division is dedicated to the design, manufacturing, and supply of automotive electrical and heat exchange systems. This Division is structured into three key segments, each addressing critical aspects of modern vehicle systems. Recently, the Division has been expanded to include a new segment, reflecting the Group's strategic focus on growth and operational efficiency.



(A) SEGMENTS OF THE ELECTRICAL AND HEAT EXCHANGE DIVISION

1 Climate Control Segment

- Focuses on the production of air-conditioning systems for vehicles, including buses and other commercial vehicles.
- Ensures optimal thermal comfort and energy efficiency in automotive climate control systems.

2 Auto Electric Segment

- Specialises in the manufacturing of electrical components for vehicles, such as wiring harnesses, sensors, and other electronic systems.
- Supports the increasing demand for advanced electrical systems in modern vehicles.

3 Aluminium Casting Segment

- This segment involves the casting, machining, and assembly of aluminium parts and components.
- Previously included under the Non-Reportable Segment, it has been reclassified into the Electrical and Heat Exchange Division due to its significant growth and strategic importance.
- Streamlines reporting and enhances focus on aluminium-based solutions, which are increasingly used in lightweighting and improving vehicle efficiency.

The Group has reassessed its operating segments to better reflect the growth and strategic direction of its businesses. The aluminium casting, machining, and assembly operations have been moved from the Non-Reportable Segment to the Electrical and Heat Exchange Division.

(B) DIVISION STRENGTHS

1 Innovation and Technology

The Division leverages advanced technologies to develop cutting-edge solutions for climate control and electrical systems.

2 Lightweighting Expertise

The addition of the aluminium casting segment enhances the Division's capability to produce lightweight components, contributing to improved fuel efficiency and reduced emissions.

3 Customer-Centric Approach

Works closely with automotive manufacturers to deliver customised solutions that meet specific vehicle requirements.

4 Sustainability Focus

Aligns with global trends in sustainability through its aluminium casting segment.

Management Discussion and Analysis



The Electrical and Heat Exchange Division plays a critical role in APM's strategy to remain at the forefront of the automotive industry. By focusing on innovation, sustainability, and operational efficiency, the Division supports the Group's mission to deliver high-quality, technologically advanced solutions that meet the evolving needs of the global automotive market. The inclusion of the aluminium casting segment further strengthens the Division's capabilities, positioning APM for continued growth and success in a rapidly changing industry.

PERFORMANCE REVIEW

The Electrical and Heat Exchange Division managed to generate revenue of RM145.4 million, an increase of 5.5% from RM137.8 million in FY2023, mainly due to higher demand from OEM and upward price adjustment received from customer. Consequently, this Division recorded PBT of RM2.8 million compared to Loss Before Tax ("LBT") of RM4.6 million in FY2023. The improved performance was also attributable to a write-back of provision for slow moving stocks.



CHALLENGES, STRATEGIES AND PROSPECT

Challenges

Revenue for this Division could be affected if the anticipated slower adoption rate, as projected by the MAA, materialised. While the global and local shift towards EVs presents growth opportunities, certain components may become obsolete in EVs. As a result, it is crucial for the Division to continuously innovate and adapt to the rapidly evolving automotive landscape to remain competitive and meet emerging market demands.

Strategies

As the automotive industry continues its shift towards EVs, the Division is committed to adapting its product portfolio to meet future market demands. This involves strategically phasing out components that may become obsolete in EVs and, at the same time, investing in the development of products that are essential for the electrification of the automotive sector.

To facilitate this transition, the Division will explore collaboration or strategic partnerships with OEMs, EV manufacturers, and technical partners to design products aligned with the latest EV technologies. Additionally, substantial investments in research and development will be essential to maintain a competitive edge in this rapidly expanding market.

The Division will also intensify its focus on expanding its presence and product range in the REM and export segments. This will be achieved through active and alternative sourcing strategies, ensuring that production costs remain competitive, with cost savings passed on to customers.

Furthermore, the Division plans to accelerate the implementation of Industry 4.0 practices, incorporating real-time Overall Equipment Effectiveness (OEE) monitoring and automation upgrades across its facilities. These advancements will enhance operational efficiency and maintain a competitive edge. Plans for expanding the current product range are also underway, aiming to create new revenue streams and drive sustainable growth for the Division.

Prospect

Despite potential challenges ahead, the Division remains cautiously optimistic about its future prospects, recognising that electrical and heat exchange systems are essential components in all vehicles. With this in mind, the Division will continue to allocate a significant portion of its resources to strengthen its presence in the EV market.

Management Discussion and Analysis

MARKETING DIVISION



ABOUT THIS DIVISION

The Marketing Division comprises activities mainly in the trading and distribution of automotive components and parts manufactured by the Group for the replacement and export markets.

PERFORMANCE REVIEW

The Marketing Division reported a higher revenue of RM273.4 million, marking a modest increase of 2.2% from RM267.4 million in FY2023. This growth was primarily driven by strong export sales to North America, Australia, and Thailand, though partially offset by a slowdown in demand from domestic REM customers.

Despite the higher revenue, the Division posted a LBT of RM0.3 million, compared to a PBT of RM9.9 million in FY2023. This decline was mainly attributed to unrealised foreign exchange losses arising from trade receivables denominated in foreign currencies. Additionally, margins within the REM segment were squeezed due to intensified competition.

CHALLENGES, STRATEGIES AND PROSPECT

Challenges

Geopolitical risks continue to pose a significant challenge for the export market, as instability in global politics can disrupt supply chains, leading to potential revenue and margin fluctuations. The risk of trade barriers, such

as tariffs, remains a concern, as these could escalate into trade wars, affecting international trade flows and increasing operational costs. Additionally, geopolitical tensions often result in currency fluctuations, which can undermine pricing strategies and impact the competitiveness of products in foreign markets. These factors together may affect profitability and the Division's ability to maintain stable operations in key international markets. The spillover effects are also being felt locally, as more imported goods are diverted to Malaysia, increasing competition in the domestic market. With demand already experiencing a slowdown due to intense competition, local REM customers are facing more pressure, which could further impact the Division's growth prospects.

Strategies

To strengthen its global presence, the Division plans to establish additional distribution centres in Europe and USA, ensuring better market reach and quicker delivery times to meet customer demands more effectively. Improving internal efficiency is also a priority, with a focus on reducing turnaround times for customers by optimising product range, availability, and pricing strategies. This will help streamline operations and enhance customer satisfaction. Additionally, the Division will consider mergers and acquisitions opportunities to expand its market footprint, enabling access to new regions and customer bases, ultimately driving long-term growth and competitive advantage.



Management Discussion and Analysis

On the local REM market front, the Division aims to expand its product range to meet evolving customer needs and strengthen its market position. Additionally, efforts will focus on consolidating the dealer network to improve management, efficiency, and communication. This will enhance sales strategies and market coverage. To boost brand awareness, the Division will also invest in digital marketing, leveraging online platforms to reach a wider audience and attract new customers through targeted advertising and social media engagement.

Prospect

As we expand our footprint in key export markets, the APM brand is gaining increased recognition due to the high quality of our products. We will continue to prioritise the export segment, given its vast growth potential. Additionally, the local REM market is also expanding, fuelled by the large number of new vehicles sold in recent years. This growth presents significant opportunities for APM to further tap into and strengthen its presence in the domestic market.

INDONESIA DIVISION



ABOUT THIS DIVISION

This Division refers to the Group's wholly-owned subsidiaries that are involved in the production of suspension products, such as coil springs, shock absorbers and leaf springs as well as the Group's investment in joint ventures and associate in Indonesia.

PERFORMANCE REVIEW

Despite the challenges faced by Indonesia's automotive industry as mentioned earlier, the Indonesia Division showed resilience, achieving a modest revenue growth of 1.8% year-on-year, reaching RM89.1 million. This growth was driven by the successful supply of parts for new OEM models and stronger export sales, which helped offset the slowdown in demand from the OEM and REM segments.

In line with the increased revenue, PBT for Indonesia Division rose to RM4.6 million, compared to RM1.5 million during FY2023. This improved performance was further supported by higher gross margins, resulting from a

favourable sales mix and lower material costs. Additionally, the Indonesia Division benefited from a write-back in provisions for doubtful debts, following settlements with certain customers.

CHALLENGES, STRATEGIES AND PROSPECT

Challenges

Economic pressures in Indonesia, particularly with rising inflation and cost of living, pose a potential threat to the automotive sector. The rising cost of living and inflation may limit discretionary spending, impacting vehicle sales and, consequently, demand for automotive parts. While the market is expected to recover in the medium term, it is crucial to stay agile and responsive to changing market conditions and consumer preferences.

Strategies

Marketing initiatives will be strengthened by focusing on targeted campaigns, enhancing brand visibility, and



Management Discussion and Analysis

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utilising digital channels to broaden our reach. We will prioritise collaborations with key industry players and participation in trade events to expand our presence and promote our product range. Additionally, the Division will explore strategic partnerships, joint ventures and alliances with technical partners, including EV part suppliers, to further penetrate the OEM segment and capture a share of the growing EV market in Indonesia.

The Division will also improve operational efficiency by streamlining processes with lean manufacturing practices to eliminate waste and reduce downtime. We will integrate automation and digital tools to enhance production speed and accuracy. Additionally, local sourcing of raw materials and components will be increased to enhance supply chain stability and minimise lead times.

Prospect

The Indonesian automotive industry is set for a modest recovery in 2025, with the Association of Indonesia Automotive Industries (Gaikindo) projecting total vehicle

sales to reach 1 million units. This growth is driven by economic recovery, rising per capita income, and government initiatives to support environmentally friendly vehicles.

The government's incentives for EVs, including tax reductions on battery electric vehicles (BEVs) and hybrid electric vehicles (HEVs), are expected to fuel growth in the EV sector. Additionally, the completion of BYD's EV plant in Subang, West Java, by the end of 2025, with an annual production capacity of 150,000 units, underscores the industry's commitment to EV development.

As the largest economy in ASEAN with a population of over 280 million, Indonesia presents significant growth potential for the automotive market. The expanding middle class and low car ownership per capita create a favourable environment for increased demand. With strategically positioned manufacturing facilities across key business divisions, APM is well-placed to capitalise on Indonesia's ongoing economic growth and automotive demand.

ALL OTHER SEGMENTS / OPERATIONS OUTSIDE OF MALAYSIA SEGMENT



ABOUT THIS SEGMENT

This business segment covers the Group's overseas operations in Australia, Vietnam, Thailand, USA, Myanmar, the United Kingdom and the Netherlands.



Australia

Led by McConnell Seats Australia Pty. Ltd. ("MSA"), which specialises in the production of seats for the commercial segment, specifically for buses and trains.



Vietnam

Led by APM Auto Components (Vietnam) Co., Ltd. and APM Springs (Vietnam) Co., Ltd., which specialises in the supply seat and suspension products, respectively.



USA

Led by APM Auto Components (USA) Inc., which specialises in the trading of suspension products.



Netherlands

Led by APM-TS B.V., which specialises in the trading of suspension products.



Thailand

Led by APM Auto Components (Thailand) Ltd ("AACT"). Due to the challenging business environment, the Group has decided to cease its ethylene propylene diene monomer (EDPM) rubber products division during FY2024. Moving forward, AACT will adopt a new business model focused on trading of suspension products.

PERFORMANCE REVIEW

The Operations Outside of Malaysia segment reported a slight revenue decline of 2.2% year-on-year, to RM152.8 million. The decrease was primarily driven by challenges in the Vietnam operations, including a slowdown in the commercial vehicle segment and the end of production for certain OEM models. However, this decline was partially offset by a recovery in demand for bus and train seats in Australia, along with the resumption of several delayed projects.

As a result, the LBT widened to RM12.9 million, compared to RM4.8 million in FY2023, in line with the lower revenue and higher operating costs, particularly in the Australian operations. Additionally, a one-off income was recorded in FY2023, related to a tax duty refund from the Vietnamese Customs.

Management Discussion and Analysis

CHALLENGES, STRATEGIES AND PROSPECT

Challenges

While APM has made significant strides in expanding its presence in international markets, several challenges continue to impact our overseas operations:

1. **Rising Costs and Supply Chain Disruptions:** Global supply chain disruptions can pose significant challenges in the timely delivery of raw materials as well as APM products. The volatility in shipping costs can affect production timelines and increase operational costs in some overseas market.
2. **Geopolitical Risks:** Political instability and trade tensions in certain regions have added a layer of uncertainty to our international business. The shifting regulatory environments have required us to adapt quickly to new tariffs, compliance requirements, and local trade agreements.
3. **Competition from Established Players:** Intense competition from both local and global automotive parts companies has put pressure on pricing and market share.

Despite these challenges, APM remains committed to overcoming obstacles by strengthening its global supply chain, adapting to market dynamics, and focusing on long-term growth through innovation and strategic partnerships.

Strategies

Manufacturing operations:

Cost reduction activities are focused on manufacturing operation in high-cost region, such as Australia, where key initiatives include outsourcing certain low-value assembly and manufacturing processes, while retaining higher-value activities such as product design and after-sales support services. MSA will also continue to expand its efforts in the design and development of a broader range of seats for trains, buses, and coaches, aligning with the Australian Government's commitment to promoting green technology and achieving zero-emissions target.

To mitigate the risk of supply chain disruptions, we are diversifying our sourcing strategies by identifying multiple suppliers across different regions. This approach reduces dependence on any single market and enhances our resilience to global supply shocks.

All overseas operations:

The newly constructed warehouse in Vietnam is designed to enhance the REM segment by expanding the product range and reducing lead time to market.

Recognising the diverse needs of our international markets, we have adopted a localised approach to marketing and product development. This includes customising products to meet the unique specifications and standards of each region, as well as tailoring marketing campaigns to resonate with local cultures and consumer preferences. By better understanding and responding to local demand, we can strengthen brand loyalty and increase market penetration.

The Group will focus on boosting APM brand awareness through increased marketing efforts. With the increasing importance of digital transformation in the global marketplace, all overseas operations are focusing on expanding its online presence. By developing robust e-commerce platforms and digital marketing strategies, we can reach a wider customer base, particularly in markets where traditional distribution channels may be limited.

Prospect

Over the years, the market has increasingly recognised the quality of APM's products, positioning the brand for further growth and a stronger market presence.

With the growing emphasis on safety, efficiency, and environmental standards, international markets are placing greater value on high-quality automotive parts. APM is well-positioned to capitalise on this shift, given our reputation for delivering reliable, top-quality components. Our focus on stringent quality control, coupled with flexible production capabilities, enables us to meet the diverse needs of customers globally.

Strategically positioned in key markets across various regions, APM sees promising opportunities for growth and expansion in overseas operations. We aim to further penetrate these markets by strengthening our distribution networks and forming new strategic alliances.

Management Discussion and Analysis

NON-REPORTABLE SEGMENT, MALAYSIA / OTHERS



ABOUT THIS SEGMENT

This segment primarily comprises operations relating to the provision of supporting services and activities, such as rental of properties in Malaysia, provision of management services as well as engineering and research services for members of the Group. Revenue from this segment forms part of inter-segment elimination for the Group’s total results. This segment also includes the Group’s investment in an associate that operates the Floating Large-Scale Solar Photovoltaic plant in Serendah, Selangor.

PERFORMANCE REVIEW

Non-reportable segment’s revenue for FY2024 grew by 12.7% to RM52.2 million, mainly because of higher intra-group billing of services. During FY2024, the Group conducted a revaluation exercise on its investment properties, resulting in a revaluation gain of RM7.7 million, net of deferred tax.

However, despite the gain, the segment’s LBT widened to RM11.3 million, compared to RM6.8 million in FY2023. The increase in LBT was primarily attributed to the charge-out of certain development expenditures, provision made for employee benefits and higher finance costs following the issuance of the RM200 million IMTN, as previously mentioned.

KEY RISK FACTORS

Business Risks and Challenges

The automotive component manufacturing sector in Malaysia is undergoing significant transformation, driven by technological advancements, regulatory changes, and shifting consumer preferences. However, this evolution also brings numerous challenges, amongst which are:

Cost

Rising production costs driven by steady increases in raw material prices, higher energy and logistics expenses and periodic rise of labour related costs such as minimum wage adjustments, which can strain profitability;

Rivalry

Competition from abroad (particularly from China, Thailand, and Indonesia) where cost advantage and wider supply chain can be a challenge for local manufacturers; and

Compliance

Stricter environmental regulations and meeting carbon neutrality and net-zero targets (such as investment in cleaner, more sustainable production processes and adherence to global safety and quality standards like ISO, IATF 16949, etc.) require innovation and financial commitment which can and will increase operational costs.

To remain competitive, we must embrace automation, invest in R&D, foster collaboration, and adopting sustainable practices and strengthen supply chain resilience. Collaboration with global partners and government support will also be the key to long-term success. We can and will thrive in this rapidly evolving industry if we adapt these dynamics.

COMPETITION RISK

The automotive component market is indeed a challenging and capital-intensive industry, characterised by intense competition across multiple dimensions. Our approach to navigating this competitive landscape is by focusing on the right key perspectives namely, cost, quality, efficiency,

service, brand, innovation, and ease of doing business. These elements necessitate a comprehensive strategy towards maintaining a competitive edge.

Below are how these elements, together with the necessary approaches, can contribute to our success:

Cost

Competing on cost involves optimising production processes, achieving economies of scale, and managing supply chain efficiencies to offer competitive pricing without compromising on quality. This is crucial in an industry where margins can be tight, and customers are highly price sensitive;

Management Discussion and Analysis

Quality

High-quality components are essential in the automotive industry, where safety and reliability are paramount. Our emphasis on reliability and quality ensures that our products meet or exceed industry standards, fostering trust and long-term relationships with customers;

Efficiency

Operational efficiency, including lean manufacturing practices and streamlined logistics, helps us reduce waste, lower costs, and deliver products on time. This is critical in maintaining a competitive advantage in a fast-paced market;

Service

Excellent customer service, including technical support, after-sales service, and responsiveness to customer needs, can differentiate us from our competitors. We believe in building and accomplishing strong relationships with our customers through superior service which fosters loyalty and promotes repeat business;

Relationships

As much of our success throughout the years is dependent on the support we receive from our employees, partners, suppliers, service providers, vendors, technical partners and other stakeholders, cultivating a robust and healthy relationship with them is crucial towards facilitating repeat business from our customers;

Brand

A strong brand reputation built on years of reliability, innovation, and trust can be a significant asset. Our brand equity helps us attract and retain customers, even in a crowded market;

Innovation

Continuous innovation in product design, materials, and manufacturing processes is essential to stay ahead of technological advancements and meet evolving customer demands. Our focus on development and innovation ensures that we remain in the forefront of the automotive component manufacturing industry; and

Ease of Doing Business

Simplifying transactions, offering flexible terms, and providing seamless integration with customers' operations can make us a preferred supplier. This aspect is particularly important in building long-term partnerships with our customers.

Our reliance on our experience, know-how, reliability, and trust underscores the importance of intangible assets in maintaining a competitive edge. By leveraging the deep industry knowledge and strong relationships with our customers and those in the supply chain, we can navigate the complexities of the market and sustain our leadership position. Our multi-faceted approach to competition, combined with the emphasis on building trust and leveraging prevailing expertise, positions us well to thrive in the highly competitive automotive component market.

OPERATIONAL RISKS

Operational risks are a critical concern for any organisation, particularly in a complex and capital-intensive industry like the automotive component market. Our proactive approach to identifying, managing, and mitigating operational risk is essential towards business continuity, promoting financial performance, and more importantly, maintaining customer trust.

Accordingly, our approach towards mitigating operational risk are as follows:

Infrastructure Upgrades

We consistently look into updating our infrastructure to ensure that it is robust, scalable, and capable of supporting current and future operational needs. This includes putting into place contemporary manufacturing facilities, advanced machinery, and IT systems;

Ecosystem Optimisation

By consistently reviewing and strengthening our ecosystem (including suppliers, distributors, vendors and partners), we ensure greater resilience to external shocks and headwinds. This involves replacing, increasing and/or diversifying the supply chain, building strategic partnerships, and implementing contingency plans;

Process Improvement

Continuous improvement methodologies are constantly undertaken through our AMS to streamline processes, reduce inefficiencies, and minimise the risk of errors or failures;

Technology

Leveraging technology, such as automation, internet of things or IoT, and artificial intelligence or AI, can reduce reliance on manual processes, enhance accuracy, and improve overall operational efficiency. Additionally, robust information and cybersecurity measures are essential to protect against digital threats;

Management Discussion and Analysis



Employee Upskilling and Reskilling

Investing in workforce training ensures that employees are skilled, aware of operational risks, and equipped to handle challenges. A strong organisational culture focused on risk awareness and accountability is also critical; and

Business Continuity Planning

Developing and testing business continuity plans ensures that we can respond effectively to unplanned disruptions, minimising downtime and financial losses.

By consistently updating our infrastructure and ecosystem, we can demonstrate a commitment to minimising operational risks and ensuring business resilience. This proactive approach not only safeguards our financial performance but also fortifies our competitive edge in the automotive component market. Effective operational risk management is a cornerstone of sustainable growth and long-term success in such a dynamic and challenging industry.

SUCCESSION RISK

If unaddressed, this risk can potentially generate negative impact on us – the perceived challenge to effectively replace key leaders, executives, or skilled employees when they become unavailable whether due to retirement, resignation, or otherwise. For us, succession risk is a critical concern, as the loss of experienced leadership or specialised talent could disrupt operations, hinder innovation, and weaken our competitive advantage which we have painstakingly built over the years.

In this regard, we adopt several strategies to manage and mitigate succession risk effectively and they are as follows:

Succession Framework

We have developed a succession framework and planning process to identify and prepare potential successors for key roles. This approach is regularly reviewed and updated to reflect changes in the business environment and organisational needs;

Talent Development and Retention

We invest in training and development programmes for our people to build and maintain a pipeline of internal talent. Knowledge-sharing initiatives are also implemented to transfer expertise from experienced employees to younger or less-experienced staff;

Leadership Development Programmes

We are constantly on a look-out for high-potential employees and provide them with opportunities to develop leadership skills through rotational assignments, cross-functional projects, and executive education; and

External Talent Acquisition

We maintain relationships with external talent pools, such as industry networks, recruitment agencies, and academic institutions to ensure constant and rapid supply of suitable personnel to fill critical roles if needed.

A robust set of succession planning and talent management practices is vital for a smooth transition of leadership and critical roles, maintaining operational continuity, and sustaining a competitive edge. We are convinced that proactive attention to succession risk will not only preserve our future but also reinforce stakeholder confidence in our ability to navigate challenges and achieve long-term success.

Management Discussion and Analysis

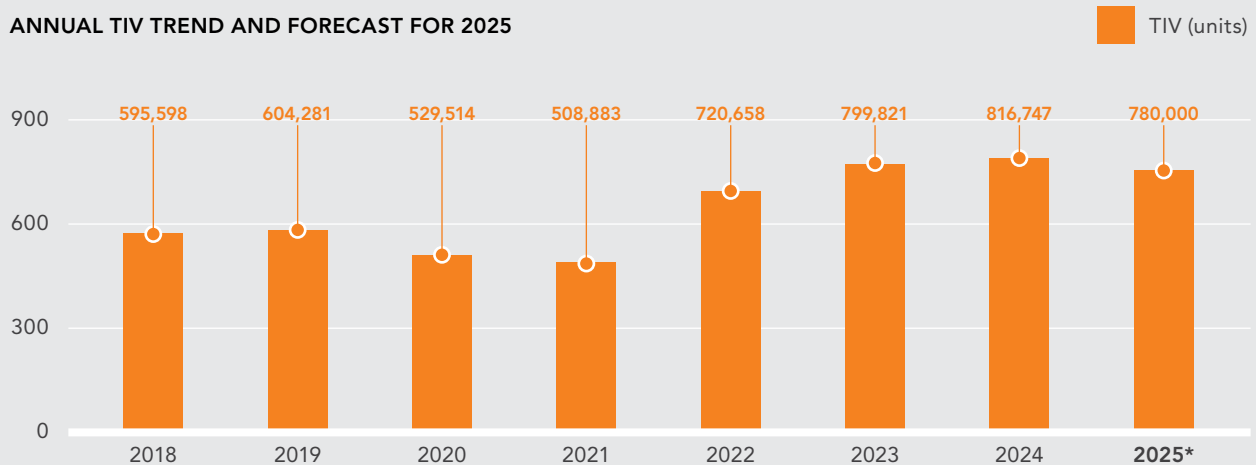
MOVING FORWARD

Outlook, Plans and Initiatives

THE 2025 AUTOMOTIVE MARKET

According to MAA, Malaysia's TIV is expected to normalise to a three-year low of 780,000 units in 2025, having hit a record of 816,747 units in 2024 due to factors that included ¹Bank Negara Malaysia's forecasted GDP growth between 4.5%-5.5% for 2025, a boost in minimum wage from RM1,500 to RM1,700, ²unemployment rate of 3.1%, ³the anticipated fuel subsidy rationalisation initiative and more.

ANNUAL TIV TREND AND FORECAST FOR 2025



* Projection figure

Source: Malaysian Automotive Association

(¹<https://www.reuters.com/markets/asia/malaysias-economy-ends-2024-high-note-amid-strong-investment-domestic-spending-2025-02-14/>; ²<https://www.thestar.com.my/news/nation/2025/02/06/malaysia-2025-job-growth-resilience-and-emerging-opportunities>; ³<https://theedgemalaysia.com/node/730718>)

With the above in mind, it must be noted that the MAA does revise its TIV from time to time throughout the year, most notably after significant changes in the market or economic conditions, such as after a major sales period or when new economic data is released.

With the influx of facelifted and new models entering the market, particularly from China and Japan, the thirst for

upgrade and change could very well negate MAA's forecast and push the TIV boundary to another all-time high.

In line with MAA's projections and for reasons as set out above, we expect buying interest among consumers to remain steady going into 2025 with the pace to expectedly pick up in the later parts of the year when new model launches become more apparent and consistent.



Management Discussion and Analysis

BUSINESS DIVERSITY

Divestment into renewable energy is increasingly being recognised as a strategic move to hedge against uncertainties in the global economic, environmental, and regulatory landscape. For companies operating in the automotive component manufacturing industry like us, transitioning toward renewable energy can provide long-term stability, reduce risks, and create new growth opportunities.

In line with our support for sustainable business practices where the details of which are more specifically set out in the Sustainability Statement section of this Annual Report and as informed previously, we presently own a 40% stake in TC Sunergy Sdn. Bhd. which operates a 31.23MWp/20MWac Large Scale (Floating) Solar Photovoltaic Plant in Bandar Serendah, Daerah Hulu Selangor which has been in commercial operation since 5th January 2024.

In today's rapidly evolving business environment, organisations like ours must regularly review and adapt strategic plans to stay competitive and responsive to changes. Strategic planning is not a one-time event but a continuous process. We constantly review and analyse our strengths, weaknesses, opportunities, and threats from competitors to formulate a competitive strategy that leverages our core competencies and resources. Accordingly, and as mentioned earlier, we recently revised our 5-year strategic plan (which will commence from 2025) to engender efficiency, sustainability and competitiveness. The revision was necessary to meet changes to our operating conditions, even as we managed to surpass our revenue target. This revised strategic plan will focus on sustainability and automation for greater efficiency.

RESEARCH AND DEVELOPMENT (R&D)

We aim to continue investing in R&D as it is crucial in the automotive component manufacturing sector to drive innovation, ensure competitiveness, and meet evolving market demands. Investing in R&D allows us to, amongst others, streamline production, reduce waste, and enhance supply chain efficiencies through automation and AI-driven predictive maintenance. R&D fosters innovation in many areas such as vehicle seat and module systems, enabling us to expand our markets and collaborate with top automobile brands. Investment in R&D is not just a necessity but a strategic move for us to stay ahead in an increasingly competitive and technology-driven landscape but also allows us to meet our sustainability and emission commitment more effectively.

EXPANSION

Inorganic growth through joint ventures, strategic alliances, or mergers and acquisitions is essential for scaling rapidly, acquiring new technologies, and achieving global competitiveness. However, success depends on effective integration, regulatory compliance, and strategic alignment with long-term business goals. We will continue to pursue inorganic growth to fortify and expand our market presence.

PERSONNEL

Our success largely depends on our workforce. Skilled, motivated, and well-managed personnel are critical for efficiency, innovation, and long-term growth as having the right people ensures smoother operations, better decision-making, and higher customer satisfaction.

At APM, we actively encourage proposals, suggestions, and ideas from our personnel. Rather than being suppressed or discouraged, their input is highly valued, as fostering a culture of innovation, trust, and continuous improvement is essential to our success. When employees feel heard and appreciated, they become more engaged, loyal, and motivated to drive the organisation forward. Building a strong workforce is not just about filling positions, it's about creating a foundation for success. We believe that investing in our people leads to higher productivity, innovation, and long-term growth.

With the support of our Sports and Recreational Club, we have been actively organising engagement activities to strengthen team bonding and enhance employee-employer relationships. In FY2024, the club successfully hosted a range of sporting and recreational events including fishing, football friendlies with customers and suppliers, bowling, badminton, and futsal, where participation exceeded expectations. Employees across all levels, including machine operators, supervisors, team leaders, and managers, along with their loved ones, enthusiastically took part, fostering a stronger sense of community within APM.

We recognise equality, diversity, and inclusivity as priorities, as diverse abilities and perspectives enhance our competitiveness and commitment. To this end, we remain dedicated to merit-based appointments, welcoming individuals of all races, nationalities, and backgrounds to serve and work with us.

Looking ahead, we remain committed to retaining and nurturing our talent pool.

5-Year Financial Highlights

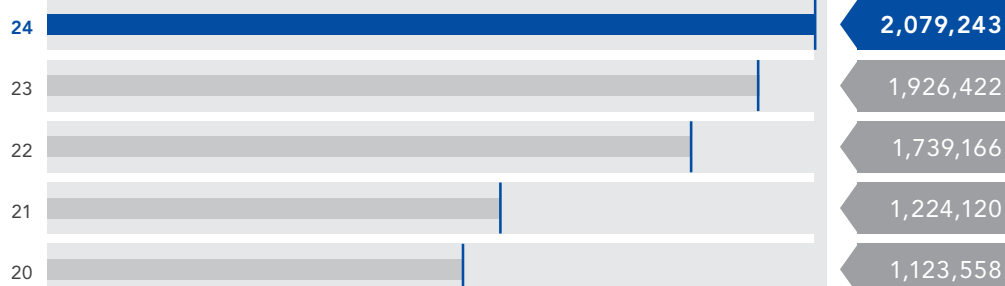
	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
RESULTS					
Revenue	2,079,243	1,926,422	1,739,166	1,224,120	1,123,558
Profit before tax	153,523	108,297	54,066	17,083	15,417
Taxation	(37,468)	(21,891)	(12,383)	(15,208)	(10,044)
Profit for the year	116,055	86,406	41,683	1,875	5,373
Attributable to:					
Owners of the Company	85,600	60,439	26,400	(11,250)	(10,469)
Non-controlling interests	30,455	25,967	15,283	13,125	15,842
STATEMENT OF FINANCIAL POSITION					
Assets					
Property, plant & equipment	682,614	716,247	627,279	649,390	682,270
Investment properties	115,280	106,760	106,700	106,660	106,660
Equity-accounted investees	138,241	139,755	92,739	72,159	55,286
Other investment	3,986	3,986	-	-	-
Intangible assets	17,189	20,840	20,542	24,364	24,577
Deferred tax assets	39,661	27,618	25,874	22,325	23,998
Total non-current assets	996,971	1,015,206	873,134	874,898	892,791
Current assets	1,416,631	1,130,306	1,083,562	973,750	958,747
Total assets	2,413,602	2,145,512	1,956,696	1,848,648	1,851,538
Equity					
Share capital	219,498	219,498	219,498	219,498	219,498
Reserves	1,233,580	1,224,020	1,081,872	1,087,832	1,110,863
Treasury shares	(13,506)	(13,506)	(13,506)	(13,506)	(13,506)
Equity attributable to owners	1,439,572	1,430,012	1,287,864	1,293,824	1,316,855
Non-controlling interests	76,071	73,704	65,126	70,148	71,023
Total equity	1,515,643	1,503,716	1,352,990	1,363,972	1,387,878
Non-current liabilities	335,817	184,463	163,836	112,608	108,655
Current liabilities	562,142	457,333	439,870	372,068	355,005
Total equity and liabilities	2,413,602	2,145,512	1,956,696	1,848,648	1,851,538
FINANCIAL STATISTICS					
Basic earnings per share (sen)	43.79	30.92	13.50	(5.75)	(5.36)
Gross dividend per share (sen)	28.00	18.00	14.00	7.00	7.00
Net assets per share (RM)	7.36	7.31	6.59	6.62	6.74
Return on shareholders equity (%)	5.97	4.45	2.05	(0.86)	(0.81)

5-Year Financial Highlights

REVENUE

(RM'000)

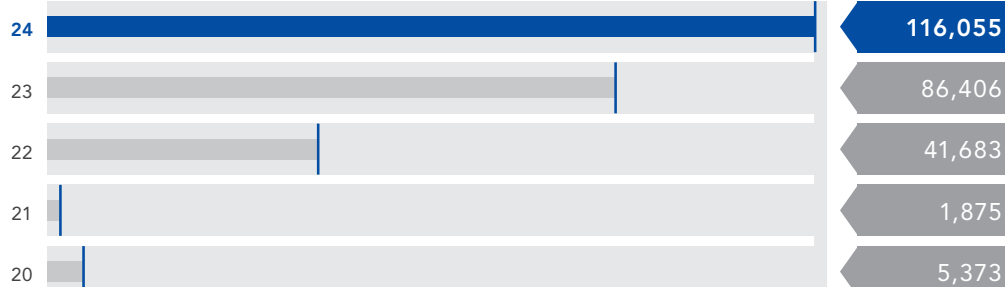
2,079,243



PROFIT FOR THE YEAR

(RM'000)

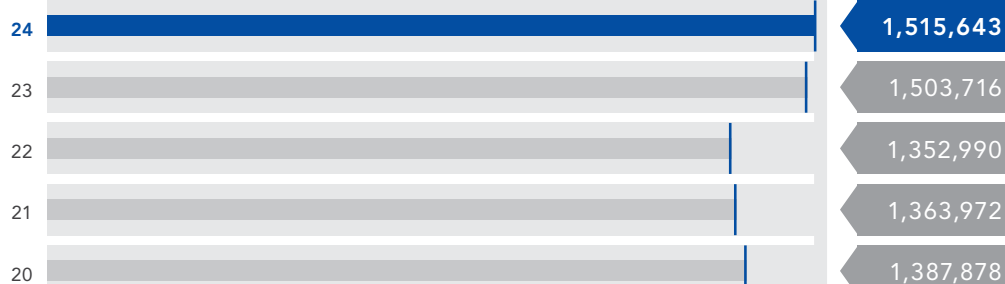
116,055



TOTAL EQUITY

(RM'000)

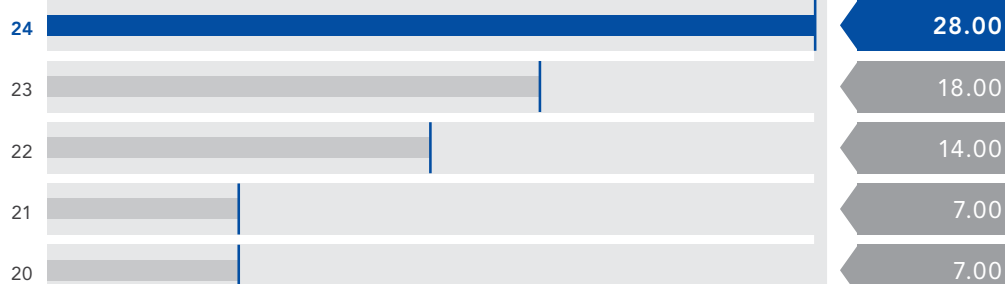
1,515,643



GROSS DIVIDEND PER SHARE

(SEN)

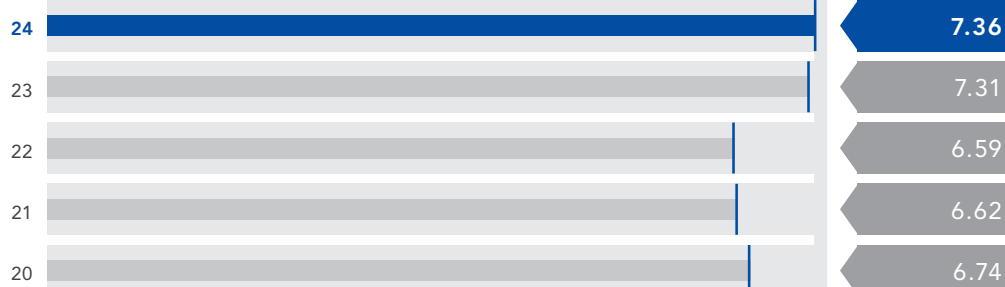
28.00



NET ASSETS PER SHARE

(RM)

7.36



SUSTAINABILITY STATEMENT



STEPPING UP THE RACE TO NET-ZERO

Through Sound and Sustainable Practices

Sustainability Statement

SECTION 1

APPROACH, SCOPE, PROCESS AND METHODOLOGY

1.1 INTRODUCTION

As global sustainability demands intensify, Malaysia has further strengthened its commitment to environmental stewardship and sustainable governance. The National Energy Transition Roadmap (NETR), which targets the country's energy sector with the clear goal of achieving Net-Zero emissions by 2050, and the National Climate Change Policy 2.0 ("NCCP 2.0"), launched on 30 September 2024, expand the focus to encompass broader environmental challenges. The NCCP 2.0 serves as an overarching framework that includes not only energy but also other critical sectors, aiming to integrate climate change mitigation, adaptation, and resilience strategies into all areas of national development. Both initiatives reflect Malaysia's proactive approach to navigating the complexities of climate change and underscore the government's commitment to meet international sustainability standards.

APM recognises the importance of sustainable business practices and continues to support them, acknowledging the strong connection between profitability and sustainability. Our sustainability plan is based on the philosophy of shared prosperity, where Economic, Environmental, Social and Governance ("EESG") considerations are integrated into various aspects of our operations. As we approach 2025, our commitment to these sustainability initiatives remains strong. In 2024, we have made significant progress by implementing initiatives aimed at reducing our carbon footprint, enhancing resource efficiency, and promoting a culture of sustainability throughout the organisation.

1.2 APM'S SUSTAINABILITY STATEMENT

Our Sustainability Statement for 2024 ("Statement") is steered by and prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") Sustainability Reporting Guide and Toolkits (3rd Edition) ("Guide").

This Statement reflects our ongoing commitment to sustainable business practices and aligns our efforts with global standards, emphasising transparency and accountability. Celebrating our 8th Sustainability Statement since the release of our Narrative Statement in 2017 following Bursa Securities' launch of the Sustainability Framework back in 2015, we continue to strive towards a balance that supports our operations, our people, and our core EESG objectives.

1.3 COVERAGE

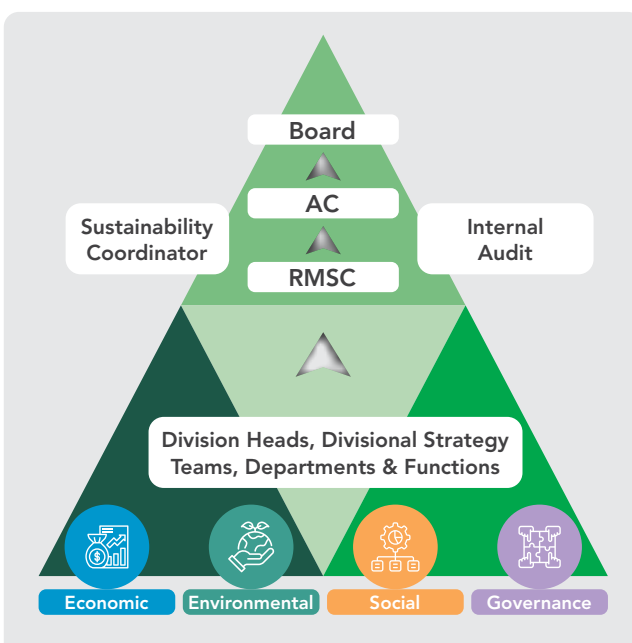
This Statement sets out the EESG activities conducted by the Group, comprising businesses in Malaysia, Indonesia, Vietnam, Thailand, and Australia, which collectively contributes to more than 90% of our revenue. The scope of this Statement will be expanded to include data and information from other APM business units in due course.

1.4 REPORTING PERIOD AND CYCLE

This Statement records our initiatives and performances from 1 January 2024 to 31 December 2024, highlighting the progress that we have made and the steps we continue to take towards a more sustainable future. It is prepared on an annual basis and is intended to serve as a platform to communicate the progress of our EESG activities and our commitment on sustainability to the various stakeholder groups.

1.5 STATEMENT OF ASSURANCE

This Statement has been prepared in accordance with Bursa Securities' Main Market Listing Requirements and the Guide. While this Statement has not been subject to assurance review by an independent assurance provider, the 36 Key Performance Indicators ("KPIs") as disclosed in this Statement have nevertheless been reviewed by the Group's Internal Audit Department to validate the accuracy of the indicators as reported.



Sustainability Statement

The Risk Management and Sustainability Committee ("RMSC") and Audit Committee ("AC") have reviewed the accuracy and veracity of this Statement.

1.6 ACCESSIBILITY

A PDF version of this Statement can be found in APM's Annual Report, which is available for viewing on the Company's website at www.apm.com.my.

1.7 FEEDBACK

We are always looking to improve this Statement, and we welcome meaningful feedback, suggestions, and comments from our internal and external stakeholders. Accordingly, such feedback, suggestions, and comments can be directed to apmah@apm.com.my.

1.8 APPROACH TO SUSTAINABILITY

Our approach to sustainable development is deeply rooted in our vision, mission, and core values, as illustrated below:



Our approach is reflected in our actions and practices, which we refer to as "sustainability initiatives". These initiatives are systematically implemented throughout various stages of our operations. We have integrated sustainability principles into our performance evaluation and decision-making processes, ensuring they are considered in our daily operations. This approach aims not only to provide a clear understanding of APM's sustainability objectives but also to foster a workplace where these values are actively and meaningfully practised.

1.9 ROLES, GOVERNANCE AND IMPLEMENTATION

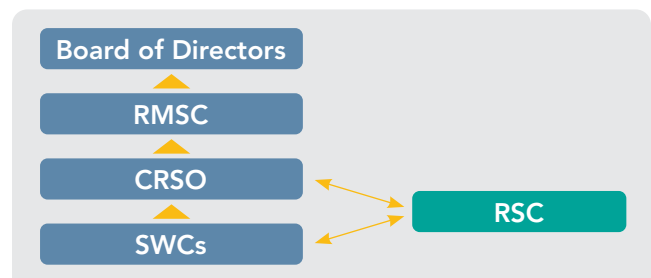
Our sustainability initiatives comprise an assortment of programmes, the implementation of which is assigned to and undertaken by different groups of personnel within our organisation. They are as follows:

1.9.1 Board of Directors

The role of governing our sustainability framework lies with the Board of Directors of APM Automotive Holdings Berhad ("Board") whose members are entrusted with the powers to decide on sustainability issues.

1.9.2 Risk Management and Sustainability Committee

The RMSC is led by the Chief Risk and Sustainability Officer ("CRSO") and comprises mainly Senior Management, who are primarily the heads of respective business divisions with varying backgrounds and expertise. The RMSC's terms of reference have been approved by the Board and are subject to review and revision from time to time. The principal role of the RMSC is to provide support to the Board, especially in the design, administration and management of the framework's policy and practices. The RMSC also assists the Board to fulfil its sustainability governance responsibilities.



Sustainability Statement

The following are the salient roles and responsibilities of the RMSC:

RMSC

- » Develop and recommend sustainability strategies (including statements and policies) to the Board for approval, adoption and revision.
- » Advise the Board to ensure that sustainability is considered in our business strategies.
- » Ensure that key sustainability matters related to EESG are addressed in the sustainability strategies.
- » Oversee the preparation of sustainability disclosures (reporting) as required by Bursa Securities.
- » The roles of the Sustainability Working Committees are as follows:
 - Draft action plan(s) on material sustainability issues and escalating them to the Working Committee Chairman for approval.
 - The plan(s) are then presented to the RMSC for approval.
 - Execute/implement RMSC's approved action plan(s).
 - Monitor and manage on the progress and performance of such action plan(s).
- » Monitor the implementation of the sustainability strategies as approved by the Board.

1.9.3 Sustainability Working Committees ("SWC")

SWCs are established to supervise the implementation of sustainability initiatives identified in the RMSC's terms of reference that have been allocated to them. SWCs are also assigned to determine suitable sustainability goals as well as to define missions, strategy, policies and messages. They are also entrusted to devise action plans for those in charge ("Persons-in-Charge" or "PIC") to implement.

1.9.4 Risk and Sustainability Coordinator ("RSC")

Granulated data on the progress and status of such action plans are collated, compiled, analysed, and processed by the RSC, who in turn reports the outcome to the CRSO.

1.9.5 Chief Risk and Sustainability Officer

The principal liaison person between the SWCs and the RMSC is the CRSO, who is appointed from amongst members of the RMSC.

The CRSO works with the various SWCs through the RSC to integrate a culture of corporate responsibility and attention to the environment, social and governance perspectives whilst doing business to realise the economic agenda.

1.10 APPROACH

We use a structured approach that aligns with Bursa Securities' Materiality Assessment and Materiality Matrix Toolkit to identify and prioritise EESG issues that are most significant to our business operations and stakeholders. This includes areas that could impact our performance, reputation, and long-term success.

Conducting a materiality assessment is crucial for developing effective sustainability strategies. By systematically performing this assessment on an annual basis, we proactively identify and manage the EESG issues that matter most to us and our key stakeholders. This process helps us align our strategies with stakeholder expectations and enhance our overall sustainability performance.

This assessment approach comprises the following steps:

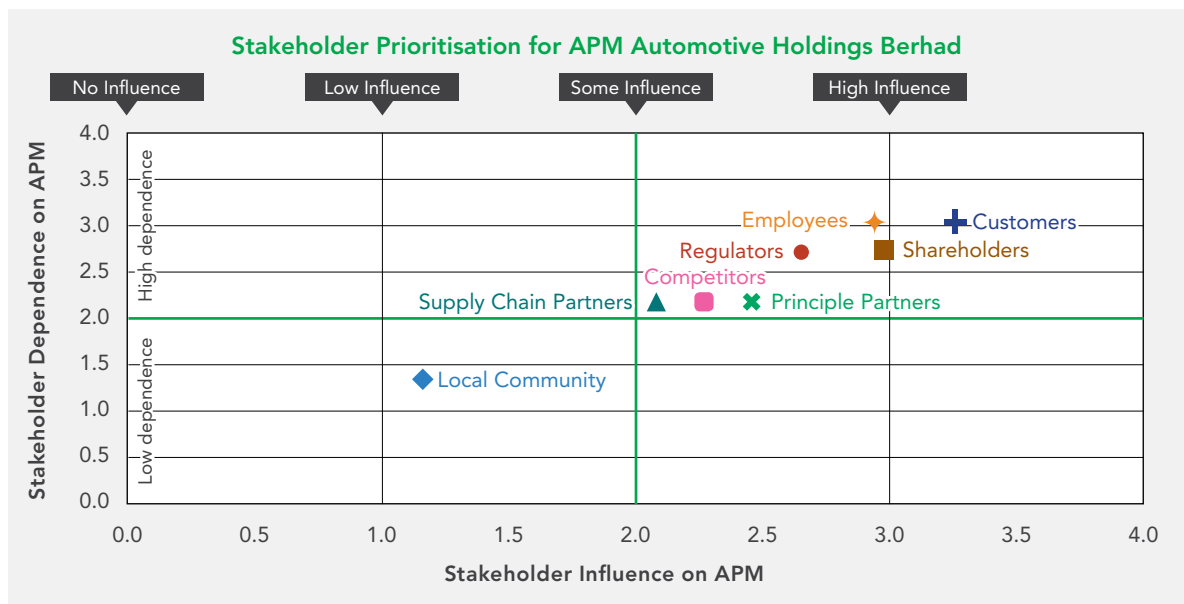
1.10.1 Identification

This phase is where we engage with key stakeholders to derive a list of sustainability matters based on our operating context. The identification of key stakeholders' EESG perspectives is accomplished through a series of physical and virtual interviews and discussions from which data we believe are material to us and our stakeholders are collated, analysed, and benchmarked against information reported by other companies in Malaysia and by looking into our industry's best practices. We then interview a cross section of the RMSC and Board to filter issues that are least significant to us. This process enables us to identify, isolate and treat our key issues, opportunities and challenges with priorities that are commensurate.

Sustainability Statement

1.10.2 Prioritisation

In this phase, sustainability matters are prioritised with the application of materiality by assessing the significance of EESG impacts and stakeholder expectations. From the list of issues, opportunities and challenges identified as material, we prioritise each of them by assigning a measure of “weightage”. This is accomplished through a materiality assessment workshop. Here, we engage with a cross section of our internal stakeholders (from managers to members of the senior management team and to our Board) with the aim of eliciting information based on their engagement with external stakeholders. We then plot these data into a materiality matrix, which indicates the relative importance of each issue to us and our stakeholders. An illustration of this matrix is as follows:



1.10.3 Validation


On completion, the materiality matrix is presented to the CRSO, RMSC and the Board for comments (if any) and thereafter for endorsement.

1.10.4 Review

This final step encompasses feedback from our stakeholders, which enables us to further refine our sustainability approach to present statements that are even more meaningful in the future. We are open to feedback or comments via apmah@apm.com.my.

1.11 STAKEHOLDER ENGAGEMENT

The following is a description of our stakeholder engagement activities:

Stakeholders	Description	Engagement Method	Sustainability Issues
 Customers	Customers of the Group consisting primarily of Original Equipment Manufacturers, Replacement Market parts distributors and end users.	Meeting, Project Tracking, and Customer Feedback, including Customer Satisfaction Survey.	Product Quality, Cost and Delivery, Warranty Services, Product Safety, Sustainability Matters and Anti-Bribery and Anti-Corruption.

Sustainability Statement

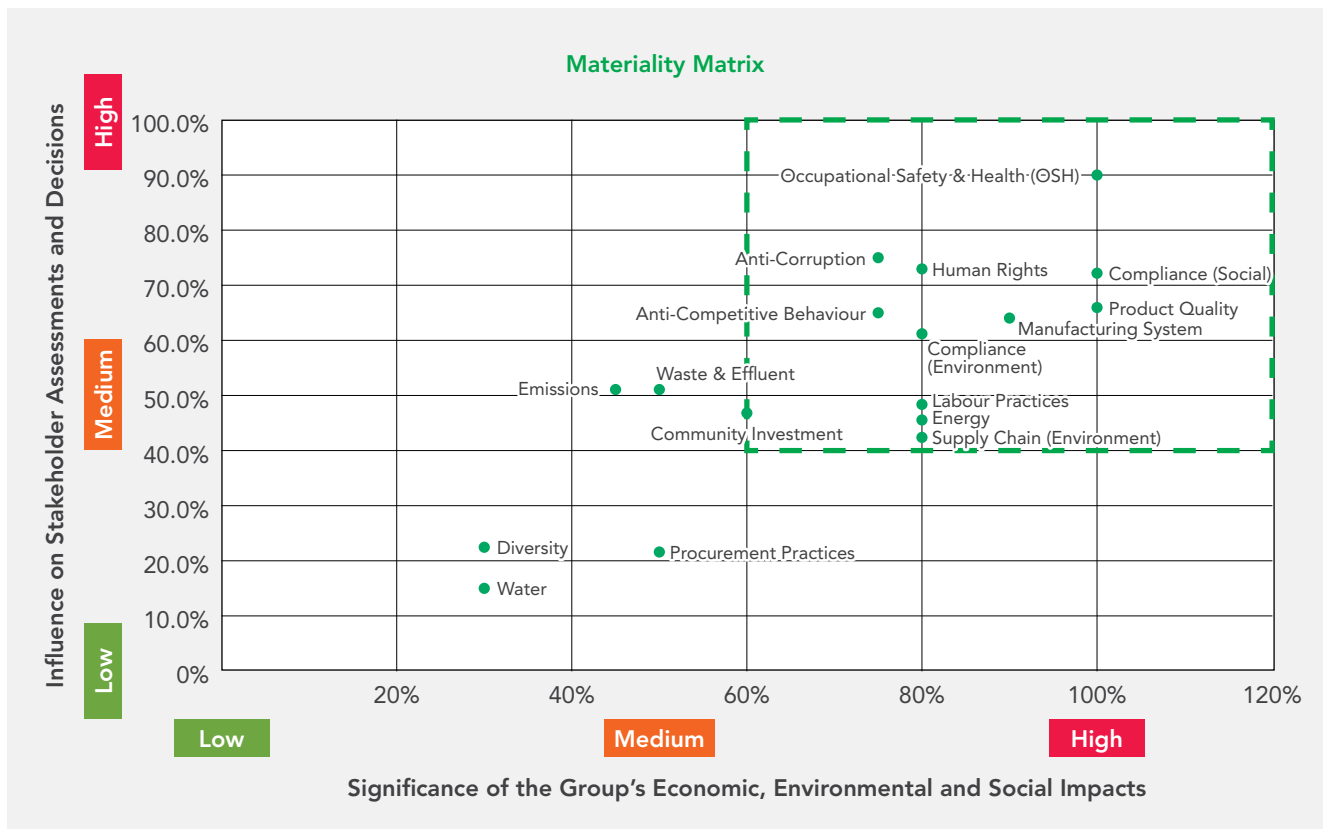
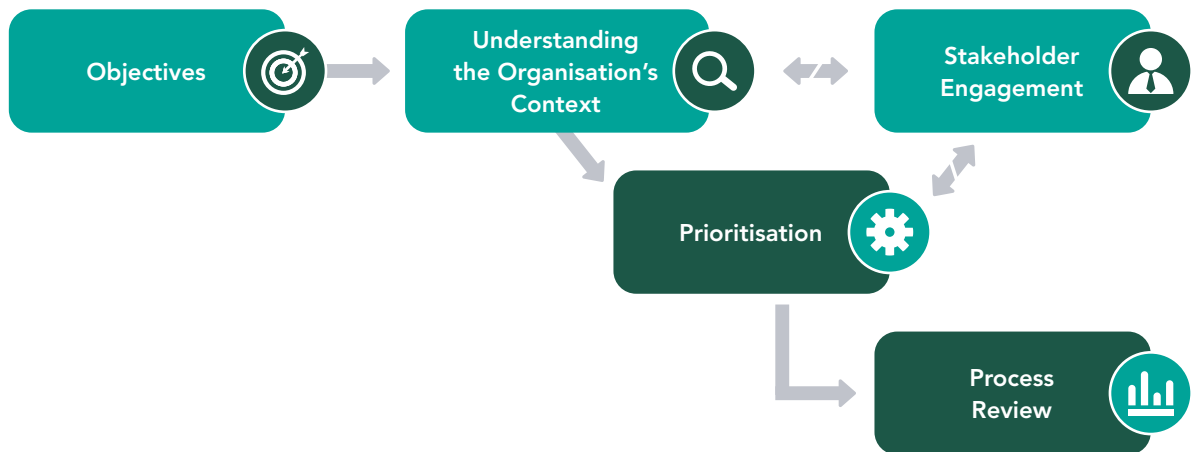
Stakeholders	Description	Engagement Method	Sustainability Issues
 Employees	Persons employed by the Group. The employees are the key enablers of all our business activities who create value along the supply chain.	Morning Briefing, Morning Market, Training and Awareness, Suggestion Scheme, Representative Meeting, Management Seminar, Trip and Function.	Learning and Development, Prompt Salary Payment, Performance Management, Work-Life Balance, Safety and Health at Workplace, Teamwork, Empowerment and Accountability, Industrial Harmony, Compensation and Benefits, and Anti-Bribery and Anti-Corruption.
 Shareholders	Owners of APM.	Annual General Meeting, Regular Updates and Communication.	Profitability, Sales Performance, Financial and Volume Performance, and Compliance.
 Regulators	Government and statutory bodies and agencies that regulate and enforce compliance requirements.	Income Tax Filing, Sales and Service Tax Reporting, Licence Renewal, Meeting, Regular Updates and Communication.	Compliance with applicable laws, policies, directives and regulations.
 Principal Partners	Business and technical partners of the Group. This group of persons includes the joint venture partners and other business associates.	Principal Engagement and Meeting.	Profitability, Intellectual Property and Royalty.
 Competitors	Competitors and counterparts.	Regular Updates.	Anti-Competitive Practices, Business Strategy and Plan, Product Innovation and Development.
 Supply Chain Partners	Vendors, suppliers, service providers, dealers, distributors and the like.	Monthly Meeting, Training, Audit and Feedback.	Fair Procurement, Anti-Bribery and Anti-Corruption, and Sustainability Matters.
 Local Community	Persons within the society where the Group is present.	Programmes through Corporate Social Responsibility and APM Make a Difference Day.	Social and Environmental Issues, and Local Community Development.

Sustainability Statement

1.12 MATERIALITY ASSESSMENT PROCESS

The criteria and process that we applied in determining the impact of EESG are based on Bursa Securities' Materiality Assessment and Materiality Matrix Toolkit:

1.12.1 Materiality Assessment Process and Matrix



Sustainability Statement

1.12.2 Material Sustainability Matters

		Key Performance Indicators (KPI)			
Themes		Index	Indicators	Unit of Measurement	Target
ECONOMIC					
1 Community Investment	Voluntary contributions made by the Group to enhance socio-economic benefits and create positive impact.	1.1	a) Total amount invested in the community where the target beneficiaries are external to the Group (e.g. non-profit organisations, homes for the aged, orphanages, etc.)	RM	Group total of RM300,000
		1.1	b) Total number of beneficiaries of the investment in communities	Number	> 6,543
2 Product Quality	Good product quality, cost and delivery taking into consideration the warranty and product safety performance.	2.1	To achieve APM Performance Index, APMi of ≥ 4.0	Number	≥ 4.0
3 Manufacturing System	APM Manufacturing System (AMS) is based on the lean approach which provide internal benchmark and mechanism of continuous improvement.	3.1	To achieve AMS Level-5 as Goal; with interim target of \geq Group Average	Number	\geq Group Average
ENVIRONMENTAL					
4 Energy	Considers the efficient use & consumption of electricity as well as energy generated from renewable sources.	4.1	a) Total energy (electricity) consumption	kWh	'E' kWh
		4.1	b) Amount of reduction in energy (electricity) consumption achieved as a result of conservation & efficiency initiatives.	%	$\geq 1.0\%$ of 'E' kWh Refer 4.1 a) above
		4.2	Carbon Dioxide ("CO ₂ ") Reduction	tCO ₂ e	$\geq 1,468$ tCO ₂ e
5 Water	Considers consumption and efficiency of water usage for industrial processes and general purposes.	5.1	Total volume of water used	Megalitres	< 243

Sustainability Statement

Key Performance Indicators (KPI)					
Themes		Index	Indicators	Unit of Measurement	Target
ENVIRONMENTAL					
6 Waste Management	Waste is broken down into hazardous and non-hazardous waste, where hazardous waste is governed by local environmental regulation i.e. the Environmental Quality (Scheduled Waste) Regulation 2005. Non-hazardous waste includes general waste such as paper and plastics. Effluent is defined as any liquid that is disposed as waste or wastewater.	6 a)	Total waste generated, and a breakdown of the following:	-	-
		i)	Total waste diverted from disposal	Metric tonnes	Baseline For 2025
		ii)	Total waste directed to disposal	Metric tonnes	Baseline For 2025
7 Emission Management	Emission refer to the discharge of environmentally hazardous substances (e.g. dust, dark smoke, emissions with metallic compounds) into the atmosphere. (This definition is in accordance with the schedules as provided in the Environmental Quality Act (Clean Air) Regulations 2014). Emission also encompasses the discharge of greenhouse gas (e.g. CO ₂ , methane, nitrous oxide, etc.).	7 a)	Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by the company	tCO ₂ e	Baseline For 2025
		7 b)	Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the company	tCO ₂ e	Baseline For 2025
		7 c)	Scope 3 emissions are all other indirect emissions not covered under Scope 1 and Scope 2. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company. (For the categories of business travel and employee commuting)	tCO ₂ e	Baseline For 2025

Sustainability Statement

		Key Performance Indicators (KPI)			
Themes		Index	Indicators	Unit of Measurement	Target
ENVIRONMENTAL					
8	Compliance (Environmental)	8.1	Total monetary value of fines for non-compliance with environmental laws and regulations	RM	Zero RM
		8.2	Total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Number	Zero case
9	Supply Chain (Environmental)	9.1	Assessment of new and existing suppliers to identified environmental impacts (e.g. resources use, waste management, impact on biodiversity, etc.)	%	100%
		9.2	Results of monitoring or auditing of suppliers	%	90%
SOCIAL					
10	Occupational Safety and Health	10.1	Percentage of workers undergoing safety and health training per year	%	100%
		10.2	Number of work-related injuries per year	Number	Zero case
		10.3	Number of work-related fatalities (including employee and contractors)	Number	Zero case
		10.4	Accident frequency rate, LTIFR	LTIFR	< 1.28
			Or Lost Time Incident Rate (LTIR)	LTIR	< 0.256
11	Labour Practices	11.1	Average hours of training per year per employee by employee category	hour/employee/year	≥ 20 hours/employee/year For Executive
				hour/employee/year	≥ 20 hours/employee/year For Non-Executive
		11.2	Total rate of employee turnover (in terms of employee type) during the reporting period	%	< 2.0% For Executive
				%	< 10.0% For Non-Executive

Sustainability Statement

		Key Performance Indicators (KPI)				
Themes		Index	Indicators	Unit of Measurement	Target	
SOCIAL						
11	Labour Practices	11.3	Percentage of employees that are contractors or temporary staff	%	< 1.00 %	
12	Compliance (Social)	12.1	Total monetary value of fines for non-compliance with laws and regulations	RM	Zero RM	
			12.2	Total number of non-monetary sanctions for non-compliance with laws and regulations	Number	Zero case
13	Human Rights	13.1	Percentage of employees trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations; Code Of Conduct	%	100%	
			13.2	Number of child labour incidents	Number	Zero case
			13.3	Number of grievances about human rights issues	Number	Zero case
			13.4	Number of forced or compulsory labour incidents	Number	Zero case
14	Anti-Competitive Behaviour	14.1	Number of legal actions pending or completed regarding anti-competitive behaviour	Number	Zero case	
15	Anti-Corruption	15.1	Percentage of employees that have received training on anti-corruption by employee category	%	100% For Executive	
				%	100% For Non-Executive	
		15.2	Percentage of operations assessed for risk-related to corruption	%	100%	
		15.3	Confirmed incidents of corruption and action taken	Number	Zero Incident	

Sustainability Statement

		Key Performance Indicators (KPI)			
Themes		Index	Indicators	Unit of Measurement	Target
SOCIAL					
15 Anti-Corruption		15.4	Percentage of External Providers submitted the letter of undertaking on Anti-Corruption	%	100%
16 Diversity	Diversity, specifically in the workforce, management and the Board, is characterised by the gender, age, etc.	16.1	Percentage of employees by gender and age group, for each employee category	% Executive - By Gender	Male
				% Non-Executive - By Gender	Female
				% Executive - By Age Group	Male
				% Non-Executive - By Age Group	Female
				% Executive - By Age Group	< 30 years old
				% Non-Executive - By Age Group	30 ~ < 40 years old
				% Executive - By Age Group	40 ~ < 50 years old
				% Non-Executive - By Age Group	≥ 50 years old
				% Executive - By Age Group	< 30 years old
				% Non-Executive - By Age Group	30 ~ < 40 years old
17 Supply Chain Management	Relates to significant and potential social impacts on society in the supply chain.	17.1	Proportion of spending on local suppliers	% Directors - By Gender	Male
				% Directors - By Age Group	Female
				% Directors - By Age Group	< 40 years old
18 Data Privacy and Security	The impact of products and services on the well-being of society, including privacy, health and safety.	18.1	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	% Directors - By Age Group	40 ~ < 50 years old
				% Directors - By Age Group	≥ 50 years old
				% Directors - By Age Group	> 63%

Our goal is to continuously refine and improve the metrics and our targets that demonstrate our performance and progress in relation to the sustainability-related risks we face. This ongoing effort helps us to maintain a robust framework that enables us to manage our expectation and requirements as well as those of our stakeholders and regulators.

Being mindful of risks and opportunities in business, we regularly engage our stakeholders (particularly the customers) to fortify and improve our business practices. The outcome of these engagements is assessed against our targets using KPIs related to the respective EESG criteria.

Sustainability Statement

SECTION 2

ECONOMIC, ENVIRONMENTAL, SOCIAL AND GOVERNANCE

2.1



ECONOMIC

We believe that business sustainability is a proactive strategy to ensure long-term viability and integrity by optimising resources and reducing environmental impacts without compromising product quality, competitiveness, and profitability.

We define economic performance as the generation of sustainable financial and economic returns while creating value for stakeholders to ensure the sustainability of our business. Maintaining a positive economic performance is critical to our business continuity.

Our economic performance is measured against our goals, annual budget, and previous year's performance. It is a reflection on how we translate our fiduciary accountability to our investors and moral responsibility to our stakeholders into tangible value as we strive towards long-term profitability, underpinned by a visionary strategy with prudent assets and capital management.

We have recently revised our 5-year strategic plan (which had been infused with 'Carbon Emission Management', an organised approach to gain strategic benefits from GHG emission reduction where plans and strategies, including the Net-Zero targets, are formulated to identify, assess, reduce, and manage GHG emissions and usage) to include achievement targets at 30% reduction by 2035 and Net-Zero by 2050. Additionally, we plan to incorporate full SMART factory (i.e. as digitised manufacturing facility that utilises interconnected machines, sensors, and systems to collect and analyse data in real-time, allowing for automated decision-making, process optimisation, and increased efficiency, often with minimal human intervention, essentially enabling the plant to "learn" and adapt as needed based on the data it gathers) elements into our plants by 2029.

5-YEAR REVISED STRATEGY:

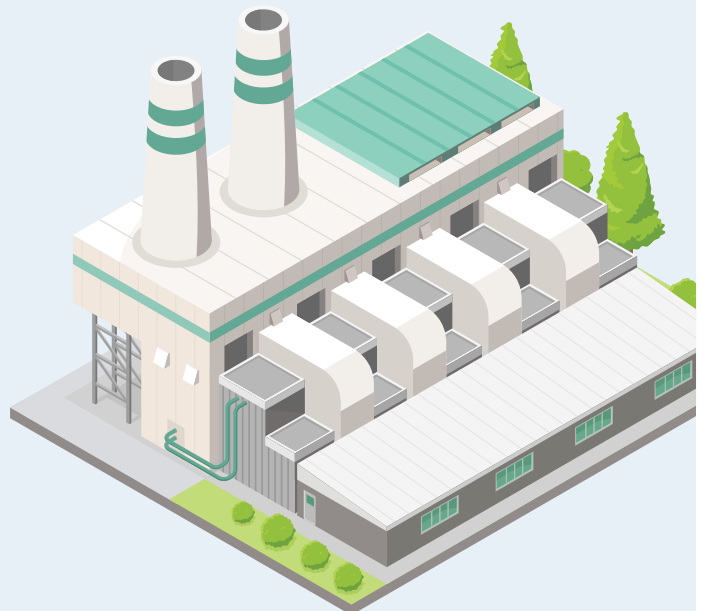
EBITDA

TURNOVER

CARBON EMISSION MANAGEMENT

RESEARCH & DEVELOPMENT

INDUSTRY 4.0



OUR FOUNDATION:

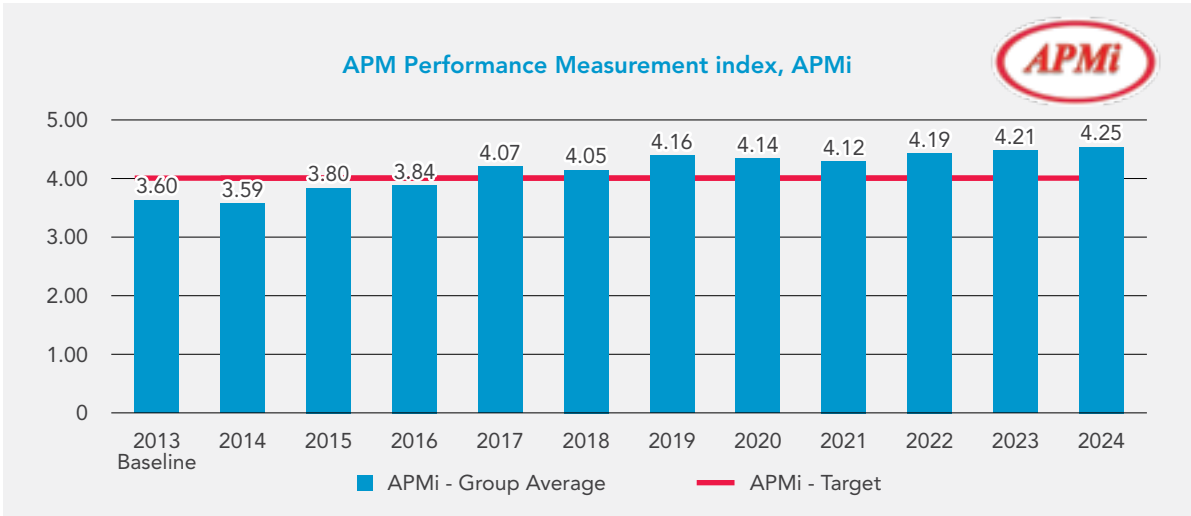
APM Manufacturing System, ISO 9001 & IATF 16949, ISO 14001, ISO 45001 & HRMS and Initiatives.

Sustainability Statement

2.1.1 Product Quality

We launched our Performance Measurement Index (“APMi”) in 2014. This index serves as a benchmark to evaluate the performance quality of our subsidiaries, allowing us to measure our overall performance effectively. The APMi includes a Key Result Area that consists of 10 quality indicators, encompassing the entire supply chain, from customers and internal performance to suppliers.

Our subsidiaries are evaluated on a scale of 1 to 5 based on a set of established criteria. APMi not only measures performance quality, but it also serves as a benchmark and goal for subsidiaries to strive for. We believe this is a crucial indicator, as achieving fair benchmarking within the automotive industry can be quite challenging. Below is a summary of our subsidiaries’ performance under APMi from 2013 to 2024:



APMi Group Average for 2024 is **4.25**, which is above the target of ≥ 4.0 .

2.1.2 APM Manufacturing System

The Lean Production System (“LPS”) is a systematic approach designed to minimise waste while maximising efficiency and value in production processes. It originated from the Toyota Production System (“TPS”) and is widely adopted across various industries to enhance productivity, reduce costs, and improve product quality. The LPS is globally recognised as an effective method for minimising waste in manufacturing environments without compromising productivity and quality.

In essence, the LPS Core Principles of Lean Production (the 5 Lean Principles) are: (i) Identify Value – Understand what customers value and eliminate non-value-adding activities; (ii) Map the Value Stream – Analyse every step in production and remove inefficiencies; (iii) Create Flow – Ensure smooth, continuous workflows without bottlenecks; (iv) Establish Pull System – Produce only what is needed, when it is needed (Just-in-Time); and (v) Pursue Perfection – Continuously improve processes through Kaizen (Continuous Improvement).

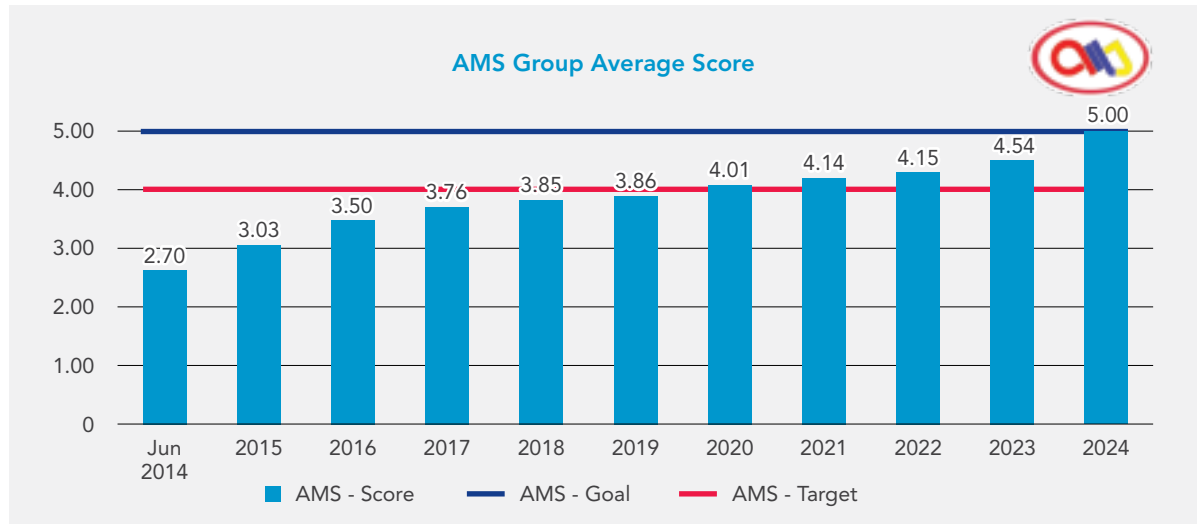
Inspired by the LPS and the TPS, we developed our own manufacturing system called the “APM Manufacturing System” or “AMS” in 2014. The operating principles found in the AMS are similar to those in the LPS. AMS manufacturing techniques are applied by us in our business philosophy and value chain.

The AMS manufacturing philosophy is based on 13 pillars and includes Autonomous Maintenance, Shop Floor Control System and Suggestion Scheme. AMS is not limited to the production process as it also comprises 5S principles (namely, *Seiri, Seiton, Seiso, Seiketsu* and *Shitsuke*), workplace safety, constant employee development, and process excellence through training, continuous improvement, or Kaizen.

Sustainability Statement

Leveraging on the strengths of APM as a group, we conduct annual AMS assessment by way of site audit to provide a basis for measurement and scoring where our Annual AMS Convention is then held for benchmarking and continuous improvement purposes. This convention has been consistently held since 2016.

To recognise individual contributions to our sustainable efforts, we award a *"Challenge the Best"* trophy to the champion and provide a token of appreciation to those with AMS Score equal to or greater than 4.00 (≥ 4.00).



A virtual convention was held on 20 January 2025 for the Company's subsidiaries to share their Industry 4.0 initiatives and roadmaps where processes that included *"Connect-Collect-Visualise-Analyse-Automate"* were employed.

Information on automation are captured with the use of our Real-Time Stock Monitoring System, Automated-Guided Vehicle Application, and Real-Time Shock Absorber Assembly Overall Equipment Efficiency.

It not only provides real-time information but also enables remedial or corrective actions to be taken without undue delay so that potential wastage or downtime can either be avoided or reduced. Big data gathered can then be analysed, studied and applied for, amongst others, future activities such as automation and mechanisation.

AMS Group Average is derived from the 10 selected segments and subsidiaries representing the model group and the initial participating subsidiaries and segments. These 10 segments and subsidiaries represent all the divisions of APM.

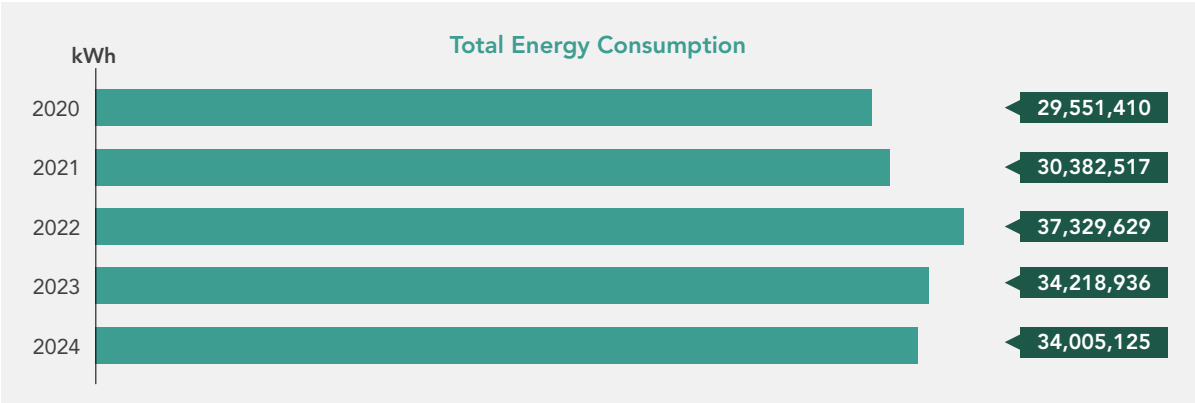
As we transition towards Industry 4.0, AMS will have additional pillars in line with this change. These new pillars will include the assessment of measurable Industry 4.0 initiatives that are designed to drive our subsidiaries towards Industry 4.0. We have since included 2 additional pillars to the AMS assessment criteria; *"Environment"* and *"Net- Zero Carbon Emission"* making it in total of 16. This is in line with our commitment to an environmental and low carbon economy. This *"Net- Zero Carbon Emission"* is aimed at ensuring that the value of Group's carbon reduction and removal initiatives are equal to the value of its carbon emissions.

Sustainability Statement

2.2 ENVIRONMENTAL

2.2.1 Environmental Sustainability

The automotive parts manufacturing industry significantly contributes to global carbon emissions, resource consumption, and pollution due to its energy-intensive production processes, material extraction, and logistics. To mitigate its ecological impact, meet regulatory requirements, and ensure long-term profitability, it is essential to implement environmental sustainability practices.



We acknowledge that our activities, if not properly managed, can lead to the degradation and depletion of natural resources. Without appropriate countermeasures, the long-term viability of our business may be at risk.

Hence, we have always been mindful of our responsibility to the environment while striving to remain profitable. As such, we are committed to implementing sustainable and eco-friendly manufacturing processes. This commitment includes using a significant number of recyclable or reusable raw materials in our production.

In 2024, we successfully diverted a total of 963.22 metric tonnes of waste from disposal, while 591.65 metric tonnes were directed to disposal. This information will serve as a reference point for setting our targets for 2025 and for planning improvement activities.

Below is a brief outline of these materials and the corresponding treatment rendered after they have served their purpose:

MATERIAL	RECYCLE	REUSED
Metal	Melt and Form	-
Plastics	Re-Pelletised and Used	-
Paper/Carton Boxes	Re-Process	Reused by Suppliers
Containers	Re-Process	Reused by Suppliers
Fabric/PVC Sheets	-	For Foam Production

Sustainability Statement

In 2024, we began monitoring GHG emissions. Our monitoring covers three scopes and they are as follows:

- (a) Scope 1 is the GHG emissions from fossil fuels **burnt** directly by our Group;
- (b) Scope 2 is the GHG emissions from **bought** energy; and
- (c) Scope 3 is the GHG emissions across our supply chain – upstream and downstream emissions **beyond** our operations.

The initial data collected in 2024 for GHG emissions are 11,941 tCO₂e under Scope 1, 24,088 tCO₂e under Scope 2, and 8,905 tCO₂e under Scope 3.

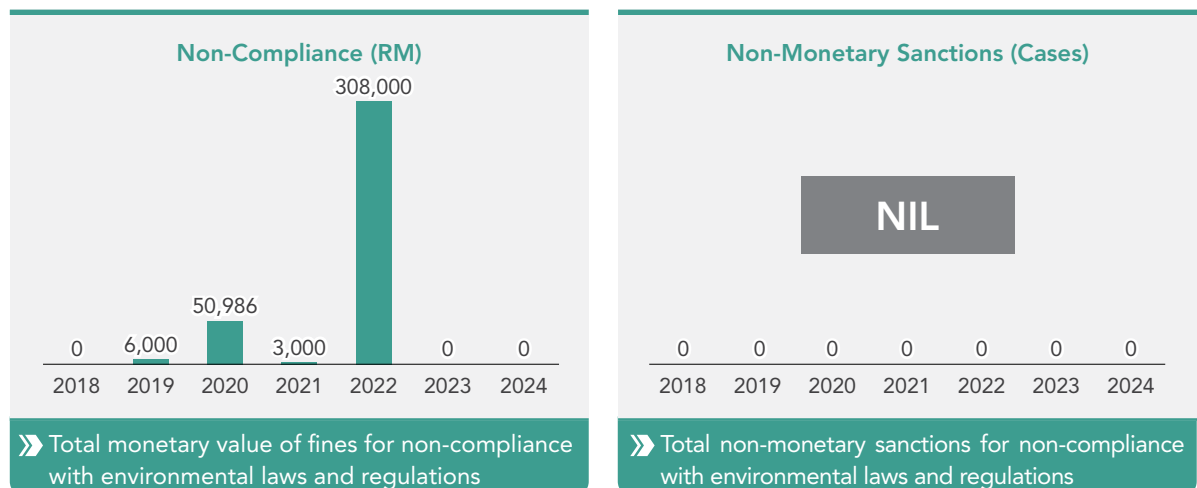
It should be noted that Scope 3 emissions comprises business travel and employee commuting for 2024 only.

With the launch of National Sustainability Reporting Framework (NSRF), we have made the necessary adjustments to our sustainability strategy to ensure compliance with the requirements of International Financial Reporting Standards ("IFRS") S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) reporting, as well as their associated timelines.

2.2.2 Compliance with Environmental Regulations

At its core, environmental compliance refers to the process by which organisations and businesses ensure that their operations, products, and services adhere to external environmental laws, regulations, standards, and other requirements. These standards are in place to minimise harm to the environment and, by extension, to people and ecosystems that depend on a healthy environment.

Presently, 14 subsidiaries within the Group are ISO 14001 certified and while we endeavour to comply with regulatory requirements, we are mindful that there could be and have been glitches due to oversights or misjudgement. We have since identified our weaknesses in this regard and corrective measures have already been taken following prevailing Malaysian environmental regulations.



We are pleased to announce that we have no record of any summonses, fines, or notification on the violation of any environment-related legislation throughout 2024.

Sustainability Statement

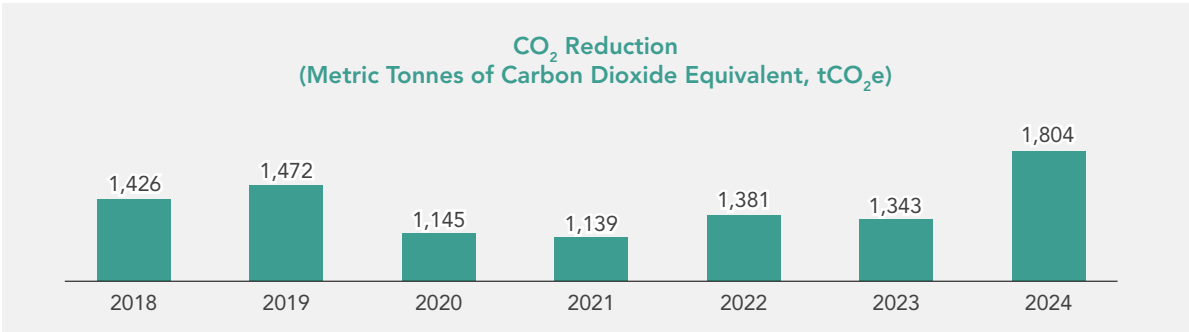
2.2.3 Energy Conservation and Efficiency

Climate change is fast becoming a serious issue in the 21st century and the key to the reduction of long-term climate change impact is the proper use of energy. According to the Energy Efficiency Impact Report by the Alliance to Save Energy, American Council for an Energy-Efficient Economy (ACEEE), Business Council for Sustainable Energy (BCSE), and others, energy efficiency investments are crucial in the reduction of energy consumption and emissions. Its benefits extend beyond energy and cost saving and cover a cleaner environment and improved public health.

Being in the manufacturing sector where the consumption of energy can be substantial, we recognise the need for energy conservation and efficient energy use. Accordingly, our energy usage is constantly monitored and checked to meet these goals.

Various measures have been introduced and implemented within our organisation to reduce CO₂ emissions.

Amongst them include the repurposing of certain parts of the roof in some of our plants to generate renewable energy through the installation of roof mounted solar panel systems, the commissioning of water curtains to improve airflow without air-conditioning and the use of LED lighting for better efficiency and improved illumination.



Our initiatives to promote efficiency in the use of energy and the conservation thereof have enabled 64% of our subsidiaries to be ISO 14001:2015 certified. To maintain the expected level of performance, we ensure that environmental audit is conducted internally and by an external professional certification body on an annual basis. These audits cover, inter alia, environmental management system compliance, and the areas involved include noise intensity, exposure to hazardous substances, air emission and the quality of wastewater discharged.

Going forward, our long-term goal is to become a leader within our industry for energy conservation in respect of the following initiatives:

- (i) Green Energy by Solar Power - At our facilities in Port Klang, Bukit Beruntung in Malaysia and Australia;
- (ii) Reduction in Natural Gas Consumption - Recuperation System, and Rapid Heating Burner;
- (iii) Reduction in Electrical Consumption - Change of lighting source from Fluorescent to LED; and
- (iv) Reduction in Natural Gas Consumption - Conversion of Hot Coiling to Cold Coiling.

In 2024, we successfully achieved a significant reduction in CO₂ equivalent emissions, recording 1,804 tonnes compared to 1,343 tonnes in 2023.

We expect more CO₂ reduction to occur in due course where several roof top solar photovoltaic initiatives at our Seri Kembangan, Bukit Beruntung, and Port Klang plants are set to become operational in 2025.

Meanwhile, responsible water usage and management is essential in the preservation of environmental sustainability (especially given the growing concerns over pollution and climate change) as water is a finite and shared resource as well as a basic human right. Accordingly, we have implemented water conservation initiatives, such as minimising unnecessary water usage. As a result, the Group’s total water consumption for 2024 was recorded at just 220 megalitres.

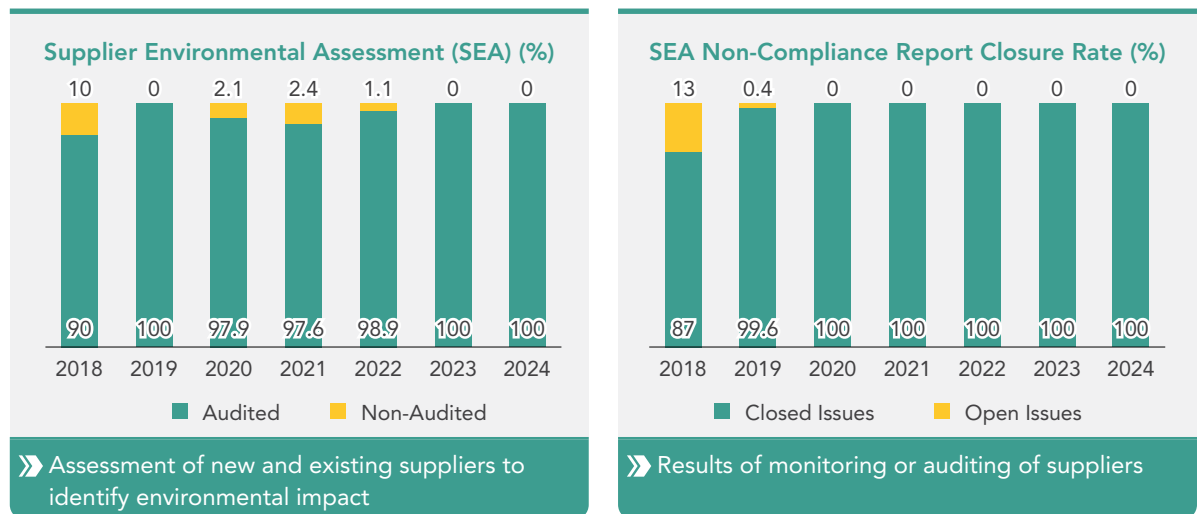
Note: CO₂ emission calculation is based on Peninsular Malaysia Energy Commission 2021 Grid Emission Factor published by the Malaysian Green Technology and Climate Change Corporation.

Sustainability Statement

2.2.4 Supply Chain Sustainability

The automotive industry relies on complex, global supply chains, involving raw material extraction, manufacturing, assembly, logistics, and distribution. Sustainability in the supply chain is essential to reduce environmental impact, comply with regulations, and ensure long-term profitability. The automotive supply chain contributes significantly to GHG emissions, particularly in raw material extraction, manufacturing, and transportation.

Against such a backdrop, we have begun to measure the environmental and societal impact of their goods and services, from the beginning to the end of their life cycles. The significant environmental impacts observed or assessed in the supply chain concerning our operations are as follows:



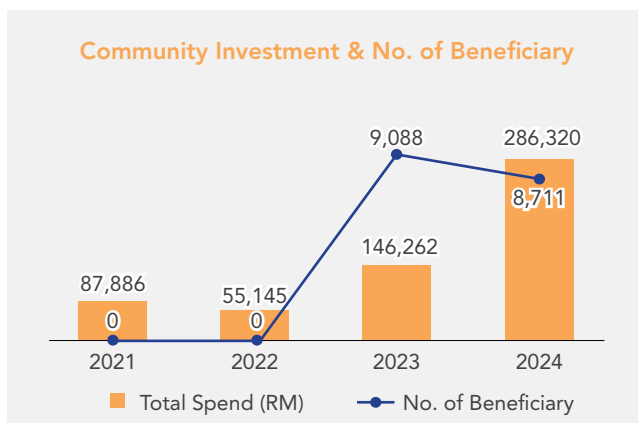
2.3



SOCIAL

2.3.1 Community Investment

The Group has consistently maintained a strong relationship with the community through constant engagement and involvement in various community-based activities and projects because we believe business and communal relationships are inextricably intertwined. In line with this commitment, we allocated an annual budget of RM300,000 for community investment for 2024.



To promote community well-being, we have established the "APM Make a Difference Day," providing each subsidiary with a pre-approved fund of RM5,000 to support meaningful community activities.



In 2024, we utilised approximately 95% of our allocated annual budget for community initiatives, including the "APM Make a Difference Day" programme, amounting to RM286,320 in total spending. This represents a significant increase of about 96% compared to RM146,262 spent in 2023, highlighting our commitment to making a positive impact in the

Sustainability Statement

communities we serve. A total of 8,711 individuals have benefited from these programmes as we continue to strengthen our outreach efforts.

Below are some of the snapshots of the programmes which we organised in 2024:

Mangrove Tree Planting ▼



Beach Cleaning ▼



Blood Donation ▼



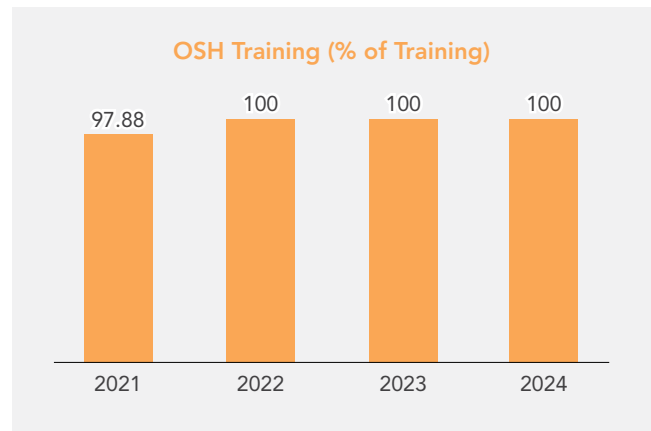
Participation in Projek Kasih Gelandangan ▼



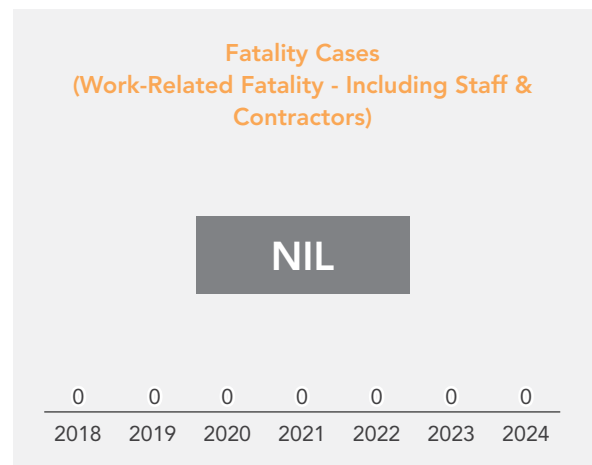
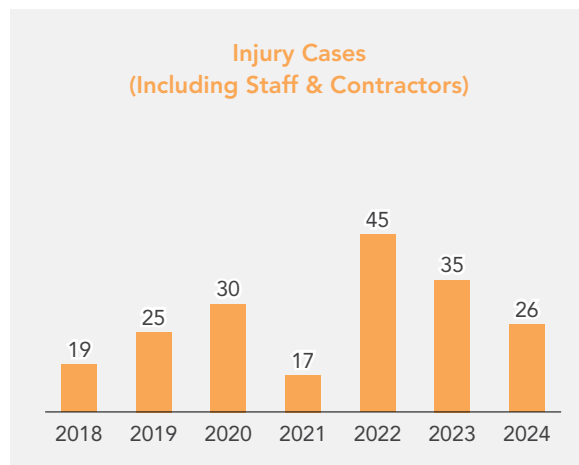
Sustainability Statement

2.3.2 Occupational Safety and Health

By definition, occupational safety and health ("OSH"), according to the International Labour Organisation ("ILO"), refers to the anticipation, recognition, evaluation and control of hazards arising in, or from the workplace that could impair the health and well-being of workers. With a target of zero OSH incidences, our primary goal here is to foster a safe and healthy work environment for all.



We recognise that proper and adequate training is mandatory to instil awareness on safety and serves as a reminder for the prevention of accidents. The following is a summary of workplace injuries sustained at our subsidiaries:



Following the increase in production activity after the COVID-19 pandemic, we observed a rise in injury cases in 2022, with many minor incidents reported. However, by strengthening our standard operating procedures and re-training our employees, along with ongoing reminders, we have successfully reduced the number of injury cases to 26 in 2024. Importantly, there have been no fatalities since 2018.

2.3.3 Workplace Safety

While we strive to achieve a flawless record, we recognise that we are susceptible to shortcomings just like any other organisation.

Our experience has allowed us to manage occupational health and safety matters more effectively. We have developed, formulated, and implemented various customised measures to reduce or eliminate workplace accidents. Amongst these measures are the safety pillars in our AMS, which include mapping safety areas and allocating specific time slots for identifying safety hazards in the workplace.

Safety DOJO, which means Safety Training Room, enables effective safety training through simulation. We believe in raising awareness through proper training, and more Safety DOJOs are being established for broader and more efficient coverage.

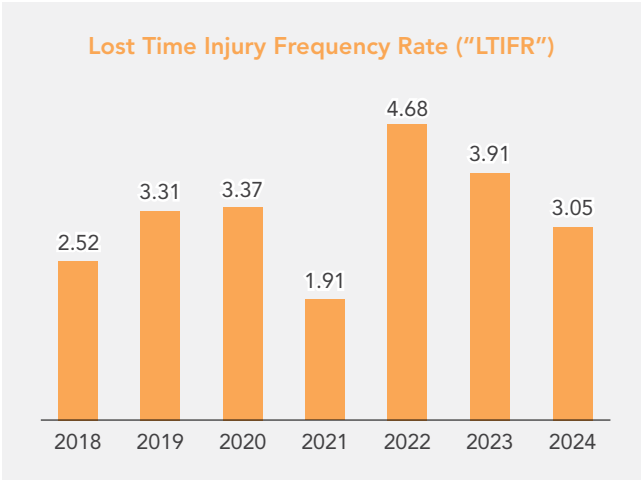
Lost Time Injury Frequency Rate ("LTIFR") has been included to provide benchmark against the industry.

Sustainability Statement

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The effectiveness and ongoing implementation of our Safety DOJOs have led to a noticeable improvement in our LTIFR in 2024. This comes after spending most of 2022 and 2023 focusing on maximising production to meet the pent-up demand and backlogs caused by COVID-19 restrictions in the previous year, which resulted in a series of incidents and a decline in our LTIFR.

In 2022, our LTIFR increased significantly to 4.68 compared to the previous year. However, despite the higher production activity, the rate improved to 3.05 in 2024. We have since identified the root causes of these incidents and implemented additional measures to prevent their recurrence in the future.



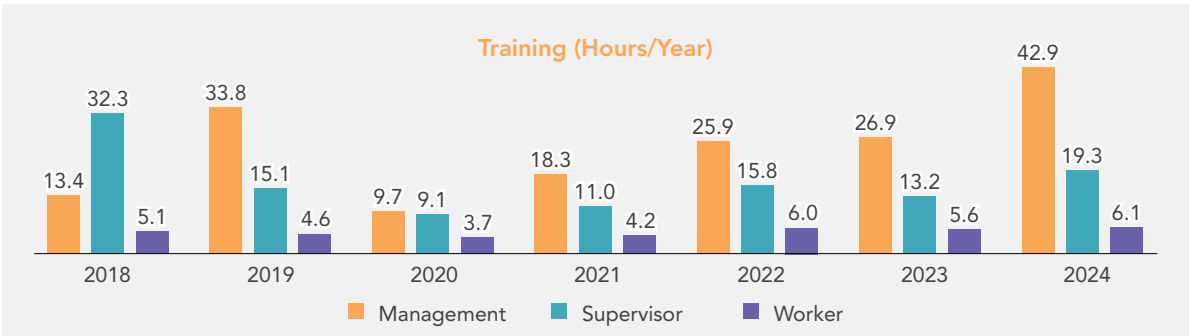
2.3.4 Sustainable Labour Practices

Sustainable labour practices are essential because they guarantee employees their rights to fair wages and a safe working environment. These practices ensure that employees’ needs are met.

We believe that when employees feel prioritised, they are more likely to reciprocate by delivering their best performance at work.

Guided by the principles of the United Nations Global Compact on labour practices, APM is committed to fostering a workplace that values, empowers, and inspires our employees.

Our employees have numerous opportunities to grow and excel through secondments, allowing them to learn and manage different aspects of the business outside their comfort zones. We regularly provide upskilling and training focused on improving efficiency and productivity, with KPIs set for performance measurement. For our senior management team, KPIs also encompass EESG factors. We truly value our personnel as they are the heart and soul of our organisation and our greatest asset.

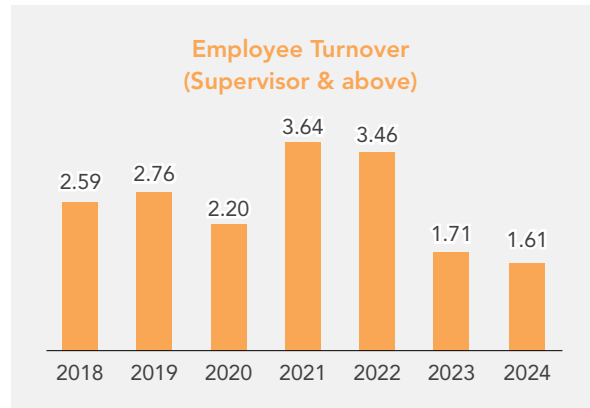
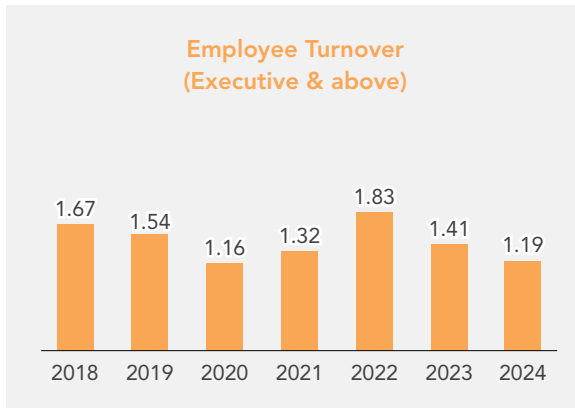


We aim to provide each employee with a minimum of 20 hours per year dedicated to skills and knowledge development. We encourage our employees to actively participate in this goal, while also improving the accuracy of our information-gathering system.

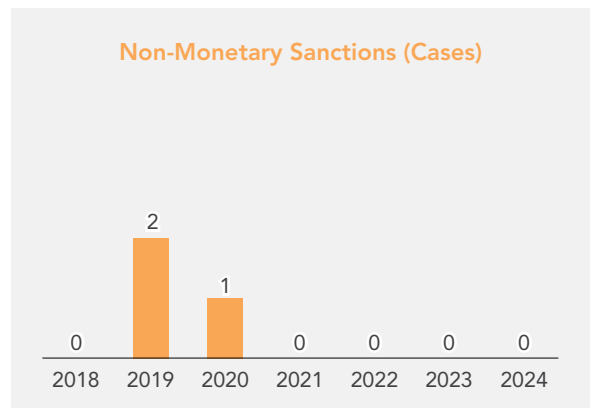
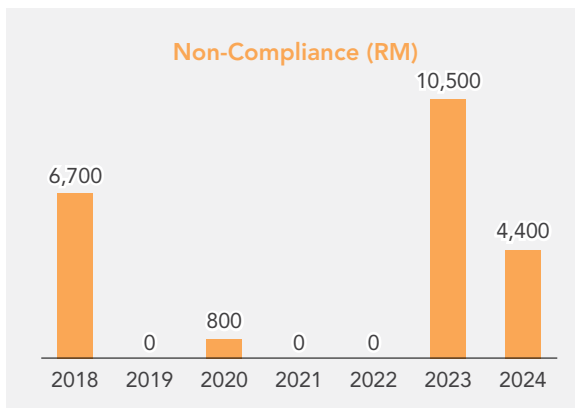
To enhance training effectiveness, we establish and, when necessary, upgrade our training facilities. These facilities are designed to provide hands-on experience, helping to elevate skill levels so that our employees are well-equipped for their roles.

Sustainability Statement

Our employee turnover is appraised and evaluated from the ratio of replacing an employee with a new one due to departures arising from termination, retirement, death, being medically boarded out, inter-agency transfers, and resignations. Our employee turnover rate is as follows and it should be noted that data for labour practice is confined to operations in Malaysia only:



The Group's Social Non-Compliances for previous years are recorded below. In 2024, we successfully reduced the fines for non-compliance and maintained a record of zero non-monetary sanctions received. The Group will continue to uphold all measures to prevent non-compliances.



Other social indicators' performance for the past three years are summarised as below table:

Key Performance Indicators (KPI)						
Themes	Index	Indicators	Unit of Measurement	Results		
				2022	2023	2024
SOCIAL						
Human Rights	13.1	Percentage of employees trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations; Code Of Conduct	%	100.0	100.0	100.0
	13.2	Number of child labour incidents	Number	0	0	0
	13.3	Number of grievances about human rights issues	Number	0	0	0
	13.4	Number of forced or compulsory labour incidents	Number	0	0	0

Sustainability Statement

Key Performance Indicators (KPI)							
Themes	Index	Indicators	Unit of Measurement	Results			
				2022	2023	2024	
SOCIAL							
Anti-Competitive Behaviour	14.1	Number of legal actions pending or completed regarding anti-competitive behaviour	Number	0	0	0	
Anti-Corruption	15.1	Percentage of employees that have received training on anti-corruption by employee category	Executive	%	99.2	100	100
			Non-Executive	%		100	100
	15.2	Percentage of operations assessed for risks related to corruption	%	100	100	100	
	15.3	Confirmed incidents of corruption and action taken	Number	-	0	0	
	15.4	Percentage of External Providers submitted the letter of undertaking on Anti-Corruption	%	95.3	100	100	

2.4 GOVERNANCE

Sustainability has long been recognised globally as a crucial objective in business planning. However, effective integration and management of sustainability within an organisation can only be achieved with a strong governance structure. As sustainability initiatives gain importance and visibility, the need to govern these plans and actions becomes increasingly vital. Good governance fosters accountability, transparency, and efficiency at all levels. It enables the effective management of human resources as well as natural, economic, and financial assets, ensuring equitable and sustainable development while engaging civil society in decision-making processes.

At APM, we acknowledge the importance of developing and implementing effective governance. Below are some of our recent accomplishments and initiatives aimed at enhancing governance within our organisation:

2.4.1 Anti-Bribery and Anti-Corruption Policy

Our updated and improved Anti-Bribery and Anti-Corruption Policy has been in effect since February 2020. Along with regular reminders about anti-corruption measures and commitments sent to our customers and suppliers, we are pleased to announce that we have not received any confirmed reports of bribery or corruption incidents for the year 2024.

2.4.2 Human Rights and Forced Labour Commitments

The *ILO's Forced Labour Convention (No. 29) defines forced labour as "all work or service which is exacted from any person under the threat of any penalty and for which the person has not offered themselves voluntarily". We agree with the ILO's perspective that forced labour represents a serious violation of human rights and a restriction of individual freedom. We are dedicated to eradicating forced labour within our organisation.

To reinforce our commitment in this area, we are pleased to announce that the Board has approved the Code of Conduct for the Recruitment and Treatment of Foreign Workers, which is now in effect. This Code serves as a reference point and guideline to address forced labour issues within our organisation.

* ILO, *A Global Alliance Against Forced Labour, Report of the Director-General, International Labour Conference, 93rd Session (Geneva, 2005)*

Sustainability Statement

SECTION 3

CONCLUSION

3.1 Sustainable Future

The urgency and desire for a sustainable world have gained significant momentum among businesses, policymakers, and investors. This shift is expected to accelerate due to the rapid environmental changes affecting our planet, which are evident in the increasing frequency and intensity of heatwaves, cyclones, and other climate-related disruptions.

As an organisation, we are committed to embedding sustainability at the core of our operations. We recognise that managing sustainability is not just a responsibility; it is the next frontier of management innovation. By integrating sustainable practices into our strategies, processes and decision-making, we aim to drive long-term value creation while reducing our environmental footprint.

Our vision is to ensure that sustainability is not merely an obligation but a fundamental principle guiding our business toward a resilient, responsible, and thriving future.

We are committed to effectively managing the Material Sustainability Matters outlined in this statement through the following initiatives:

1. Renewable Energy Expansion

- Installation, commissioning and operation of three (3) additional roof-mounted solar photovoltaic systems at our plants in Seri Kembangan, Port Klang, and Bukit Beruntung, Malaysia.

2. Strengthening Supply Chain Sustainability

- Increasing the frequency of supply chain audits to ensure compliance with our Code of Conduct for Suppliers, reinforcing responsible and ethical sourcing practices.

3. Commitment to Net-Zero Carbon Emissions by 2050

We are committed to reducing our impact on climate change through short-term, mid-term, and long-term objectives, all aimed at achieving Net-Zero Carbon Emissions by 2050. To support this goal, we will implement the International Sustainability Rating System (ISRS) to evaluate, enhance, and showcase the sustainability of our business processes and performance, focusing on carbon emissions management across Scopes 1, 2, and 3.

Through these strategic efforts, we reaffirm our commitment to sustainability by ensuring that our operations contribute to a greener and more resilient future.



Sustainability Statement

BURSA SECURITIES' ENHANCED SUSTAINABILITY REPORTING REQUIREMENTS - PERFORMANCE DATA

The following performance data included in this Sustainability Statement, downloaded from Bursa Securities' ESG Reporting Platform, comprises the Common Sustainability Matters as mandated by Bursa Securities' Enhanced Sustainability Requirements in accordance with the Main Market Listing Requirements.

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Executive	Percentage	99.20	100.00	100.00
Non-Executive	Percentage	99.20	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Percentage of external providers submitted the letter of undertaking on anti-corruption	Percentage	95.30	100.00	100.00
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	55,145.00	146,262.00	286,320.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	9,088	8,711
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executive Below 30 years old	Percentage	-	21.87	19.37
Executive Between 30 to 40 years old	Percentage	-	31.22	32.35
Executive Between 40 to 50 years old	Percentage	-	25.71	26.09
Executive Above 50 years old	Percentage	-	21.20	22.20
Non-Executive Below 30 years old	Percentage	-	50.05	45.01
Non-Executive Between 30 to 40 years old	Percentage	-	29.14	32.37
Non-Executive Between 40 to 50 years old	Percentage	-	14.12	14.87
Non-Executive Above 50 years old	Percentage	-	6.69	7.74
Gender Group by Employee Category				
Executive Male	Percentage	-	64.11	64.53
Executive Female	Percentage	-	35.89	35.47
Non-Executive Male	Percentage	-	76.71	76.84
Non-Executive Female	Percentage	-	23.29	23.16
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	-	92.11	94.59
Female	Percentage	-	7.89	5.41
Below 40 years old	Percentage	-	7.89	5.41
Between 40 to 50 years old	Percentage	-	13.16	13.51
Above 50 years old	Percentage	-	78.95	81.08

Internal assurance

External assurance

No assurance

(*)Restated

Sustainability Statement

Indicator	Measurement Unit	2022	2023	2024
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	37,329.63	34,218.94	34,005.13
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.94	0.78	0.61
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	3,917	3,731
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Executive	Hours	15,318	16,303	26,550
Non-Executive	Hours	18,762	19,300	21,522
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	0.50	0.69
Bursa C6(c) Total number of employee turnover by employee category				
Executive	Number	120	103	88
Non-Executive	Number	1,088	613	548
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	63.00	56.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	-	243.000000	220.023200
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	No Data Provided
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	No Data Provided
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	No Data Provided
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	-	No Data Provided
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	-	No Data Provided
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	No Data Provided

Notes:

- (a) The Company is no longer mandated to disclose its Waste Management (C10) and Emissions Management (C11) data as prescribed under the Common Sustainability Matters following the amendment(s) to the Main Market Listing Requirements of Bursa Securities issued on 23 December 2024. Please refer to Section 2.2.1 on Environmental Sustainability in this Sustainability Statement for data related to Waste Management and Emissions Management.
- (b) Some values would appear differently in the report generated from the ESG Reporting Platform compared to the content of this Sustainability Statement due to different methods of computation and units of measurement.

Internal assurance

External assurance

No assurance

(*)Restated