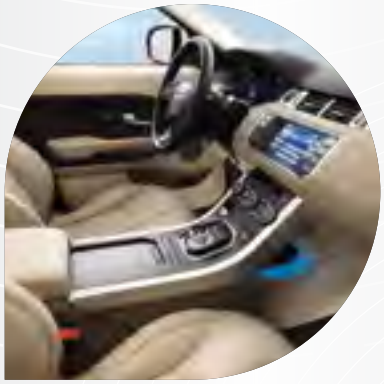
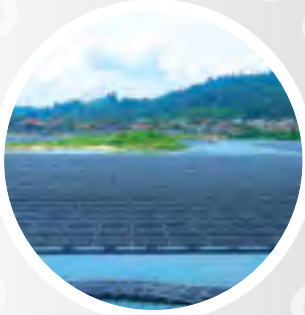
APM AUTOMOTIVE HOLDINGS BERHAD

Registration No. 199701009342 (424838-D)





BEYOND COMPONENTS, CREATING VALUE

2025
ANNUAL REPORT

USA | UK | Netherlands | Indonesia

Myanmar | Thailand | Vietnam | Australia

Vision

A Globally Preferred Innovative Mobility Solutions Provider.

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

- Trustworthiness & Integrity
- Innovation & Creativity
- Perseverance
- Courage
- 24/7 Mindset
- Diligence
- Frugality

What's Inside

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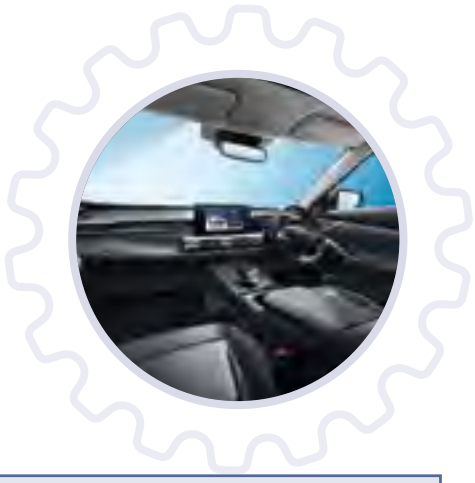


Go Digital

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 online

Corporate Website

Scan the QR code for more information

Annual Reports

Scan the QR code to read APM Annual Report 2025 online

Notice of 29th AGM

Scan the QR code to read Notice of 29th Annual General Meeting

Corporate Information

DIRECTORS

1. **DATO' TAN HENG CHEW**
   President
2. **DATO' TAN ENG HWA**
   Chief Executive Officer
3. **KHOO PENG PENG**
   Executive Vice President/Chief Financial Officer
4. **NICHOLAS TAN CHYE SENG**
   Executive Vice President
5. **DATO' CHAN CHOY LIN**
   Independent Non-Executive Director
6. **DATO' AZMIL BIN MOHD ZABIDI**
   Independent Non-Executive Director
7. **DATO' N. SADASIVAN S/O N.N. PILLAY**
   Non-Independent Non-Executive Director
8. **LOW SENG CHEE**
   Non-Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Chan Choy Lin *(Chairperson)*
Dato' Azmil bin Mohd Zabidi
Low Seng Chee

NOMINATING AND REMUNERATION COMMITTEE

Dato' Azmil bin Mohd Zabidi *(Chairman)*
Dato' Chan Choy Lin
Low Seng Chee

COMPANY SECRETARIES

Khoo Peng Peng (MIA 19749)
(SSM PC No. 201908003721)

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
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

Suspension Division

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

Interior and Plastics Division

- Public Transportation Seating Systems such as bus/coach seats, train/locomotive seats
- Automotive Seats
- Plastic Parts for both interior and exterior parts
- Extrusion Parts such as roof drips etc.
- Interior Trims such as headlinings, door panels and carpets
- Safety Belts

Electrical and Heat Exchange Division

- Starter Motors
- Alternators
- Wiper Systems
- Distributors
- Engine Management Systems
- Throttle Bodies
- Air-Conditioning Systems
- Condensers
- Evaporators
- Compressors
- Radiators
- Internet of Things product and device
- Casting, machining and assembly of aluminium parts

Marketing Division

- Local Replacement Market
- Export Market
  - ASEAN Market
  - Rest of the World

Indonesia Division

- Indonesia operations
- Joint ventures
- Associates

All Other Segments

- The United States of America
- Vietnam
- Australia
- The Netherlands
- Thailand
- Myanmar
- The United Kingdom

Non-Reportable Segment, Malaysia

- Research and Development
- Investment Properties
- Management Services
- Electric Vehicle related projects

Recognition & Achievement

List of Recognition & Achievement

1. **101KI Excellent Quality Performance**
   by Honda Malaysia Sdn. Bhd.
2. **TSA TPS Karakuri Competition 2024**
   by Toyota Suppliers Association
3. **Good Activity Award**
   by Fuji Seat Co., Ltd.
4. **CY2025 Supplier Enhancement Program**
   by Proton

Profile of the Board of Directors

DATO' TAN HENG CHEW
JP, DJMK | President

Age	Gender	Nationality	Board Meetings Attended
79	Male	Malaysian	6/6

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.

DATO' TAN ENG HWA
DIMP | Chief Executive Officer

Age	Gender	Nationality	Board Meetings Attended
71	Male	Malaysian	6/6

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 the 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.

Profile of the Board of Directors

KHOO PENG PENG
Executive Vice President/Chief Financial Officer

Age	Gender	Nationality	Board Meetings Attended
51	Female	Malaysian	6/6

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 and held the corporate title of Executive Vice President - Finance and Corporate. With effect from 1 December 2024, her corporate title was changed to Executive Vice President. In addition to her existing responsibilities, she has assumed additional roles in assisting the Chief Executive Officer in overseeing the Group's Malaysia operations and in ensuring the effective implementation of the Group's strategic plans.

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.

NICHOLAS TAN CHYE SENG
Executive Vice President

Age	Gender	Nationality	Board Meetings Attended
52	Male	Malaysian	6/6

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.

Profile of the Board of Directors

DATO' CHAN CHOY LIN

DIMP | Independent Non-Executive Director

Age	Gender	Nationality	Board Meetings Attended
68	Female	Malaysian	6/6

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, Sumisaujana Group Berhad and SCA Solutions Berhad.

DATO' AZMIL BIN MOHD ZABIDI

DIMP, PCM, BCM | Independent Non-Executive Director

Age	Gender	Nationality	Board Meetings Attended
64	Male	Malaysian	6/6

Dato' Azmil bin Mohd Zabidi was appointed to the Board as an Independent Non-Executive Director on 1 February 2022. He is the Chairman of the Nominating and Remuneration Committee and a member of the Audit 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 the 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 at the Ministry of Foreign Affairs for about three decades and retired in August 2021.

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, since August 2024, 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.

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	Board Meetings Attended
86	Male	Malaysian	6/6

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.

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.

LOW SENG CHEE

Non-Independent Non-Executive Director

Age	Gender	Nationality	Board Meetings Attended
66	Male	Malaysian	6/6

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 and the Nominating and Remuneration 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.

***Notes**:*

(a) 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.*

(b) 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 2025, and the following Key Senior Management personnel:

SIEW CHEE KOK
Chief Technology Officer

Age	Gender	Nationality
57	Male	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.

CHU SHU LIP
Head of Group OEM

Age	Gender	Nationality
58	Male	Malaysian

Mr. Chu Shu Lip is the Head of Group OEM of APM Group. He is responsible for overseeing strategic planning, business development and overall management of the Group's OEM customer portfolio.

He re-joined APM Group in March 2022 as a Senior General Manager, Group OEM, having previously worked in the same department from 1994 to 2014.

Mr. Chu holds a Bachelor of Business Administration degree, majoring in Computer Information Systems, from the University of Arkansas, United States of America. He has more than 30 years of experience in the automotive industry. Prior to re-joining the Group, he held a senior management position with a leading automotive body kit and leather upholstery manufacturer.

Profile of Key Senior Management

LEE WING HONG

Head of Interior and Plastics Division, and Electrical and Heat Exchange Division

Age	Gender	Nationality
50	Male	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 to Senior General Manager in January 2022. He has also assumed the role of the Head of Electrical and Heat Exchange ("EHE") Division effective 1 January 2026, following the retirement of the former Head of EHE.

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 KOK BOON

Head of Sales and Marketing – Local and ASEAN Replacement Market

Age	Gender	Nationality
57	Male	Malaysian

Mr. Ng Kok Boon joined APM Group in October 1993. He was promoted to 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 to 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 30 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.

CHIN SZE CHEON

Country Head, Indonesia

Age	Gender	Nationality
52	Male	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	Gender	Nationality
60	Male	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.

Profile of Key Senior Management

YEOH LAM GUAN
Head of Suspension Division

Age	Gender	Nationality
58	Male	Malaysian

Mr. Yeoh Lam Guan serves as the Head of Suspension Division since 1 January 2026.

He began his career with APM Group in 1994 as an Research and Development ("R&D") Engineer for Coil Springs. In 2009, he transitioned to the Shock Absorbers R&D and in 2011, he led the development of APM's in-house design capabilities for Shock Absorbers, Coil Springs, and Suspension Corner Modules.

He was appointed Head of Subsidiary for Shock Absorbers in 2015 and took on the same role for Coil Springs in 2017 and Springs in 2025. He assumed the role in 2026 as Head of Suspension Division overseeing strategic direction, operational excellence, and overall business performance, following the retirement of the former Head of Suspension Division.

Mr. Yeoh holds a Bachelor of Engineering with Business Studies (Honours) degree from Sheffield Hallam University. With over 30 years of experience in the automotive suspension industry, his career reflects a strong combination of technical expertise, innovation, and executive leadership within the Group.

LIM LEE SENG
Head of Sales and Marketing for Overseas Market

Age	Gender	Nationality
57	Male	Malaysian

Mr. Lim Lee Seng joined APM Group in August 1993. He was appointed as the Head of Corporate for McConnell Seats Australia Pty. Ltd. in August 2014. Subsequently, he was promoted as the Head of Sales and Marketing for Overseas Market for the Group in October 2025.

Mr. Lim graduated from Monash University, Australia with a Bachelor of Business (Accounting) degree.

He has more than 30 years of working experience in Finance and Administration, Purchasing and Sales operation (Original Equipment and Export) within the Group.

***Notes**:*

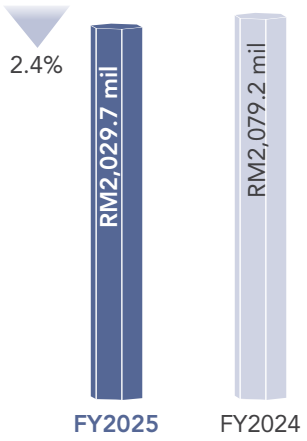
None of the abovementioned Key Senior Management personnel have:
- *any directorship in public companies and listed issuers;*
- *any family relationship with any Director and/or major shareholder of the Company;*
- *any actual or potential conflict of interest, including interest in any competing business 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

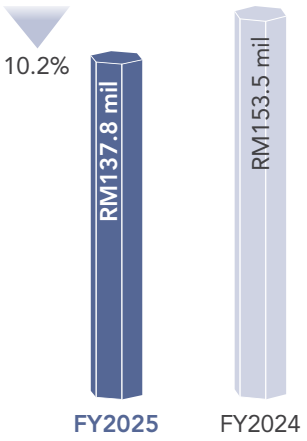
Dear Shareholders,

I am pleased to present the Annual Report of APM Automotive Holdings Berhad ("APM") for the year ended 31 December 2025, which reflects another year of resilient performance for our Group.

GROUP REVENUE



PROFIT BEFORE TAX



The Malaysian automotive sector achieved a historic milestone in 2025, with Total Industry Volume ("TIV") reaching a record [1]820,752 units, reflecting sustained consumer demand and the strong contributions of national marques such as Proton and Perodua, and further propelled by non-national brands like Toyota, Honda, Chery, BYD, and GWM.

For APM, however, this development stood in contrast with a 2.4% revenue decline to RM2.03 billion from RM2.08 billion, preventing us from capitalising on the positive trend despite our focus on operational efficiency.

Profitability remained healthy, with operating margins benefiting from disciplined cost controls, strategic sourcing initiatives, and productivity enhancements across our manufacturing facilities in Malaysia. These outcomes demonstrate the strength of our diversified product portfolio, including suspension systems, plastic components, and interior parts, as well as our deep integration into both domestic and regional supply chains.

The past year also marked meaningful progress in our strategic transformation toward sustainable and future-oriented mobility. We intensified investments in capabilities aligned with the industry's shift to electrified vehicles.

Collaborations with Original Equipment Manufacturers, accelerating local Completely Knocked Down (CKD) assembly, have positioned us to capture emerging opportunities as the market transitions following the expiry of the tax incentives for Completely Built-Up (CBU) electric vehicle ("EV") at the end of 2025.

While we navigated challenges, including moderating global demand signals, persistent inflationary pressures on raw materials, supply chain volatility, and the evolving policy landscape, we maintained strong discipline and agility. Our commitment to quality, on-time delivery, and innovation has strengthened customer relationships and reinforced our reputation as a reliable supplier in Malaysia's automotive ecosystem.

President's Statement

Looking to 2026, the industry outlook reflects a cautious normalisation, with TIV projected by the Malaysian Automotive Association (MAA) at approximately [1]790,000 units. Although near-term headwinds such as adjusted excise duties, moderate [1]Gross Domestic Product (GDP) growth (4.0% - 4.5%), and global uncertainties persist, we see opportunities in localisation efforts, rising demand for hybrid technologies, and Malaysia's push under the National Energy Transition Roadmap to build a robust EV ecosystem. Notably, the ongoing Middle East conflict involving the United States of America, Israel, and Iran has emerged as a distinct external risk, with potential disruptions to global energy supplies and logistics routes that could elevate fuel and electricity costs across the automotive value chain.

APM enters this period well-prepared, with a healthy order book, ongoing capacity enhancements, energy-efficient components, and targeted circular economy practices. We remain focused on delivering value through innovation, cost competitiveness, and sustainability, while pursuing selective expansion in high-growth segments. However, a prolonged escalation of the Middle East conflict could adversely impact our cost structure and margins, and the Group continues to monitor the situation closely while actively pursuing energy efficiency measures and supply chain diversification to mitigate potential exposure.

On behalf of the Board of Directors and the leadership team, I extend our deepest appreciation to our dedicated employees, valued customers, business partners, and shareholders for their continued trust and support.

Together, we are committed to driving Malaysia's automotive industry forward and creating sustainable long-term value.

On behalf of the Board,

DATO' TAN HENG CHEW
President

[1] *https://theedgemalaysia.com/node/789868*

Management Discussion and Analysis

OVERVIEW

CORPORATE BIOGRAPHY

APM Automotive Holdings Berhad ("APM" or "the Group") is a premier, Malaysia-born investment holding company and a cornerstone of the domestic automotive ecosystem. Since its establishment in 1971, APM has evolved from a dedicated leaf spring manufacturer into a leading supplier of automotive components, including vehicle seats, modules, and suspension systems. Today, APM stands as a defining force in the global automotive supply chain.

APM is an integrated manufacturer and supplier of critical automotive components and systems. Our comprehensive portfolio spans six (6) core divisions, which are supported by a Non-Reportable Segment, serving leading global vehicle manufacturers and the aftermarket. Through a strategic network of subsidiaries, joint ventures, and associates, we deliver excellence from our base in Malaysia across key markets, including the United States of America ("USA"), Australia, the Netherlands, the United Kingdom, Indonesia, Vietnam, Myanmar, and Thailand.

To position APM for sustained long-term success in a dynamic automotive landscape, our focus and resources continue to centre on strict adherence to the APM Manufacturing System ("AMS"). This bespoke framework is our tailored adaptation of the Lean Production System, infused with core Japanese manufacturing philosophies: *Kaizen* for ongoing continuous improvement, *Gemba* for process enhancement at the actual workplace, and *Poka-Yoke* for robust error-proofing. Together, these principles enable us to deliver products with greater precision, reliability, and efficiency, consistently surpassing customer requirements amid evolving demands.

We maintain a strategic and disciplined approach to expanding our network while driving continuous gains in operational efficiencies. These dual priorities act as key catalysts for sustainable business growth, reinforcing our alignment with the broader objective of cultivating a resilient, high-performing, and future-oriented organisation that thrives through innovation, quality, and adaptability.

OPERATING MODEL AND DIVISIONAL STRUCTURE

APM's divisional structure is segmented for focus and designed to deliver market expertise, operational accountability, and strategic clarity. Each segment is a pillar that represents our collective strength.

SUSPENSION DIVISION

Vehicle suspension parts and systems, such as the design, production, and supply of shock absorbers, coil springs, and tapered leaf springs.

INTERIOR AND PLASTICS DIVISION

Interior vehicle components, such as the design, production, and supply of trim covers, cockpit, seat systems, headliners, door panels, and others.

ELECTRICAL AND HEAT EXCHANGE DIVISION

Vehicle thermal and climate-control management needs, such as the design, production, and supply of heating, ventilation, and air-conditioning (HVAC) systems and other electrical components.

MARKETING DIVISION

Manages the Group's aftermarket sales, distribution, and brand strategy.

INDONESIA DIVISION

Comprehensive operations in one of Southeast Asia's largest automotive market.

ALL OTHER SEGMENTS

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

STRATEGIC ROADMAP 2025-2029

In response to an ever-changing automotive landscape being reshaped by electrification, digitalisation, and new supply chain dynamics, we have recalibrated our strategy. Our four strategic pillars are designed to drive sustainable, profitable growth and build enduring resilience.

Strategic Pillar	Our Commitment & Key Initiatives
Targeted Market Expansion	We will deepen penetration in our core markets and selectively pursue adjacencies in both geography and products, leveraging our core competencies to drive synergistic growth.
Innovation-Led Operational Excellence	Building on AMS, we are accelerating investments in automation, data analytics, and Industry 4.0 technologies to unlock new levels of productivity, quality, and cost competitiveness.
Sustainable Value Creation	We are integrating Environmental, Economic, Social, and Governance (EESG) principles into our operational and strategic fabric, strengthening supply chain resilience, and fostering a nimble and adaptable organisation.
Agile Execution	We maintain a dynamic strategic review process, ensuring our goals and initiatives remain relevant and responsive to market, regulatory, and technological shifts.

This forward-looking strategy, initiated in 2025, is our blueprint to solidify APM's position as the preferred global automotive solutions partner from Malaysia, celebrated for engineering quality, reliability, innovative agility, and sustainable value creation.

GROUP FINANCIAL PERFORMANCE REVIEW

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.

The Group's revenue for the financial year ended 31 December 2025 ("FY2025") surpassed the RM2 billion mark for the second consecutive year, reaching RM2.03 billion, though this represented a decline of RM49.5 million or 2.4% from RM2.08 billion in the financial year ended 31 December 2024 ("FY2024"). As a manufacturer, assembler, and supplier that focuses on Original Equipment Manufacturer ("OEM") localisation and Completely Knocked Down ("CKD") components for locally assembled vehicles, the Group was unable to capitalise on the surge in imported Completely Built-Up ("CBU") electric vehicles ("EV"). Consequently, OEM call-ins remained soft, leading to a decline in overall revenue despite the higher industry-wide Total Industry Volume ("TIV").

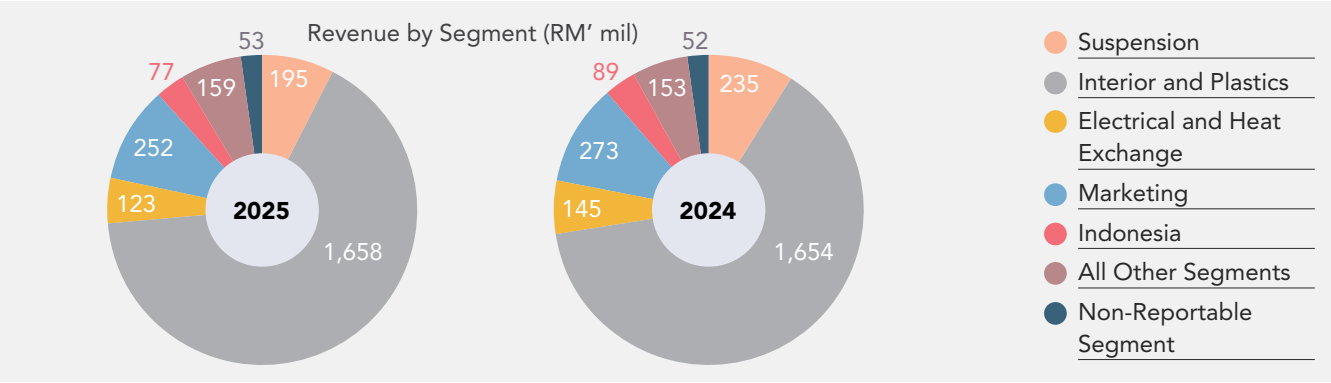
The Interior and Plastics Division (the Group's largest segment) recorded nearly flat full-year revenue of RM1.66 billion, a modest increase of 0.6% from RM1.65 billion in FY2024. This stability was supported by sustained contributions from local national OEMs and the successful securing of parts for new models entering local assembly. The Suspension Division declined to RM195.1 million or by 16.8%, while the Electrical and Heat Exchange Division fell to RM122.8 million or by 15.5%, both affected by lower OEM volumes and export softness.

Export sales remained subdued throughout the year, amid weaker global demand and competitive pressures. The domestic Replacement Equipment Manufacturer ("REM") market continued to face intensified competitive pressure from the influx of lower-cost imported replacement products, exacerbated by a stronger Malaysian Ringgit that made imports more affordable. As a result, the Group's Marketing division recorded revenue of RM252.3 million, down 7.7% from RM273.4 million in FY2024.

Revenue from Indonesia Operations declined to RM77.4 million, down 13.0% from RM89.0 million, due to softer OEM and REM demand in the region. Indonesia's automotive market in 2025 continued its multi-year contraction, with TIV falling 7.2% year-on-year to 803,687 units from 865,723 in 2024, marking the third consecutive annual decline amid persistent weak economic growth, reduced consumer demand, high living costs, and sluggish industrial activity, which further pressured local parts suppliers and contributed to the Division's challenges.

Profit Before Tax ("PBT") for FY2025 was RM137.8 million, down RM15.7 million or 10.2% from RM153.5 million in FY2024, which included a significant revaluation gain on investment properties. The decline was driven by an unfavourable sales mix, margin compression from competitive pricing, and the absence of prior-year revaluation gains.

Management Discussion and Analysis



STATEMENT OF FINANCIAL POSITION

The Group's net assets per share for FY2025 decreased to RM7.24 from RM7.36 in FY2024. The decrease was primarily attributable to lower performance during the year, as well as dividend payments amounting to RM48.9 million to shareholders and RM26.0 million to non-controlling interests. Additionally, the strengthening of the Malaysian Ringgit resulted in unfavourable foreign currency translation effects on the Group's foreign subsidiaries, associates, and joint ventures, which further contributed to the reduction in net assets per share.

The Group's non-current assets decreased by 3.3% or RM33.1 million year-on-year in FY2025. The decline was primarily due to ongoing depreciation of RM66.7 million, coupled with unfavourable foreign currency translation, partially offset by capital expenditures. The capital expenditure for the year under review was mainly driven by investment in the Group's new manufacturing facilities, along with increased investment in tooling, machinery, and equipment.

The Group's liquidity remained robust as the current ratio (i.e., Current Ratio = Current Assets/Current Liabilities) improved to 2.68, up from 2.52 in FY2024. This was due to improved working capital management arising from faster inventory turnover and better payment terms to suppliers.

The Group's total liabilities were reduced by 5.3% to RM850.3 million year-on-year in FY2025. The reduction was anchored by a net repayment of loans and borrowings amounting to RM106.0 million, offset by an increase in trade and other payables due to the reasons explained above.

CAPITAL EXPENDITURE AND CASH FLOW POSITION

The Group generated net cash from operating activities of RM311.5 million for FY2025, a significant increase compared to RM55.8 million in FY2024. This improvement was primarily driven by more efficient working capital management, including a substantial reduction in inventories of RM57.5 million and higher trade and other payables of RM72.4 million, alongside an improvement in cash collection from trade and other receivables of RM58.5 million.

The Group recorded a net cash outflow from investing activities of RM70.0 million, a notable reduction from the higher outflow in FY2024. This was mainly attributable to modest subscription of investments in unit trusts, as well as no purchase of leasehold land during the year. Capital expenditures for FY2025 of RM45.3 million were mainly spent on upgrading the Group's plant facilities, purchase of tooling, machinery, and equipment, as well as on funding investment and development costs for the supply of new car model parts. These expenditures were financed through internally generated cash flows and bank borrowings.

Net cash used in financing activities in FY2025 amounted to RM181.4 million, compared to net cash generated from financing activities in FY2024. This was primarily due to the issuance of RM200 million in Islamic Medium-Term Notes ("IMTN") in FY2024, compared to a net repayment of loans and borrowing of RM106.0 million in FY2025.

CAPITAL MANAGEMENT

The Group's capital management framework is designed to balance strategic ambition with financial prudence. Our primary goals are to fund organic growth and strategic initiatives, maintain a robust balance sheet, optimise our cost of capital, and generate strong returns for our stakeholders. The above is achieved by adhering to the following key principles:

Principle	Description
Strategic Liquidity	Maintaining optimal cash reserves and undrawn credit facilities to seize opportunities and navigate market cycles.
Prudent Leverage	Employing borrowings strategically to enhance returns while ensuring debt levels remain sustainable and within our risk appetite.
Cost Efficiency	Minimising financing costs and maximising returns on cash through a centralised treasury function and active portfolio management.
Risk Mitigation	Proactively identifying and hedging against financial risks, particularly foreign exchange volatility, to protect earnings and cash flows.

Our centralised Treasury department is responsible for executing this strategy. It manages all financing activities, liquidity, and financial risk, ensuring alignment with the Group's objectives. A core focus is the management of foreign currency exposure arising from our global operations.

We employ a combined systematic and progressive hedging policy to mitigate the impact of exchange rate fluctuations on cash flows and profitability. Using forward foreign exchange contracts and other instruments, we secure rates for known exposures, including import payments, export proceeds, and cross-border loan obligations. This disciplined approach reduces earnings volatility and provides greater predictability in financial planning.

The Group's commitment to sound capital management is consistently recognised by the financial markets. RAM Holdings Berhad has reaffirmed our credit rating at AA2 for the tenth consecutive year, underscoring our financial strength, stability, and prudent governance. This strong credit profile provides access to financing on favourable terms.

To support future growth, we maintain significant financial flexibility. Our RM1.5 billion IMTN Programme remains largely undrawn, preserved as a strategic reserve for future capital investments, including capacity expansion, technology upgrades, or value-accretive acquisitions.

BUSINESS DIVISIONS — CHALLENGES, STRATEGIES AND PROSPECTS

SUSPENSION DIVISION

Financial Performance

The Suspension Division recorded full-year revenue of RM195.1 million in FY2025, a 16.8% decline from RM234.6 million in FY2024. This contraction was primarily driven by softer demand in both domestic and export markets, compounded by lower call-in from OEM and intensified competition in the REM segment. The revenue pressure, together with these mix and competitive factors, resulted in a shift in the Division's PBT of RM2.8 million in FY2024 to a Loss Before Tax ("LBT") of RM3.0 million in FY2025.

Challenges

The Malaysian automotive market is expected to moderate in 2026 after a strong performance in 2025, reducing OEM customer orders and contributing to the Division's challenges. Ongoing pressures in the REM segment stemmed from increased imports, leading to heightened price competition and margin compression. Ongoing geopolitical tension and developments, including the US/Israel-Iran conflict ("Middle East Conflict") and the reciprocal tariffs imposed by the USA, could disrupt export markets and global supply chains, adding complexity to the Division's operating environment.

Management Discussion and Analysis

Strategies & Initiatives

In response to these headwinds, the Division executed several strategic initiatives throughout 2025 to strengthen competitiveness and operational resilience. Investments in facility upgrades and automated production lines enhanced manufacturing capacity, improved consistency in quality, and lowered unit costs. Lean manufacturing principles were progressively embedded across operations, supported by supply chain optimisation and tighter inventory controls. These measures contributed to shorter lead times and improved customer satisfaction.

In parallel, research and development ("R&D") efforts were intensified to create innovative, sustainability-focused suspension solutions, positioning the Division to meet the evolving needs of OEM, REM, and export markets.

Prospects

While the Malaysian Automotive Association ("MAA") projects a moderation in industry volume for 2026, the Division expects demand for suspension products to remain relatively resilient. This outlook is underpinned by the consumable nature of suspension components, the Division's established leadership as one of Malaysia's foremost OEM-quality leaf spring manufacturers, and a breadth of inventory that few competitors can replicate. In export markets, growing recognition of the Division's product quality presents opportunities for further penetration and market share expansion, offering a pathway to sustained growth in the coming year. However, margin compression is anticipated in view of the impact of the Middle East Conflict. Nonetheless, the Division remains confident but cautious in its market position, underpinned by proactive risk mitigation measures and operational agility.

INTERIOR AND PLASTICS DIVISION

Financial Performance

The Interior and Plastics Division achieved a marginal revenue increase of 0.6% to RM1.66 billion in FY2025 (FY2024: RM1.65 billion). This modest growth was primarily supported by contributions from resilient local OEM carmakers as well as new models secured during the year under review. However, PBT declined by 7.8% to RM154.0 million from RM167.1 million in FY2024, mainly due to an unfavourable sales mix and ongoing margin compression from intense market competition. The stronger PBT performance in FY2024 benefited from one-off customer price adjustments and the recovery of development expenditures for specific OEM models. These factors did not recur in FY2025.

Challenges

As a division primarily serving local OEM customers, softer demand stemming from a broader industry moderation weighed on its revenue performance in 2025. Cost management remained a key operational challenge, given the Division's labour-intensive manufacturing model. The statutory minimum wage increased from RM1,500 to RM1,700, effective 1 February 2025, adding further cost pressure, reinforcing the urgency of productivity improvements and operational streamlining.

Strategies & Initiatives

In response, the Division accelerated its transition towards becoming a one-stop system solution provider for OEM customers. By positioning itself as an integrated partner, the Division aims to simplify clients' production processes and reduce supply chain complexity. Its plant location strategy, which prioritises proximity to key customers, continued to yield benefits in 2025 by enabling shorter lead times, lower logistics costs, and improved responsiveness.

To strengthen its technical capabilities, the Division will pursue strategic alliances with technology partners. These collaborations are aimed at enhancing product innovation, facilitating access to advanced manufacturing technologies, and enabling the delivery of more cost-effective, high-performance solutions tailored to evolving OEM requirements.

Operational excellence remained a core focus. Investments in facility upgrades and production automation were scaled up to expand capacity, improve quality consistency, and reduce reliance on manual labour, particularly for repetitive tasks. These initiatives were complemented by the continued adoption of lean manufacturing principles, supply chain optimisation, and tighter inventory controls, all of which contributed to greater efficiency and stronger customer satisfaction.

Prospects

Mindful of the Middle East Conflict, the Division remains vigilantly positive in its market position. This resilience is anchored in its large-scale manufacturing capabilities, long-standing reputation for quality, and ability to competitively meet customer specifications, advantages that are not easily replicated. The growing presence of new automotive manufacturers in Malaysia presents a significant opportunity for portfolio diversification. The Division is actively engaging with these new entrants to establish durable, long-term supply relationships and, where strategically aligned, extend collaborations to technical partnership arrangements.

ELECTRICAL AND HEAT EXCHANGE DIVISION

Financial Performance

The Electrical and Heat Exchange Division reported revenue of RM122.8 million in FY2025, reflecting a 15.5% decline from FY2024. This contraction was mainly driven by the cessation of production for a key OEM model in the third quarter of 2025, which resulted in a reduction in order volumes, alongside the absence of price adjustments received from customers and the write-back of provisions for slow-moving inventories that had boosted the Division's performance in FY2024. As a result, the Division recorded LBT of RM3.0 million, a contrast from the PBT of RM2.8 million achieved in FY2024.

Challenges

The Division continued to navigate a period of structural transition in 2025, as the automotive industry's accelerated shift towards electrification began to reshape demand patterns for traditional components. While the global and local adoption of EVs presents long-term growth opportunities, certain legacy products in the Division's portfolio face obsolescence risks. This dual imperative, which involved defending incumbent revenue streams while pivoting towards electrification, remained the central strategic challenge of the year.

Strategies & Initiatives

In response, the Division undertook a deliberate portfolio realignment during 2025. This involved the phased rationalisation of components identified as non-essential for EV architectures, alongside targeted investments in the development of products critical to vehicle electrification, particularly in thermal management and high-voltage power distribution.

To accelerate this transition, the Division deepened engagement with OEMs and technical partners through collaborative development programmes. These partnerships will enable the co-design of next-generation components aligned with evolving vehicle platform requirements.

Concurrently, R&D expenditure was prioritised to strengthen the Division's technological positioning in this rapidly expanding segment.

On the commercial front, the Division intensified its focus on the REM and export markets. Through active sourcing strategies and cost optimisation initiatives, it secured greater pricing flexibility, allowing savings to be passed on to customers while protecting margins. This approach supported volume retention and customer loyalty in a softer OEM environment.

Operational transformation also gained momentum. The gradual deployment of Industry 4.0 practices, including real-time Overall Equipment Effectiveness ("OEE") monitoring and targeted automation upgrades, is expected to deliver measurable gains in productivity and asset utilisation. These initiatives form the foundation for a broader manufacturing modernisation programme aimed at sustaining long-term competitiveness.

Management Discussion and Analysis

Prospects

Looking ahead to 2026, the Division remains cautiously optimistic in view of the current Middle East Conflict. Electrical and Heat Exchange systems are fundamental to all vehicle architecture, irrespective of powertrain type. This enduring relevance, combined with early progress in EV-centric product development, positions the Division to defend its core business while capturing emerging opportunities. Continued resource allocation towards EV-aligned technologies and strategic partnerships will remain a priority as the Division executes its deliberate pivot towards the electrified mobility value chain.

MARKETING DIVISION

Financial Performance

The Marketing Division's revenue decreased by 7.7% to RM252.3 million in FY2025 from RM273.4 million in FY2024, primarily due to weak domestic REM demand and lower export sales to key markets. This decline, combined with factors like intensified domestic competition and foreign exchange losses, resulted in a widened LBT of RM1.0 million, compared to a LBT of RM0.3 million in FY2024.

Challenges

Geopolitical volatility continued to weigh on the Division's export performance in 2025. Trade barriers, including newly imposed tariffs in key markets, disrupted supply chain predictability and intensified cost pressures. Currency fluctuations further undermined pricing competitiveness, compressing margins in several export corridors. Domestically, the spillover effects of global trade diversion intensified - excess inventory from overseas markets increasingly found its way into Malaysia, flooding the local REM segment and sharpening price competition. Against a backdrop of already softening demand, these pressures constrained the Division's growth trajectory and tested the resilience of its traditional market positioning.

Strategies & Initiatives

In response, the Division undertook a series of structural and commercial initiatives to stabilise performance and reposition for long-term growth. Among them are the following:

- Export Market Development – Efforts to strengthen global reach advanced with the initial setup of distribution capabilities in Europe and the USA, aimed at improving lead times and service responsiveness. Concurrently, the Division has sharpened its internal processes - optimising product range, availability, and pricing architecture to reduce turnaround times and enhance customer experience. Selective mergers and acquisitions opportunities were explored and evaluated during the year as part of a broader strategy to accelerate market entry and consolidate presence in high-potential regions.

- Domestic REM Expansion – In the local aftermarket, the Division moved to broaden its product offering in response to shifting customer preferences. The dealer network consolidation was progressed to improve channel management, streamline communications, and sharpen sales execution. Digital marketing investments were scaled up, with targeted campaigns and social media engagement designed to lift brand visibility and attract new customer segments.

Prospects

Despite a challenging operating environment, the APM brand continues to gain traction in export markets, underpinned by consistent product quality and growing customer recognition. The Division remains committed to the export segment as a core growth vector, given its scalable long-term potential. Domestically, the substantial vehicle population accumulated over recent years provides a sustained demand base for aftermarket products. This installed base presents a meaningful opportunity for the Division to deepen REM penetration and defend its leadership position in the years ahead. However, these positive prospects could be dampened by the ongoing Middle East Conflict, which risks elevating energy and logistics costs across the Division's value chain.

INDONESIA DIVISION

Indonesia Division refers to the manufacturing and supply of suspension products, such as coil springs, shock absorbers, and leaf springs, as well as the Group's investment and participation in joint ventures and associates in Indonesia.

Financial Performance

Indonesia Division recorded a 13.0% decline in revenue to RM77.4 million in FY2025, primarily due to softened demand across the OEM and REM segments. The performance reflects a challenging year for the Indonesian automotive market, which faced high interest rates and cautious consumer spending throughout 2025. In line with lower top-line performance, Indonesia Operations recorded an LBT of RM1.3 million, a significant shift from the RM4.6 million PBT recorded in FY2024. The FY2024's PBT had also benefited from write-back in provisions for doubtful debts.

Challenges

The Indonesian automotive sector continued to navigate a subdued operating environment in 2025. Persistent inflationary pressures and elevated cost-of-living constraints weighed on consumer discretionary spending, dampening vehicle sales and, by extension, demand for automotive components. While the medium-term outlook remains positive, the Division faced near-term headwinds that required agile demand forecasting and responsive capacity management throughout the year.

Strategies & Initiatives

In response, the Division accelerated several strategic initiatives to defend market share and position for recovery.

The Division prioritises strategic collaborations with key industry players to broaden our market presence and promote our diverse product range. Additionally, the Division's strategic discussions with technical partners - including EV component suppliers - were progressed during the year, to penetrate the OEM segment and establish an early foothold in Indonesia's emerging EV supply chain. To strengthen our REM footprint in Indonesia, the Division is expanding its geographical reach by establishing strategically located mini warehouses across various regions to optimise distribution and enhance service delivery.

Lean manufacturing principles were further embedded across production operations, delivering measurable reductions in waste and downtime. Selective automation and digital tool integration improved production precision and throughput consistency. On the supply side, the Division increased its reliance on locally sourced raw materials and components, reducing lead times and enhancing supply chain stability in a still-volatile global logistics environment.

Prospects

The Indonesian automotive industry is expected to stage a modest recovery, although the present Middle East Conflict could dampen such prospect. According to online reports, the Association of Indonesia Automotive Industries or Gaikindo (Gabungan Industri Kendaraan Bermotor Indonesia) projects total vehicle sales to reach 850,000 units, underpinned by gradual economic improvement, rising per capita income, and continued government support for environmentally friendly vehicles.

Indonesia, as the largest economy in ASEAN with a population exceeding 280 million and low vehicle penetration per capita, represents one of the most promising automotive markets in Southeast Asia. The market is currently undergoing a significant transformation, shaped by three key dynamics: a gradual recovery from recent sales declines, an accelerating shift toward electrified vehicles, and intensifying competition between established Japanese manufacturers and emerging Chinese brands.

Management Discussion and Analysis

ALL OTHER SEGMENTS

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

Financial Performance

The Segment achieved a 3.7% revenue increase to RM158.5 million in FY2025, up from RM152.8 million in FY2024. This growth was underpinned by heightened demand from key OEM customers in Vietnam, a robust performance in the REM market in the USA, and improved conditions for specialised bus and train seating products in Australia.

This top-line growth enabled the Segment to significantly narrow its LBT to RM0.7 million, compared to an LBT of RM12.9 million in FY2024. The substantial year-on-year improvement also reflects the absence of the heavy impairment charges and inventory provisions that had weighed down FY2024's results, signaling a successful stabilisation of the Segment's operations.

Challenges

Despite continued progress in expanding APM's international footprint, overseas operations faced a complex and, at times, volatile operating environment in 2025. The perceived key headwinds and underlying factors are outlined below:

(a) **Cost Pressures and Supply Chain Volatility** – Persistent global supply chain friction, particularly in raw material procurement and outbound logistics, affected delivery reliability and inflated operating costs in several markets. Freight cost volatility remained a material drag on margin stability.

(b) **Geopolitical and Regulatory Uncertainty** – Trade tensions, conflict and political instability in key regions introduced recurring disruptions. Rapid shifts in tariff regimes, local content requirements, and trade agreement terms demanded continuous compliance adjustments and added to operational complexity.

(c) **Intensifying Competition** – Established local and global players continued to defend market share aggressively, exerting sustained pressure on both pricing and customer acquisition.

Strategies & Initiatives

In response, the Segment executed a calibrated set of initiatives tailored to the specific characteristics of each operating environment.

Manufacturing Operations (Australia) – Cost optimisation remained a priority in Australia, a structurally higher-cost region. During the year under review, our subsidiary in Australia, McConnell Seats Australia Pty. Ltd. ("MSA"), advanced its selective outsourcing strategy, transferring low-value assembly and fabrication activities to external partners. Concurrently, MSA is exploring the expansion of its development pipeline for new seating solutions.

Supply Chain Resilience – To reduce single-market dependency, the Division diversified its supplier base across multiple regions. This multi-sourcing strategy enhanced procurement flexibility and mitigated the impact of region-specific disruptions.

Regional Market Development (Vietnam) – The newly commissioned warehouse facility in Vietnam became fully operational during the year, enabling a broader REM product offering and significantly reducing lead times to market. This infrastructure investment strengthens the Division's position in one of Southeast Asia's most dynamic aftermarket environments.

Localisation and Brand Building – Recognising the heterogeneity of overseas markets, the Division deepened its commitment to localised product development and marketing. Region-specific engineering adaptations, which addressed unique regulatory standards, climate conditions, and consumer preferences, were accelerated. Marketing campaigns were increasingly tailored to local cultural contexts, improving resonance and supporting brand loyalty.

Digital Acceleration – Digital transformation initiatives gained momentum across all overseas units. Investments in e-commerce platforms and digital marketing capabilities expanded the Division's reach, particularly in markets where traditional distribution channels remain underdeveloped or fragmented. These efforts are progressively building a direct-to-customer channel infrastructure that complements existing distribution partnerships.

Prospects

We believe APM's reputation for precision engineering and consistent product quality continues to gain recognition in established and emerging markets alike. As global regulatory frameworks increasingly prioritise safety, emissions reduction, and durability, demand for high-quality automotive components is expected to strengthen, a trend that is expected to play to the Segment's core competencies.

Strategically positioned across key growth corridors, the Segment sees clear headroom for further international expansion. Priorities for the coming year include deepening distribution density in existing markets, activating new strategic alliances, and capturing share in underpenetrated segments. With a more resilient supply base, sharper regional focus, and advancing digital capabilities, the Segment is better placed today to convert overseas opportunities into sustainable growth. That said, the ongoing Middle East Conflict presents a potential headwind that could stifle these prospects, particularly through elevated energy and logistics costs.

NON-REPORTABLE SEGMENT, MALAYSIA

The Non-Reportable 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 the 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.

Financial Performance

The Non-Reportable Segment's revenue increased marginally by 1.7% to RM53.1 million in FY2025, primarily driven by an uptick in inter-group billings. This uptick allowed the Segment to significantly narrow its LBT to RM7.0 million, down from RM11.3 million in FY2024. The year-on-year improvement was also a result of the absence of heavy non-recurring costs that impacted FY2024, specifically impairment charges related to R&D expenditures and higher provisions for employee benefits.

KEY BUSINESS RISKS

The automotive component manufacturing sector in Malaysia continues to undergo profound transformation, driven by technological disruption, regulatory evolution, and shifting consumer preferences. While these developments present opportunities, they also introduce material risks that require active management. In our opinion, the principal risks facing the Group are as follows:

Risk Factor	Description
Cost Pressures	Rising production costs are driven by sustained increases in raw material prices, elevated energy and logistics expenses, and periodic adjustments to statutory minimum wages.
Competition	Intensifying rivalry from abroad, particularly from China, Thailand, and Indonesia, where cost advantages and broader supply chain integration present structural challenges to local manufacturers.
Regulatory Compliance	Stricter environmental regulations and national carbon neutrality commitments to achieve net-zero greenhouse gas emissions by 2050 require costly investment in cleaner production technologies and adherence to global quality and safety standards.

Management Discussion and Analysis

To remain competitive, the Group continues to advance its automation roadmap, prioritise R&D investment, deepen collaboration with strategic partners, and strengthen supply chain resilience. Government support mechanisms and industry-wide partnerships remain essential enablers of long-term competitiveness.

COMPETITION RISK

The automotive component market remains capital-intensive and fiercely competitive. The Group's approach to navigating this landscape is anchored on eight core differentiators: Cost, Quality, Efficiency, Service, Relationships, Brand, Innovation, and Ease of Doing Business.

Differentiator	Strategy
Cost	Continued optimisation of production processes, economies of scale, and supply chain efficiencies to deliver competitive pricing without compromising quality.
Quality	Sustained adherence to rigorous industry standards; quality remains a non-negotiable brand attribute and key driver of customer trust.
Efficiency	Lean manufacturing principles (via APM Manufacturing System Plus ("AMS+") are embedded across divisions; measurable reductions in waste, downtime, and lead times.
Service	Enhanced technical support and after-sales service frameworks; responsiveness to customer needs remains a key differentiator.
Relationships	Long-term partnerships with employees, suppliers, technical partners, and stakeholders are actively cultivated and recognised as a competitive moat.
Brand	Brand equity, built over decades of reliability and innovation, continues to support customer retention and new business acquisition.
Innovation	R&D expenditure prioritised; focus on EV-aligned components, lightweight materials, and sustainable manufacturing processes.
Ease of Doing Business	Simplified transaction processes, flexible commercial terms, and seamless integration with customer operations were reinforced during the year.

The Group's deep industry experience, technical know-how, and trusted relationships across the value chain remain intangible but critical assets. This multi-faceted approach to competition, grounded in operational discipline and customer-centricity, continues to underpin the Group's market leadership.

OPERATIONAL RISK

Operational resilience is a strategic imperative. The Group maintains a proactive and structured approach to identifying, managing, and mitigating operational risk across all divisions.

Risk Mitigation Pillar	Initiatives & Progress
Infrastructure Upgrades	(i) Ongoing modernisation of manufacturing facilities; (ii) Targeted capital expenditure deployed for automation; (iii) Industry 4.0 adoption; and (iv) IT system enhancement.
Ecosystem Optimisation	(i) Supply chain diversification; (ii) Multiple sourcing strategies to reduce single-market dependency; and (iii) Consistent Contingency plan testing and refinement.
Process Improvement	(i) Continuous improvement methodologies (e.g. via AMS+) to reduce process waste, variability, and error rates across key production lines.

Risk Mitigation Pillar	Initiatives & Progress
Technology	(i) Automation, Internet of Things (IoT), and Artificial Intelligence (AI) driven analytics to be gradually introduced; and (ii) Cybersecurity framework to be strengthened in response to the evolving digital threat landscape.
Employee Upskilling	(i) Workforce training programmes expanded with a focus on digital literacy, risk awareness, and technical upskilling to support operational excellence.
Business Continuity	(i) Review and periodic stress testing of Business Continuity Plans (BCPs) to manage unplanned disruptions and, where necessary, to improve or enhance response protocols.

These initiatives collectively reinforce the Group's ability to absorb external shocks, minimise downtime, and sustain customer confidence. Effective operational risk management remains a cornerstone of the Group's sustainable growth strategy.

SUCCESSION RISK

The loss of experienced leadership or specialised talent poses a material risk to operational continuity, innovation capacity, and competitive positioning. The Group maintains a disciplined and multi-layered approach to succession planning.

Succession Mitigation Pillar	Initiatives & Progress
Succession Framework	Formal succession planning process embedded, regularly reviewed, and updated to align with business strategy and organisational evolution.
Talent Development and Retention	Structured training and development programmes sustained; knowledge-transfer initiatives formalised to preserve institutional expertise.
Leadership Development	High-potential employees identified; rotational assignments, cross-functional projects, and executive education opportunities expanded.
External Talent Acquisition	Relationships are maintained with industry networks, recruitment partners, and academic institutions to ensure access to external talent pools.

The Group's proactive attention to succession risk reinforces stakeholder confidence and ensures that leadership and critical role transitions are executed smoothly, without disruption to operations or strategic momentum.

MOVING FORWARD — OUTLOOK, PLANS AND INITIATIVES

THE 2025/2026 AUTOMOTIVE MARKET

The Malaysian automotive market concluded 2025 on a historic high, with TIV reaching an unprecedented 820,752 units, surpassing even the exceptional performance of 2024 and marking the nation's emergence as the largest automotive market in ASEAN. This achievement represented the fourth consecutive year of record-breaking growth, sustained by resilient domestic demand, recovering exports, accommodative interest rates, low unemployment, aggressive year-end promotions, and accelerating EV adoption.

December 2025 alone set a new monthly record of 90,716 units, while the fourth quarter registered the highest quarterly TIV on record at 241,416 units. Battery Electric Vehicle or BEV registrations more than doubled year-on-year to approximately 30,800 units, raising EV penetration to 3.8% of TIV.

Management Discussion and Analysis

Following two consecutive years above the 800,000 unit threshold, the MAA projects a normalisation in 2026, with TIV expected to settle at 790,000 units, representing a 3.8% decline from the 2025 peak. This moderated outlook reflects several converging headwinds:

- Gross Domestic Product or GDP growth is forecast to ease to between 4.0% and 4.5% in 2026, down from an estimated 4.9% in 2025.
- The expiry of import and excise duty exemptions for CBU EVs effective 1 January 2026, following a three (3) year tax holiday.
- Persistent inflationary pressures from higher manufacturing, component, and operational costs, alongside elevated living costs, are constraining discretionary spending.
- Intensifying competition, particularly from Chinese marques expanding local assembly presence exerting sustained pressure on pricing and market share.

We are aligned with MAA's projection and moving forward, the Group remains vigilant of heightened geopolitical risks, especially the ongoing Middle East Conflict. We recognise that continued escalation can disrupt global energy supplies and lead to a sustained rise in fuel and energy costs. As a Malaysia-based automotive parts manufacturer, our operations, from raw material procurement to logistics and production, are sensitive to energy price fluctuations. As a result, such cost pressures may erode our profit margins, constrain working capital, and negatively affect our financial position and overall prospects in 2026. The Group will keep monitoring these developments closely and implement energy efficiency measures to reduce potential impacts.

APM'S STRATEGIC POSITIONING

For APM, 2026 presents a dual imperative: defending market leadership in a softening top-line environment while capturing structural growth embedded within the market's ongoing transformation.

The Group expects consumer buying interest to remain steady, with momentum anticipated to build progressively through the year as new model launches, particularly in the EV and Plug-in Hybrid EV (PHEV) segments, gain commercial traction. While the era of consecutive record-breaking industry volumes has concluded, the underlying composition of demand is shifting in ways that play to APM's core competencies: quality, innovation, and deep OEM partnerships.

As the Malaysian automotive sector transitions from what we see as "peak volume" to "value resilience," APM remains confident in its ability to navigate the normalisation cycle. Our diversified portfolio, sustained R&D investments, and disciplined operational efficiency initiatives position the Group to defend profitability while positioning for the next phase of industry evolution.

In today's volatile business environment, strategic planning is not a periodic exercise but a continuous discipline. The Group regularly subjects its strategic assumptions to rigorous review, analysing internal strengths and weaknesses alongside external opportunities and threats.

During the year under review, the Group finalised and commenced execution of its revised Five-Year Strategic Plan. This update was necessitated by material shifts in operating conditions, including cost structure evolution, competitive intensity, and regulatory tailwinds, even as the Group successfully surpassed its revenue target for the preceding cycle. The focus areas of this plan can be seen on page 43.

The revised plan is anchored on two principal pillars:

- **Sustainability** – Embedding environmental, economic, social, and governance principles across operations, supply chains, and product development; and
- **Automation** – Accelerating the adoption of Industry 4.0 technologies to drive efficiency, quality consistency, and cost competitiveness.

EXPANSION AND INORGANIC GROWTH

In an environment defined by rapid technological convergence and global competition, organic growth alone is insufficient. The Group continues to evaluate and pursue inorganic growth opportunities, including joint ventures, strategic alliances, and mergers and acquisitions, as a complementary pathway to scale, capability acquisition, and market access.

Success in this domain is contingent upon disciplined integration, regulatory adherence, and strategic fit with the Group's long-term objectives. Accordingly, all inorganic opportunities are subjected to rigorous due diligence and alignment assessment before commitment.

PERSONNEL AND WORKFORCE DEVELOPMENT

The Group's performance is intrinsically linked to the quality, engagement, and resilience of its workforce. Skilled, motivated, and well-supported personnel are the foundation of operational excellence, innovation capacity, and sustainable growth.

At APM, we actively encourage the contribution of ideas, proposals, and suggestions from employees at all levels. Rather than being suppressed or overlooked, employee input is systematically solicited and valued. We believe that fostering a culture of trust, openness, and continuous improvement strengthens engagement, loyalty, and organisational performance.

With the active support of the APM Sports and Recreational Club, the Group organised a full calendar of engagement activities throughout the year. Events such as football friendlies with customers and suppliers, bowling, badminton, and futsal drew participation well above expectations. Employees across all levels, including machine operators, supervisors, team leaders, and managers, together with their families, took part in these activities, reinforcing a strong sense of community and shared identity.

The Group regards equality, diversity, and inclusivity as strategic priorities. We are committed to merit-based appointments and welcome individuals of all races, nationalities, and backgrounds to contribute to our success. We believe that diverse perspectives strengthen decision-making, enhance competitiveness, and enrich our organisational culture.

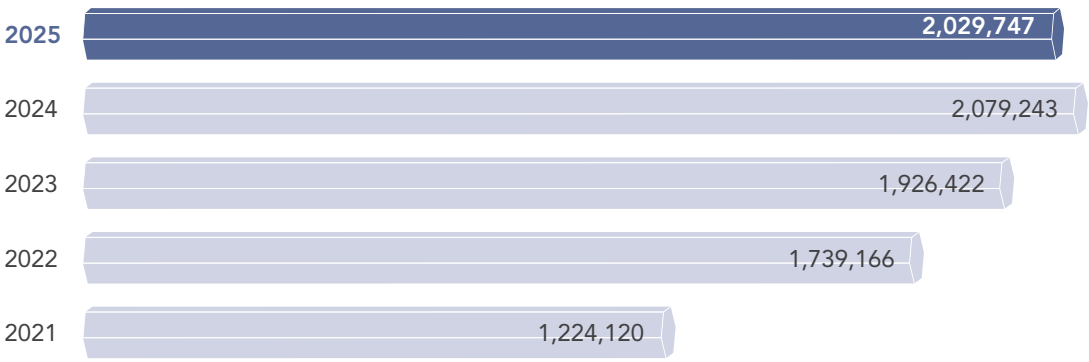
Looking ahead to 2026 and beyond, the Group remains firmly committed to retaining, developing, and nurturing its talent pool. Succession planning, leadership development, and technical upskilling remain active areas of investment, ensuring that APM is well-positioned to navigate future challenges and opportunities.

5-Year Financial Highlights

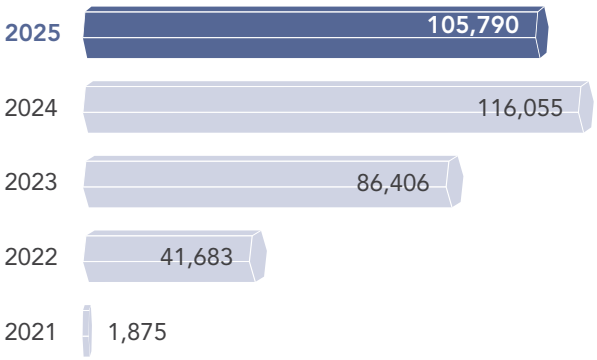
	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
RESULTS					
Revenue	2,029,747	2,079,243	1,926,422	1,739,166	1,224,120
Profit before tax	137,757	153,523	108,297	54,066	17,083
Taxation	(31,967)	(37,468)	(21,891)	(12,383)	(15,208)
Profit for the year	**105,790**	**116,055**	**86,406**	**41,683**	**1,875**
Attributable to:					
Owners of the Company	74,097	85,600	60,439	26,400	(11,250)
Non-controlling interests	31,693	30,455	25,967	15,283	13,125
STATEMENT OF FINANCIAL POSITION					
Assets					
Property, plant & equipment	642,030	682,614	716,247	627,279	649,390
Investment properties	115,390	115,280	106,760	106,700	106,660
Equity-accounted investees	131,330	138,241	139,755	92,739	72,159
Other investment	3,986	3,986	3,986	-	-
Intangible assets	19,015	17,189	20,840	20,542	24,364
Deferred tax assets	52,116	39,661	27,618	25,874	22,325
Total non-current assets	963,867	996,971	1,015,206	873,134	874,898
Current assets	1,387,329	1,416,631	1,130,306	1,083,562	973,750
Total assets	**2,351,196**	**2,413,602**	**2,145,512**	**1,956,696**	**1,848,648**
Equity					
Share capital	219,498	219,498	219,498	219,498	219,498
Reserves	1,209,490	1,233,580	1,224,020	1,081,872	1,087,832
Treasury shares	(13,506)	(13,506)	(13,506)	(13,506)	(13,506)
Equity attributable to owners	1,415,482	1,439,572	1,430,012	1,287,864	1,293,824
Non-controlling interests	85,396	76,071	73,704	65,126	70,148
Total equity	1,500,878	1,515,643	1,503,716	1,352,990	1,363,972
Non-current liabilities	331,733	335,817	184,463	163,836	112,608
Current liabilities	518,585	562,142	457,333	439,870	372,068
Total equity and liabilities	**2,351,196**	**2,413,602**	**2,145,512**	**1,956,696**	**1,848,648**
FINANCIAL STATISTICS					
Basic earnings per share (sen)	37.90	43.79	30.92	13.50	(5.75)
Gross dividend per share (sen)	20.00	28.00	18.00	14.00	7.00
Net assets per share (RM)	7.24	7.36	7.31	6.59	6.62
Return on shareholders equity (%)	5.19	5.97	4.45	2.05	(0.86)

5-Year Financial Highlights

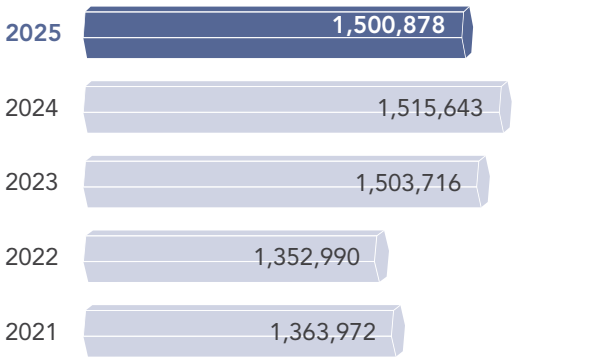
REVENUE (RM'000)



PROFIT FOR THE YEAR (RM'000)

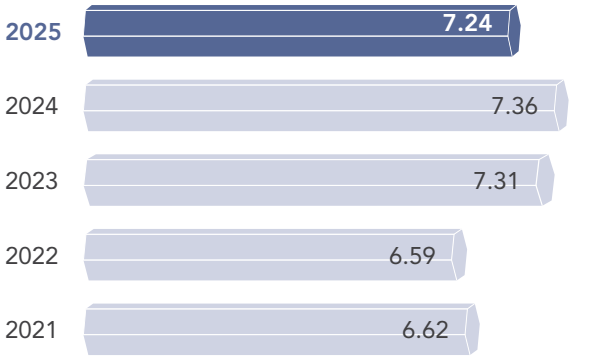


TOTAL EQUITY (RM'000)



GROSS DIVIDEND PER SHARE (SEN)

NET ASSETS PER SHARE (RM)



SUSTAINABILITY STATEMENT

Economic

Environmental

Social

Governance

STEPPING UP THE RACE TO NET-ZERO

Through Sound and Sustainable Practices

SECTION 1 APPROACH, GOVERNANCE STRUCTURE, AND METHODOLOGY

1.1 INTRODUCTION

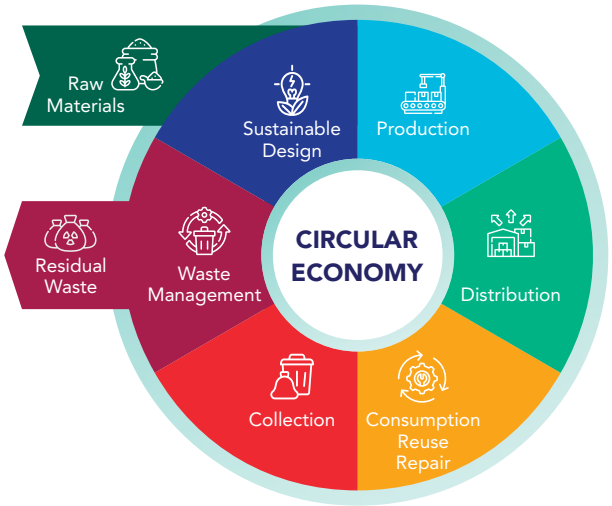
The journey of a vehicle, whether powered by hydrogen fuel cells, an electric motor, or an internal combustion engine, should be measured not just by kilometres travelled, comfort, performance, or speed, but also by the legacy it leaves behind on our planet and in our communities.

1.2 ASPIRATION AND COMMITMENT

At APM, we remain committed to responsible progress. Looking ahead to 2025, we are determined to supply and, whenever possible, design and develop vehicle parts and components that stand as benchmarks of innovation and performance, while actively promoting environmental responsibility, social equity, and transparent governance.

This 2025 Sustainability Statement ("Sustainability Statement") serves as our dashboard, displaying the metrics and outcomes of our journey towards a cleaner and more sustainable future.

We remain steadfast in our commitment to shared prosperity by integrating Economic, Environmental, Social, and Governance ("EESG") principles across our operations. In direct support of Malaysia's National Energy Transition Roadmap ("NETR"), we are accelerating our efforts to contribute to a low-carbon economy through targeted investments in renewable energy, electric vehicle infrastructure, energy-efficient manufacturing, and circular economy models. This focused strategy is aimed at driving the systematic reduction of our carbon footprint across the entire value chain.



Under the oversight of our Risk Management and Sustainability Committee ("RMSC") and Audit Committee ("AC"), and in full alignment with the Malaysian Code on Corporate Governance, sustainability risks and opportunities are formally embedded within our core business strategy and decision-making processes, ensuring resilience, sustainability, and long-term value creation.

This Sustainability Statement also reflects our unwavering commitment to not just comply with regulations, but to lead the charge. We are not just assembling or making vehicle parts and components; we are shouldering our share to drive Malaysia's sustainable transition, one responsible action at a time.

1.3 PREPARATION AND REPORTING FRAMEWORK

This Sustainability Statement is prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements, and its Sustainability Reporting Guide and Toolkits (3rd Edition) while taking into account S1 and S2 of the International Financial Reporting Standards ("IFRS").

It demonstrates our ongoing commitment to the entrenchment of sustainable practices aligned with recognised standards, reinforcing our dedication to transparency and accountability. As our 9th Sustainability Statement since initiating sustainability reporting in 2017, this Sustainability Statement marks our continued journey to integrate and balance operational excellence, the welfare of our people, and our core EESG objectives.

1.4 SCOPE AND COVERAGE

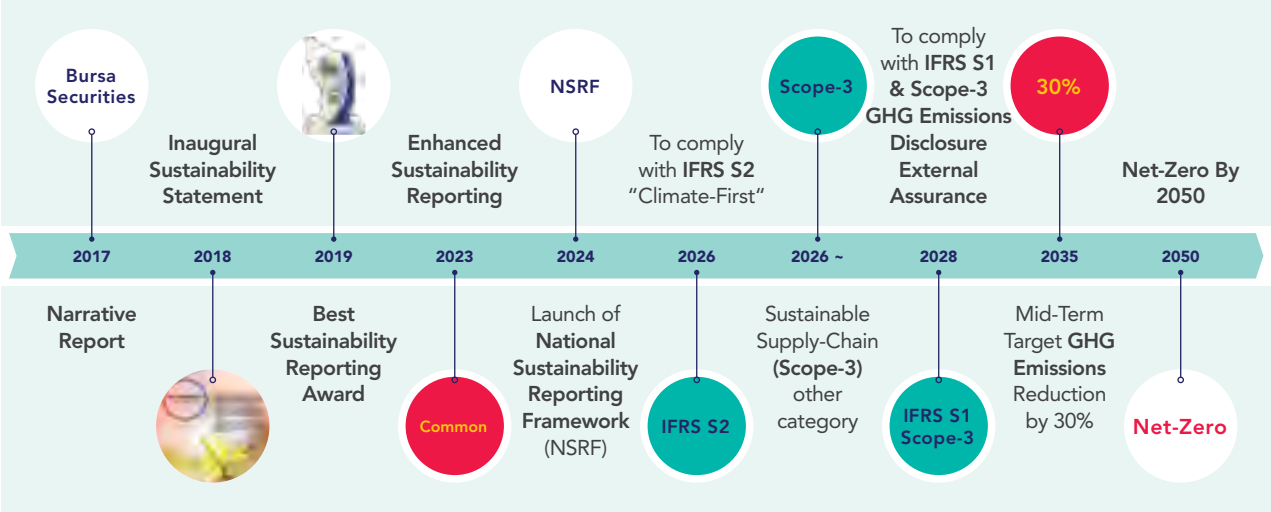
This Sustainability Statement details the EESG initiatives and performance of the Group, with a primary focus on our operations in Malaysia, Indonesia, Vietnam, Thailand, and Australia. These markets collectively represent over 90% of Group revenue and form the core scope of this report. We are committed to expanding this coverage to include data from all APM business units in future reporting cycles.

Sustainability Statement

1.5 REPORTING PERIOD, CYCLE, AND STATUS

This Sustainability Statement covers the period from 1 January to 31 December 2025. It documents our key initiatives, performance, and progress toward long-term sustainability goals. Published yearly, it serves as our primary platform for transparently communicating EESG advancements and reaffirming our sustainability commitment to various stakeholders. The following represents an illustration of our sustainability development roadmap as of 31 December 2025:

Sustainability Development Roadmap



1.6 STATEMENT OF ASSURANCE

While this Sustainability Statement has not been externally assured, the 36 Key Performance Indicators ("KPIs") presented herein have been reviewed by our Group Internal Audit Department to verify their accuracy as reported. The veracity of this Statement has also been reviewed by the RMSC and AC.

1.7 ACCESSIBILITY

This Sustainability Statement is published as part of our Annual Report and is available for viewing and download in PDF format on our website at www.apm.com.my.

1.8 FEEDBACK

We value stakeholder dialogue and are committed to continuously enhancing our sustainability reporting. Your feedback, suggestions, and comments are welcome and can be submitted through our dedicated email: apmah@apm.com.my.

1.9 APPROACH

Our commitment to sustainable development is fundamentally aligned with and driven by our corporate vision, mission, and core values, as visually summarised as follows:

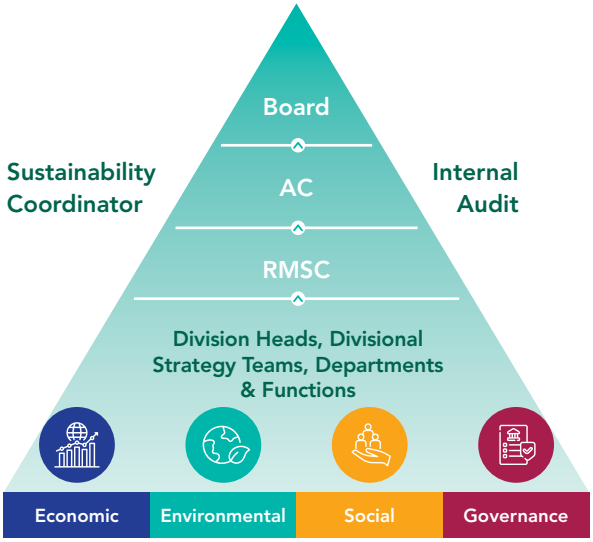
1.9.1 Operational Approach

Our sustainability principles are realised through concrete actions and practices, which we refer to as our "sustainability initiative". These initiatives are systematically embedded across all operational stages.

By incorporating these criteria into our performance evaluation and strategic planning, we can ensure that they are considered across all daily operations. This structured method offers clear direction for our goals while cultivating a workplace culture that genuinely embraces sustainable values.

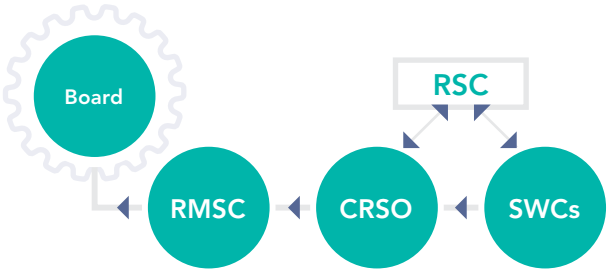
1.10 GOVERNANCE STRUCTURE

Our sustainability initiatives encompass a range of programmes, each overseen and executed by dedicated teams within our organisational structure, as detailed below.



1.10.1 Board

The Board of Directors ("Board") has ultimate responsibility for overseeing our sustainability framework and holds final decision-making authority on all material sustainability issues and strategic direction.



1.10.2 RMSC

Chaired by the Chief Risk and Sustainability Officer ("CRSO"), the RMSC comprises senior management representatives, including heads of key business divisions. This composition brings together diverse expertise and perspectives. Operating under Board-approved terms of reference, the RMSC's primary role is to support the Board in developing, implementing, and overseeing the policies and practices of the company's sustainability framework, thereby assisting the Board in discharging its governance responsibilities.

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.

Sustainability Statement

- 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.

1.10.3 SWCs

The Sustainability Working Committees ("SWCs") are responsible for overseeing the implementation of specific sustainability initiatives assigned by the RMSC. Their key responsibilities include setting relevant goals, strategies, and policies, as well as developing actionable plans for execution by the designated Persons-in-Charge.

1.10.4 CRSO

The CRSO, who is appointed from among the RMSC members, acts as the primary liaison between the SWCs and the RMSC. Through the RSC, the CRSO works closely with the SWCs to foster a culture of corporate responsibility and integrate EESG considerations into our business operations, while supporting the Company's economic objectives.

1.10.5 RSC

The Risk and Sustainability Coordinator ("RSC") is tasked with compiling, collating, analysing, and processing detailed data on the progress of all sustainability action plans. The RSC then consolidates this information and reports the findings to the CRSO.

1.11 MATERIALITY ASSESSMENT

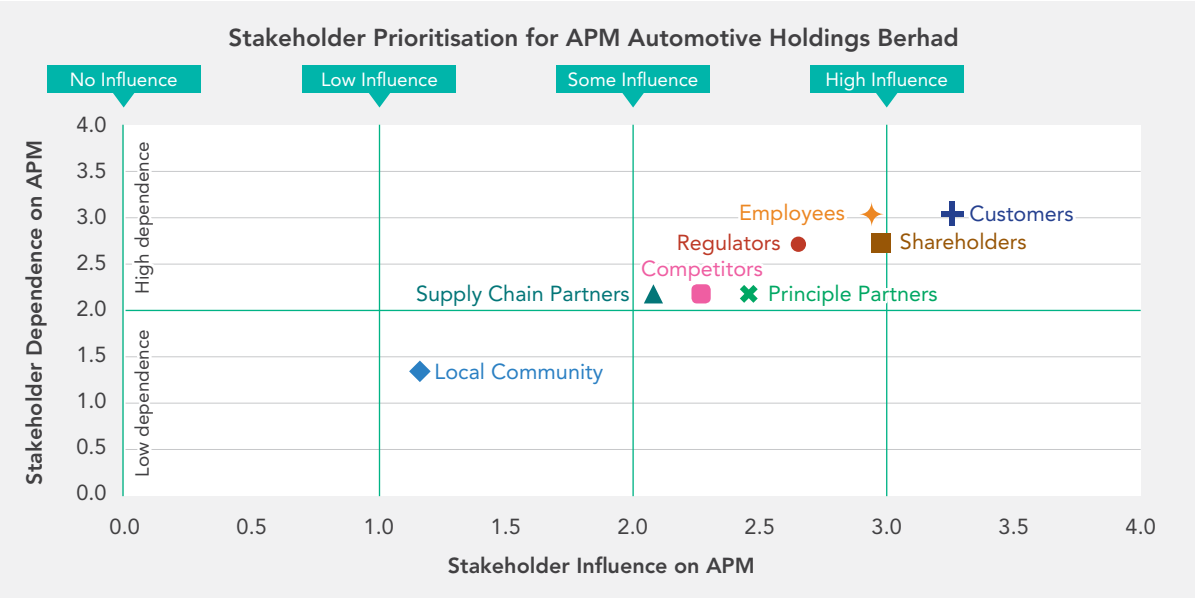
We employed a structured materiality assessment process that is aligned with Bursa Securities' guidelines to identify and prioritise EESG issues that are most significant to our business and stakeholders. This annual process is crucial for developing effective strategies, proactively managing risks and opportunities, and aligning our performance with stakeholder expectations to ensure long-term resilience and success. Our assessment follows a defined cycle as indicated below:

1.11.1 Identification

In this phase, we engaged with key stakeholders through interviews and discussions to identify a longlist of potential sustainability matters. We analysed and benchmarked this data against peer disclosures and industry best practices. This longlist is then reviewed with the RMSC and Board to filter out less significant issues, enabling us to isolate and prioritise our key EESG challenges and opportunities effectively.

1.11.2 Prioritisation

In this phase, we evaluated the identified sustainability matters to determine their relative priority. This was achieved through a structured materiality assessment workshop involving a cross-section of internal stakeholders, from managers to senior leadership and Board members. Participants provide insights based on their engagement with external stakeholders, assessing the significance of each issue's potential EESG impact and alignment with stakeholder expectations. Each matter was assigned a weighted score and subsequently plotted on a materiality matrix. This matrix provided a visual representation of each matter's relative importance to both our business and our stakeholders. An illustration of the resulting matrix is provided below:



1.11.3 Validation

Upon completion, the draft materiality matrix was presented to the CRSO, the RMSC, and ultimately, the Board for review, commentary, and formal endorsement. This multi-tiered process ensured full alignment with our strategic priorities.

1.11.4 Review

We treat materiality as an ongoing, iterative process, using stakeholder feedback to refine our approach and maintain the relevance and impact of our sustainability reporting. Accordingly, feedback is welcome at apmah@apm.com.my.

1.12 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.
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.

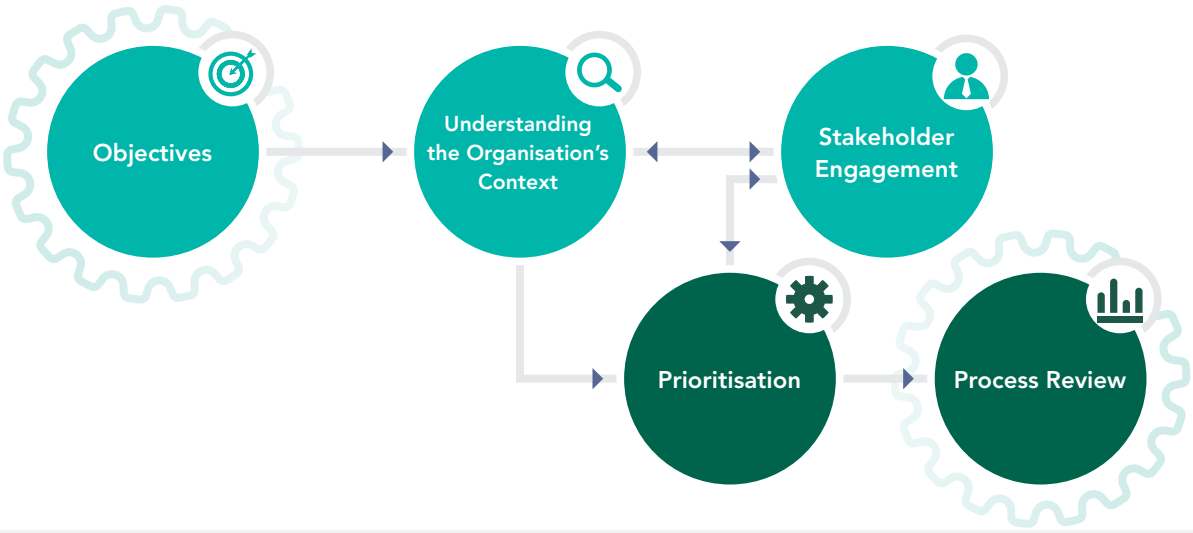
Sustainability Statement

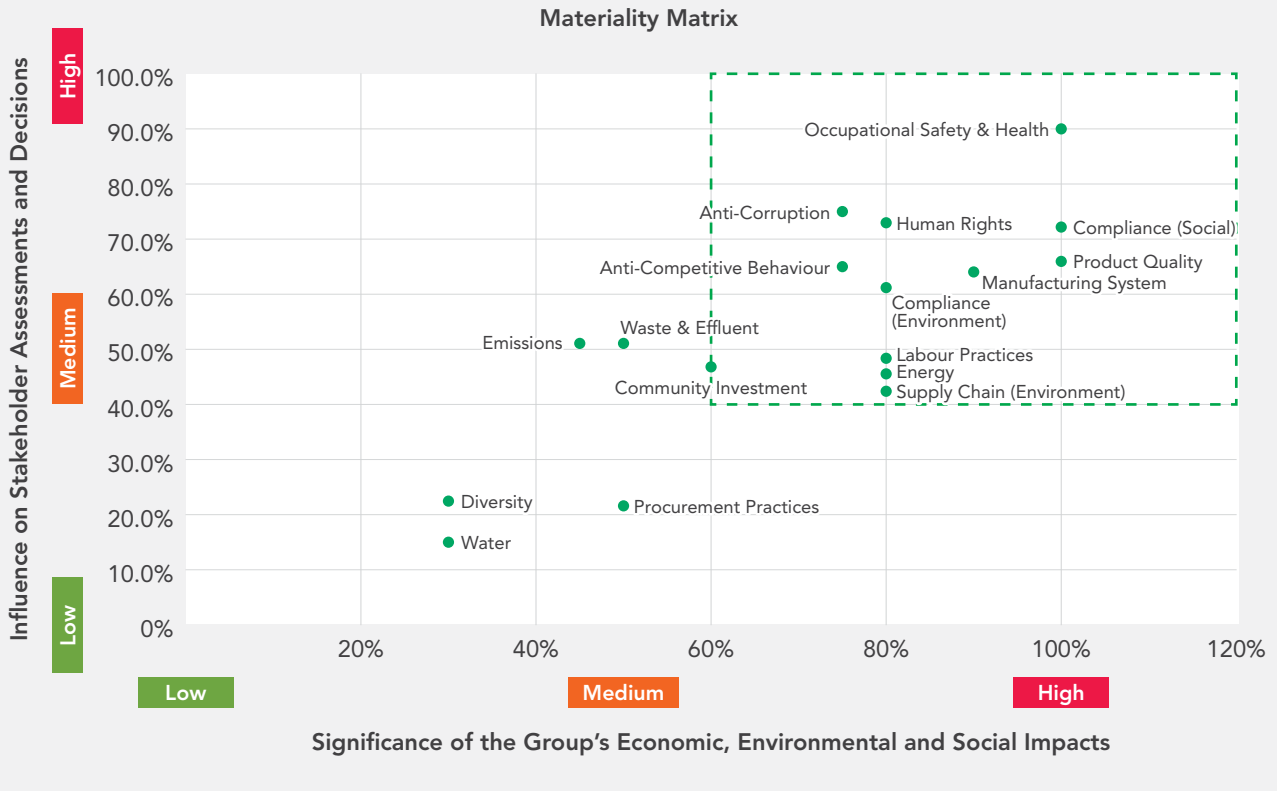
Stakeholders	Description	Engagement Method	Sustainability Issues
Shareholders	Owners of APM.	Annual General Meeting, Regular Updates, and Communication.	Profitability, Sales Performance, Financial and Volume Performance, and Compliance.
Regulators	Statutory Bodies and Government Agencies that regulate 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 our 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.

1.13 MATERIALITY ASSESSMENT PROCESS

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

1.13.1 Materiality Assessment Process and Matrix





Sustainability Statement

1.13.2 Materiality

Themes		Key Performance Indicators ("KPI")			
		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 ≥ Group Average	Number	≥ Group Average
ENVIRONMENTAL					
4 Energy	Considers the efficient use and 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 and efficiency initiatives.	%	≥ 1.0% of 'E' kWh Refer 4.1 a) above
		4.2	Carbon Dioxide ("CO_2") Reduction	tCO_2e	≥ 1,468 tCO_2e
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

Themes		Key Performance Indicators ("KPI")			
		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 Emissions Management	Emissions 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). Emissions also encompass 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_2e	Baseline For 2025
		7 b)	**Scope 2** emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the company	tCO_2e	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_2e	Baseline For 2025

Sustainability Statement

Themes		Key Performance Indicators ("KPI")			
		Index	Indicators	Unit of Measurement	Target
ENVIRONMENTAL					
8 Compliance (Environmental)	Compliance identifies the adherence of Group's activities to relevant laws and guidelines - degree of observation to laws and guidelines governing its business, as well as efforts undertaken in assessing anticipated environmental impact of its activities.	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 cases
9 Supply Chain (Environmental)	All significant environmental impacts observed or assessed in the supply chain in relation to operations.	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	In accordance with the International Labour Organisation, occupational safety and health 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.	10.1	Percentage of workers undergoing safety and health training per year	%	100%
		10.2	Number of work-related injuries per year	Number	Zero cases
		10.3	Number of work-related fatalities (including employee and contractors)	Number	Zero cases
		10.4	Accident frequency rate: (i) Lost Time Injury Frequency Rate ("LTIFR"); or	LTIFR	< 1.28
			(ii) Lost Time Incident Rate ("LTIR")	LTIR	< 0.256
11 Labour Practices	The fair treatment of employees on terms and conditions of employment and developments of employees' skill and knowledge.	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

Themes		Key Performance Indicators ("KPI")			
		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)	Compliance identifies the adherence of Group's activities to relevant laws and guidelines. It outlines the Group's degree of observance to laws and guidelines governing its business as well as efforts undertaken in assessing the anticipated impact of its activities.	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 cases
13 Human Rights	In accordance with the United Nations' Universal Declaration of Human Rights, this is defined as/to include: 1. the right not to be discriminated against; 2. the right not to be enslaved; 3. the right to be treated with dignity; 4. the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay; and 5. the right to freedom of opinion and expression.	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 cases
		13.3	Number of grievances about human rights issues	Number	Zero cases
		13.4	Number of forced or compulsory labour incidents	Number	Zero cases
14 Anti-Competitive Behaviour	Concerning ethical business practices without affecting consumer choice, pricing, and market efficiency.	14.1	Number of legal actions pending or completed regarding anti-competitive behaviour	Number	Zero cases
15 Anti-Corruption	In accordance with Transparency International Malaysia, corruption is defined as the abuse of entrusted power for private gain. This theme discuss activities that promote transparency and guard against various forms of corruption (e.g. bribery, extortion, fraud, undue pressure or influence, and collusion / anti-competitive behaviour).	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 incidents

Sustainability Statement

Themes		Key Performance Indicators ("KPI")			
		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
					Female
				% Non-Executive - By Gender	Male
					Female
				% Executive - By Age Group	< 30 years old
					30 ~ < 40 years old
					40 ~ < 50 years old
					≥ 50 years old
				% Non-Executive - By Age Group	< 30 years old
					30 ~ < 40 years old
					40 ~ < 50 years old
					≥ 50 years old
		16.2	Percentage of directors by gender and age group	% Directors - By Gender	Male
					Female
				% Directors - By Age Group	< 40 years old
					40 ~ < 50 years old
					≥ 50 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	%	> 63%
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	Number	Zero cases

We are committed to continuously improving our metrics and targets to better demonstrate our progress in managing sustainability risks and opportunities. This iterative process ensures our sustainability framework remains robust, strategically aligned, and responsive to the evolving expectations of both stakeholders and regulators. Through proactive engagement with stakeholders, especially our customers, we can refine our business practices. The impact of these refinements is then measured against clearly defined targets using specific KPIs established for each material EESG criterion.

SECTION 2 ECONOMIC, ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

2.1 ECONOMIC

We view business sustainability as a proactive strategy for ensuring long-term viability and integrity. This is achieved by optimising resources and minimising environmental impact, all while safeguarding product quality, competitiveness, and profitability. We define economic performance as the generation of sustainable financial returns and the creation of value for our stakeholders, which together form the foundation of our business's enduring success. Our capacity for growth and sustained existence hinges on consistently strong financial results.

Our economic results are measured against our strategic goals, annual budgets, and prior-year performance. This assessment reflects how we translate our fiduciary duty to investors and our broader responsibility to stakeholders into tangible value, i.e., a visionary strategy and prudent management of assets and capital guide our pursuit of sustainable long-term profitability.

Our revised Five-Year Strategic Plan is strategically aligned with a comprehensive sustainability approach, prominently featuring the integration of our Carbon Emissions Management framework. This structured methodology is designed to secure a competitive advantage through proactive reductions in GHG.

Through this framework, we have formulated plans and set clear targets to identify, assess, reduce, and manage emissions. Indicatively, our current goals are to operationalise a 30% reduction in carbon emissions by 2035 and, thereafter, to reach Net-Zero by 2050.

We have embarked on a strategic initiative to transform our manufacturing operations into a connected, data-driven SMART factory ecosystem by 2029. By gradually integrating advanced technologies such as Artificial Intelligence ("AI"), the Industrial Internet of Things ("IIoT"), robotics, and cloud computing, we are building a foundation for enhanced automation and real-time intelligence. This transformation is designed to optimise operational efficiency, accelerate decision-making, and enable proactive intervention across our production network.

2.1.1 Production Performance and Quality

We introduced the APM Performance Measurement Index ("APMi") in 2014 as a proprietary benchmark to assess and elevate operational performance across our subsidiaries.

Core Issues & Description

- This index defines ten key quality indicators spanning the entire value chain—from supplier performance, internal processes, to customers' feedback.

Value to APM

- APMi can become a unique selling proposition as it signals to global OEMs and Tier-1 suppliers that we are a data-driven, performance-obsessed partner committed to continuous improvement and transparency.
- APMi provides a consistent and fair framework for performance benchmarking within the dynamic automotive industry.
- By rigorously measuring manufacturing KPIs (such as customer complaints, scrap rates, downtime, and cost of poor quality), APMi directly targets waste elimination, productivity gains, and quality improvement, driving down costs and enhancing margins.
- APMi creates a clear framework for evaluating team and individual performance as it fosters a culture of accountability, ownership, and continuous improvement.
- This system is a strategic move as it reflects a shift from operational to strategic management.

Sustainability Statement

- APMi comprises indicators that include customer complaints, warranty claims, out-going rejection, and supplier performance, which can help anticipate and address problems (safety incidents, quality failures, supply chain disruptions) before they impact our bottom lines.

Approach/Strategy

- Subsidiaries are rated on a scale of 1 to 5 against established criteria, transforming the APMi from a mere measurement tool into benchmarking metrics and a strategic goal for continuous improvement.

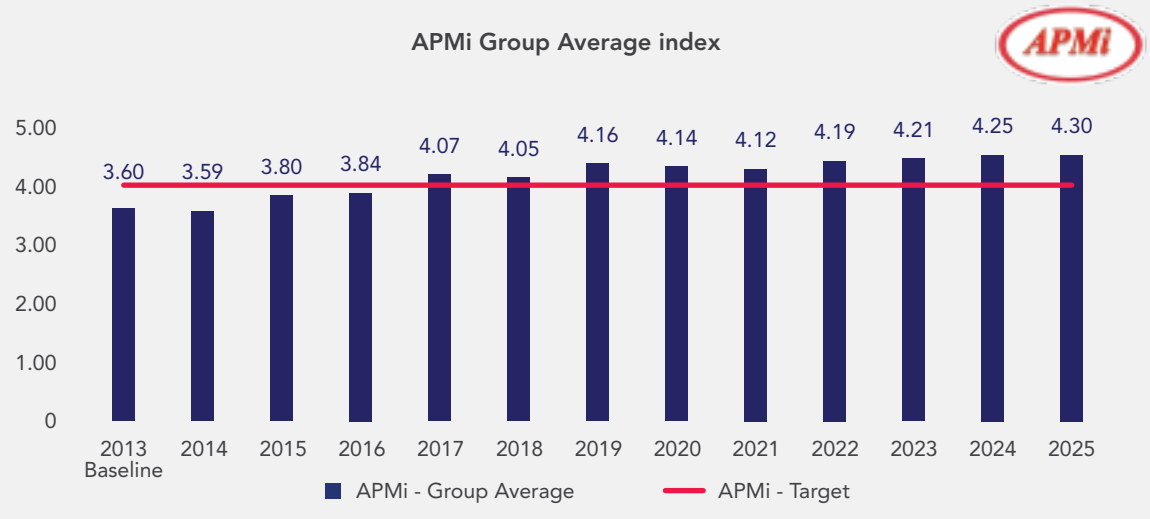
Risks

- APMi results can be compromised If metrics are poorly chosen or over-emphasised (e.g., focusing solely on on-time delivery), as employees may outmanoeuvre the system to hit targets at the expense of other critical areas (e.g., product quality, and product safety) which can corrupt the data and harm our organisation.
- Employees may see APMi as a tool for punitive micromanagement or fear job loss due to performance transparency. strong leadership, communication, and training are therefore required as a countermeasure, as otherwise, the initiative can fail due to a lack of buy-in.
- The integrity and efficacy of APMi as a management tool are foundational to its value, relying on accurate and timely data. Manual entry and departmental silos create the risk of data inaccuracy, inconsistency, and misleading insights, which can lead to suboptimal decisions. To address this, we are prioritising the transparency of our data collection processes.
- An over-reliance on a fixed set of metrics can limit or slow down progress and require change. As a countermeasure, APMi's metrics are regularly reviewed and updated to avert such occurrences.

Opportunities

- APMi creates the framework for what needs to be measured. It is not only a yardstick for measuring performance, but it also serves as a tool for internal benchmarking and continuous improvement.
- APMi can enable us to be a more compelling and attractive joint-venture partner for global automotive players.

The following is the summary of our subsidiaries' APMi performance from 2013 to 2025:



APMi Group Average for 2025 was 4.30, which exceeded the target of ≥ 4.0.

2.1.2 Lean Production System ("LPS")

Our commitment to operational excellence is built upon globally recognised lean methodologies.

Core Issues & Description

- The LPS is derived from the Toyota Production System ("TPS") and provides us with a systematic framework for maximising value and eliminating wastes, where the ultimate goal is to achieve the highest quality, lowest cost, and shortest lead time through the complete elimination of wastages.
- Its core principles, i.e., identifying value, mapping the value stream, creating flow, establishing a pull system, and pursuing perfection, form the bedrock of efficient, high-quality manufacturing.

Value to APM

- The LPS is the global standard for automotive manufacturing efficiency. To win and retain contracts with top-tier OEMs, we believe we must and should demonstrate mastery of the LPS. To us, it is a qualifying criterion and not an optional advantage.
- Automotive component manufacturing is fiercely competitive with thin margins. LPS directly attacks the seven wastes (Muda), leading to:
  - Less inventory, less rework, less waiting, higher productivity;
  - The "*Jidoka*" principle (autonomation) in LPS ensures quality at the source by enabling machines or operators to immediately stop production upon detecting an abnormality, preventing defects from passing to the next station. This process reduces time and cost exposure.
  - With low inventory and faster changeovers, we can respond more nimbly to customer schedule changes - a critical capability.

Approach/Strategy

- The LPS provides the operational "what" and "how" to achieve the strategic targets set by the APMi. The APMi can measure LPS outcomes (e.g., Overall Equipment Effectiveness ("OEE"), First Pass Yield, Inventory Turns), creating a perfect feedback loop between strategy and execution.

Risks

- The LPS requires a paradigm shift from a "push and rework" culture to a "stop and fix" culture where if punitive action is introduced if the production line stops or if there is a culture that ignores employee ideas, the system will fail. Training, awareness, teamwork, and continuous education remain the key to overcoming such drawbacks.

Opportunities

- A mature LPS system, with its standardised processes and focus on eliminating waste, is the perfect foundation for implementing SMART factories where data collection and processing can be automated for return on investment maximisation and optimised results.
- When implemented successfully, LPS culture can unleash the problem-solving potential of the entire workforce, which in turn can lead to a stream of small innovations that continuously lower costs and improve quality, creating a sustainable competitive advantage.

Sustainability Statement

2.1.3 APM Manufacturing System ("AMS")

Inspired by the LPS and TPS, we developed the AMS in 2014, tailoring these universal principles to our unique operational context. The AMS extends beyond the production floor, embodying our core business philosophy across the entire value chain.

Core Issues & Description

- The AMS is structured around 13 foundational pillars, incorporating methodologies such as the Autonomous Maintenance, Shop Floor Control System, the Suggestion Scheme, and the *Seiri, Seiton, Seiso, Seiketsu* and *Shitsuke* or 5S principles.
- The system holistically integrates workplace safety, ongoing employee development, and relentless process improvement through *Kaizen*.

Value to APM

- The AMS provides a single, standardised playbook for our plants and divisions, whether they make suspension parts, plastic trim, or electronics.
- It ensures consistency in quality, safety, and efficiency across the entire organisation, making performance comparable and manageable.
- The AMS is the primary mechanism to execute APM's corporate strategy, where, for example, if the strategy is to become a "*low-cost, high-quality leader*," then AMS can be used to define the specific processes, standards, and disciplines (e.g., strict changeover procedures) to meet this goal on the shop floor every day.
- The AMS creates the stable, standardised processes that the APMi measures as it provides the "*control*" in the "*plan-do-check-act*" cycle, with the APMi being the "*check*".
- It serves as a core training framework where new employees learn "*The APM Way*," and this accelerates competency to the level that we require while ensuring knowledge retention and allowing us to scale our operations or open new facilities with a proven and replicable system.

Approach/Strategy

- To ensure rigorous implementation and foster a culture of excellence, we conduct mid-year self-assessment and annual AMS assessments via comprehensive site audits by our competent internal auditors.
- The results form the basis for our Annual AMS Convention, a key internal event held since 2016, where subsidiaries benchmark performance and share best practices for collective advancement.
- We actively recognise outstanding contributions to this system. In this regard, individual and team efforts are celebrated through the "*Challenge the Best*" trophy, while a token of appreciation is awarded to all units achieving an AMS target set, reinforcing our commitment to sustainable operational excellence.

Risks

- Employees may follow the system blindly ("*check-the-box*" compliance) without understanding the underlying purpose, thus nullifying the very continuous improvement spirit it aims to foster.
- If it is not rolled out with strong quality leadership and change management, different plants or managers may interpret and apply the AMS differently, creating internal inconsistencies and undermining its core value of standardisation.
- Creating, documenting, training, auditing, and continuously updating the AMS requires significant investment in time, personnel (e.g., Lean/AMS managers), and resources.
- Success can breed risk. If the AMS leads to strong performance, there is a danger of becoming complacent, viewing the system as "complete". Periodic review, updating, evaluation, and annual site audit by our competent auditors will be key to addressing this potential shortcoming.

Opportunities

- A mature, standardised AMS can be the foundation for Industry 4.0. With processes stabilised, we can strategically apply IoT sensors, data analytics and AI to the AMS, creating a "*Digital AMS*," which will allow for predictive maintenance, real-time performance adjustment, and a new level of efficiency gains.
- While technology and ideas can be copied, a deeply ingrained, living culture of operational excellence (like the true AMS) is difficult for competitors to replicate.
- It has the potential of becoming a sustainable and impenetrable moat around APM's business.
- A well-designed AMS will not focus or centralise on power; instead, it will distribute capability. By giving every employee the opportunity, a clear framework, and the authority to act within it (e.g., to stop a production line, to initiate a *Kaizen*), we can harness and gain from the collective intelligence of its entire workforce systematically.

2.1.4 APM Manufacturing System Plus ("AMS+")

For decades, the AMS has served as our operational bedrock - a robust Lean framework that standardised our approach to work, problem-solving, and continuous improvement. However, to thrive in a rapidly transforming world, we too must evolve. Today, we proudly usher in the era of AMS+. This next-generation system is founded not on a single principle, but on a powerful, integrated triad of core competencies: Lean Excellence (Shop Floor Control System), Environmental Sustainability (CO_2 Reduction and Environmental Responsibility), and Industry 4.0.

Core Issues & Description

- This is an upgraded version of the AMS assessment criteria that takes into consideration two additional pillars, namely, Environmental Sustainability (CO_2 Reduction and Environmental Responsibility), and Industry 4.0.

Value to APM

- Formal disclosure and reduction of our carbon footprint, coupled with a strong commitment to do so, will enable us to be more compliant and competitive in future tenders.
- The "Environment" pillar provides a new set of critical KPIs for the AMS, such as:
  - Carbon Emissions (Scope 1 & 2)
  - Renewable Energy Use
  - Waste-to-Landfill Reduction
  - Water Usage Efficiency
- The pursuit of net-zero is not just an environmental goal but also an operational excellence driver as it will assist in transitioning to renewable energy (e.g., solar) and improving energy efficiency, directly reducing long-term, volatile energy costs.
- It positions us as a forward-thinking, responsible leader in Malaysia's industrial landscape, which we believe will strengthen our standing and attract top-tier engineers and graduates who want to work for a company with a clear purpose beyond profit.

Approach/Strategy

- These two additional pillars reflect our commitment to environmental sustainability and a low-carbon economy. They are designed to ensure that the value generated by our carbon reduction and removal initiatives matches the value of our carbon emissions.

Sustainability Statement

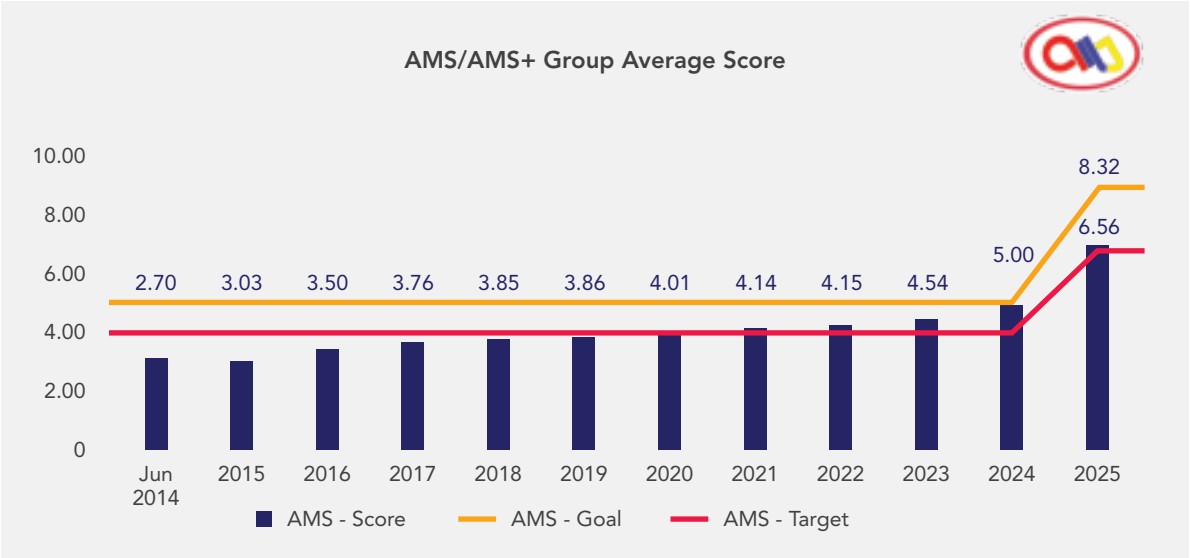
Risks

- Making a bold "net-zero" statement without a credible, science-based, and transparent roadmap will lead to accusations of greenwashing, which can severely damage trust with customers and investors.
- The initial investment for decarbonisation (such as solar panel investment, energy-efficient equipment, electrified fleet, and carbon accounting software) can be substantial.
- The annual AMS audit will ensure the carbon reduction and removal initiatives are in-line with the Group target and evidence is being verified.

Opportunities

- Investing in renewable energy and energy efficiency buffers us against future fossil fuel price shocks and potential carbon taxes, creating a more resilient and predictable cost structure.
- A credible net-zero roadmap can make us attractive to ESG-focused OEM customers, suppliers, investors, and other interested parties.
- We can move from being a passive supplier to an active decarbonisation partner by, for example, offering "*Carbon-Data-Tagged Components*" and collaborating on Life Cycle Assessments, where we can help our OEM customers to meet their own Scope 3 targets.

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



2.1.5 Digital Transformation - Connect, Collect, Visualise, Analyse, and Automate ("CCVAA")

Sustainability Statement

Our progress during the year was highlighted at the 11th AMS Convention, held on 29 January 2026 at Kota Permai Golf and Country Club. The event showcased the Industry 4.0 initiatives implemented across our subsidiaries throughout 2025, all following the core digital transformation cycle:

Our automation journey, as demonstrated, is measured by integrated systems including our Real-Time Stock Monitoring System, Robotic visual inspection, and live Shock Absorber Assembly OEE tracking.

This infrastructure does more than provide real-time data; it empowers proactive intervention to swiftly address issues, directly reducing potential downtime and waste. Big data collected forms a critical knowledge base, fuelling analysis that drives our future investment in smarter automation and mechanisation.

Core Issues & Description

- The CCVAA Framework is a structured, sequential methodology for implementing Industry 4.0 and digital transformation in manufacturing. It provides a clear roadmap for evolving from basic digitalisation to intelligent, autonomous operations.
- Unlike random technology adoption, CCVAA represents a deliberate progression where each stage builds upon the previous one, creating a data-driven value chain from physical operations to intelligent action.

Value to APM

- The CCVAA framework prevents us from making random, disconnected technology purchases and decisions. It provides a clear, logical sequence for investment, ensuring foundational layers (Connect & Collect) are solid before spending on advanced Analytics and Automation.
- The CCVAA will infuse digital life into the AMS as it provides the technological "how" to achieve the process discipline and continuous improvement demanded by the AMS.
- The AMS needs data, and the CCVAA is the data supply chain for the AMS, where it can supply the raw data, visualise in which AMS can track and turn such data into KPIs, and thereafter trigger the necessary action, thus closing the performance management loop.

Sustainability Statement

Approach/Strategy

- We continuously map out strategic initiatives and direction to ensure the goals of this framework are met. These include the use of real-time dashboard tools, the use of a mix of retrofitted sensors and machine-native communication protocols, and the establishment of a secure, scalable industrial network.

Risks

- One of the main risks is to start with technology instead of a business problem, which can and will lead to wasted time, resources, and investment.
- Every new connected device is a potential entry point for cyberattacks, which can cripple operations.

Opportunities

- A systematic CCVAA approach can allow us to move faster than competitors stuck in pilot purgatory, establishing a sustainable digital advantage.
- The CCVAA framework can transform the AMS from a lagging reporting tool into a real-time predictive command centre, where, for example, instead of reporting last month's OEE, next week's bottlenecks can be anticipated.
- Positioning us as a technologically advanced, data-driven manufacturer can attract suitable engineering talents and make us a more attractive partner for global OEMs.

2.2 ENVIRONMENTAL

2.2.1 Environmental Sustainability

The automotive manufacturing sector faces significant sustainability challenges, characterised by energy-intensive processes, substantial resource use, and complex logistics that contribute to global carbon emissions and environmental impact. We recognise that our long-term commercial viability is intrinsically linked to our environmental stewardship. Unmanaged, our operations could contribute to resource depletion and ecological degradation. Therefore, integrating environmental responsibility with profitability is a core tenet of our strategy. We are committed to advancing sustainable manufacturing, notably through increasing the use of recyclable and reusable materials in production.

Core Issues & Description

- We see environmental sustainability as the responsible and balanced management of natural resources and ecological systems to meet the needs of the present without compromising the ability of future generations to meet their own needs.
- In a business context, it involves operating in a way that minimises negative impacts on the environment across three core spheres:
  - Efficient and circular use of materials, water, and energy.
  - Minimising GHG emissions, waste, and pollutants released into air, water, and soil.
  - Managing operations to conserve natural habitats and biodiversity.

Sustainability Statement

Value to APM

- Sustainability initiatives directly address waste, which is pure cost, whereby energy efficiency lowers utility bills, whilst material efficiency decreases raw material costs and waste disposal fees, and water conservation reduces water procurement and treatment costs.
- Sustainability initiatives can reduce risks that include:
  - Regulatory risk, whereby proactively adapting to present and future environmental regulations avoids future or potential penalties and costly last-minute remedies.
  - Physical risk, whereby building resilience against climate-related disruptions (e.g., water scarcity or extreme weather) secures our supply chain and operations.
  - Reputational risk, whereby avoiding pollution incidents or being labelled an irresponsible polluter protects and enhances our reputation and brand.
- Non-compliance can diminish our chances of securing future bids from global OEMs.

Approach/Strategy

- Our commitment to a circular economy is demonstrated by our waste management performance in 2024, during which we successfully diverted **963.22 metric** tonnes of waste from disposal, while **591.65 metric** tonnes were directed to final disposal. These metrics establish a baseline for our **2025** targets and future improvement initiatives. A summary of material streams and their end-of-life treatment is provided below.

Risks

- Energy-efficient machinery, solar installations, and other sustainability initiatives require significant capital expenditure ("CAPEX").
- Making public claims without substantial action or transparent data will destroy credibility and trust.
- Transitioning to new processes or materials can cause temporary disruptions in production quality or output if not managed carefully.

Opportunities

- Reducing dependence on volatile fossil fuels and virgin materials creates a more predictable, resilient cost structure and secures the business against future resource scarcities.
- Being a demonstrably sustainable company builds stronger, more strategic partnerships with OEMs who share the same values and face the same pressures.
- The sustainability challenge can be the catalyst for breakthrough innovations in material science and process engineering, potentially opening doors to other markets.

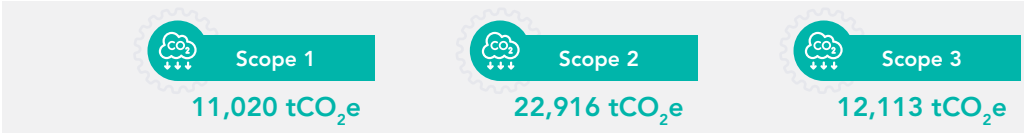
A critical step in our sustainability journey was the initiation of comprehensive GHG emissions monitoring in 2025 across all three (3) recognised scopes:

Scope 1 (Direct Emissions)	**Scope 2** (Indirect Emissions)	**Scope 3** (Other Indirect Emissions)
▸ Emissions from fuels combusted in our own operations.	▸ Emissions from the generation of purchased electricity, steam, heat, and cooling.	▸ Emissions occurring across our value chain that are not included under Scope 1 and Scope 2. ▸ For the reporting year 2025, Scope 3 emissions disclosed in this Sustainable Statement covers only Category 6: Business Travel and Category 7: Employee Commuting.

The initial data collected in 2024 recorded GHG emissions of **11,941 tCO_2e** under Scope 1, **24,088 tCO_2e** under Scope 2, and **8,905 tCO_2e** under Scope 3.

Sustainability Statement

The Group's GHG inventory for 2025 is as follows:



In response to the introduction of the National Sustainability Reporting Framework ("NSRF"), we have aligned our sustainability strategy and disclosures with the requirements of **IFRS S1** and **IFRS S2**, ensuring full compliance with these global standards on climate-related financial disclosures and their stipulated timelines.

2.2.2 Regulatory and Compliance Stewardship

Adherence to environmental laws, regulations, and standards is a fundamental operational discipline designed to minimise ecological harm and protect public health.

Core Issues & Description

- For us, this means proactively and strategically managing all legal, safety, environmental, and industry-specific obligations - not as a checklist to avoid penalties, but as a systematic competitive advantage and risk management discipline.

Value to APM

- Stewardship ensures uninterrupted operations and revenue.
- Fines, plant shutdowns, product recalls and suspensions, and litigation from non-compliance can be catastrophically expensive.
- Stewardship identifies and mitigates these risks early, turning potential losses into manageable, budgeted compliance costs.
- A mature compliance programme requirement is already integrated into standard operating procedures within the AMS.
- This eliminates last-minute reactive actions, reduces audit preparation time, and creates predictable, repeatable processes.
- Proactive stewardship can build our standing and reputation as a reliable, trustworthy partner that OEMs and other stakeholders can depend on.

Approach/Strategy

- With 14 of our Group subsidiaries maintaining ISO 14001:2015 certification, we operate with the understanding that compliance is a dynamic process requiring constant vigilance. Proactive identification and correction of potential oversights are integral to our management approach.

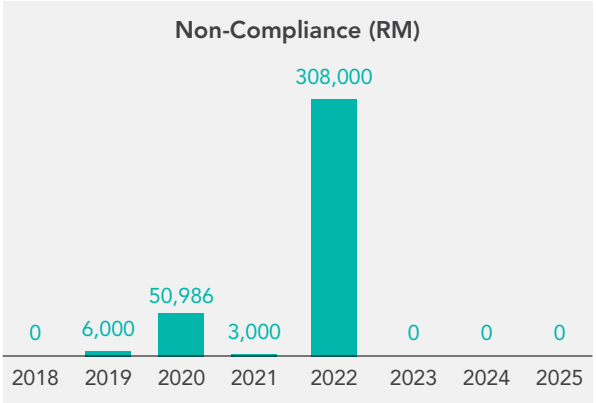
Risks

- The consequences of risk of treating compliance as a legal problem can be grave, and if its responsibility is not assumed by operational leaders, gaps are inevitable.
- The pace and global divergence of regulations can overwhelm and complicate compliance efforts.
- Non-compliance by sub-tier suppliers can cascade through the supply chain, causing recalls and liability for us as the Tier-1.

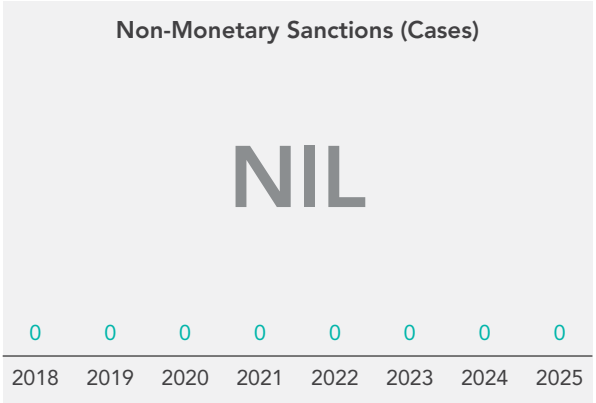
Opportunities

- A robust compliance system can enable us to be more agile in the face of new regulations, thus allowing faster adaptation than competitors.

We are pleased to report a clean compliance record for 2025, with no summonses, fines, or notifications for violations of environmental legislation.



Total monetary value of fines for non-compliance with environmental laws and regulations



Total non-monetary sanctions for non-compliance with environmental laws and regulations

2.2.3 Energy, Emissions, and Resource Management ("EERM")

As an energy user within the manufacturing sector, we recognise our pivotal role in mitigating climate change through conscientious energy stewardship.

Core Issues & Description

- Essentially, EERM is a framework that systematically monitors, controls, and optimises a company's consumption of energy, generation of emissions, and utilisation of materials throughout its operations and value chain.

Value to APM

- Reduction in energy consumption through efficiency measures directly lowers utility bills, which forms a high fixed cost for manufacturing.
- Proactive management of emissions ensures compliance with applicable laws and the avoidance of accompanying consequences like fines and penalties.
- Investing in on-site solar systems reduces dependence on the national grid and fossil fuel price volatility.
- EERM enables us to meet specific "green procurement" criteria where low embedded carbon is a requirement and selling point.
- EERM provides critical leading indicators for the sustainability dashboard (e.g., kWh/unit produced, kg CO_2e/ton of material).

Approach/Strategy

- Our strategy extends beyond regulatory compliance to embrace energy efficiency as a driver for cost reduction, emissions abatement, and enhanced operational resilience.
- We have implemented a multi-faceted programme to reduce our carbon footprint, which includes:
  - Installing roof-mounted solar photovoltaic systems to generate renewable energy.
  - Commissioning water curtains for efficient, non-mechanically cooled airflow.
  - Transitioning facility lighting to high-efficiency LED technology.
- These efforts contribute to our performance, with **64%** of subsidiaries now **ISO 14001:2015** certified.
- This achievement is underpinned by rigorous annual audits, which assess our environmental management systems, including air emissions, wastewater quality, noise monitoring, and scheduled waste management.
- Our long-term ambition is to become an industry leader in energy conservation, guided by specific initiatives:
  - Green Energy Integration: Expanding solar power generation at our facilities in Port Klang and Bukit Beruntung.
  - Reducing natural gas consumption via recuperation systems and rapid heating burners.
  - Completing the shift from fluorescent to LED lighting Group-wide.
  - Converting hot coiling processes to cold coiling to lower gas usage.

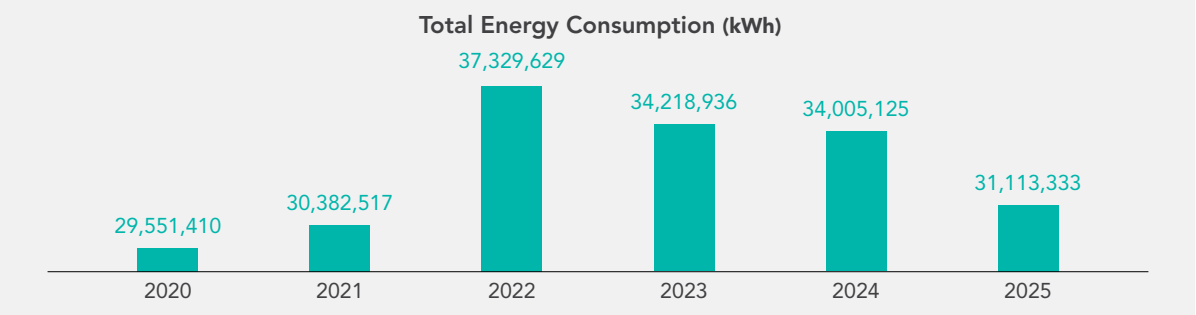
Sustainability Statement

Risks

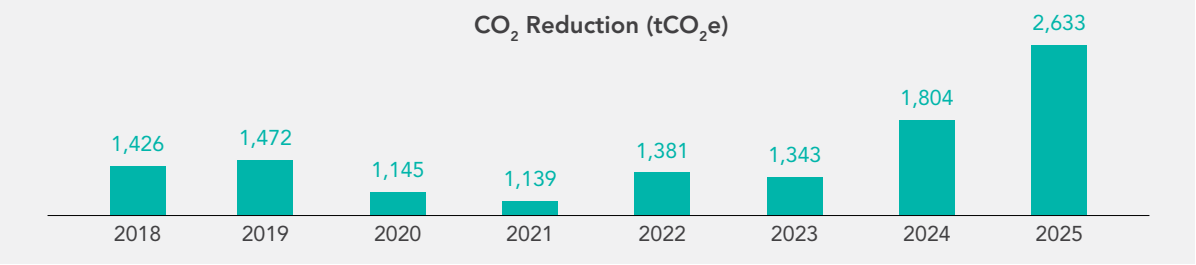
- Retrofitting existing equipment for energy efficiency or installing solar PV requires significant CAPEX.
- Investing in a specific technology carries the risk of it being superseded by better or cheaper alternatives in the near future.
- Implementing a circular economy requires redesigning relationships with suppliers and customers (e.g., taking back scrap). Partners may resist due to cost or operational changes.

Opportunities

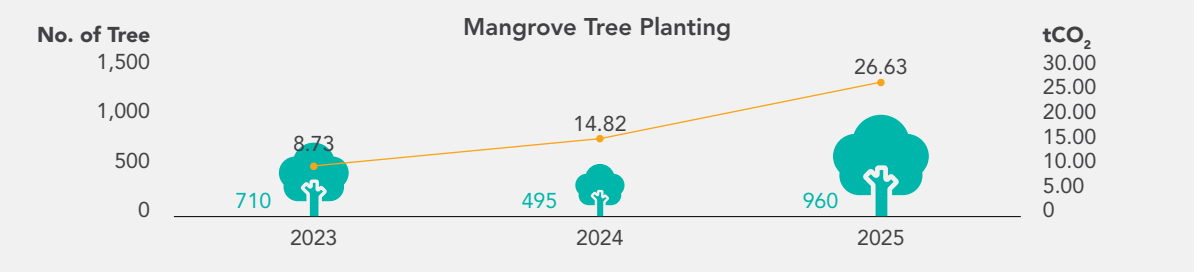
- By being energy- and material-efficient manufacturer, we can offer the lower "green cost" by combining competitive price with superior sustainability credentials.



Our commitment yielded tangible results in 2025, with a reduction in CO_2 equivalent emissions to **2,633 tonnes** from **1,804 tonnes** in 2024. Further significant reductions are anticipated with the commissioning of additional rooftop solar projects at our Port Klang plants in 2026.



CO_2 Removal



Note: *Assumption: 12.3kg CO_2 removal per tree per year, over its 25 years growth life.*

Responsible water stewardship is equally critical. Recognising water as a finite and essential resource, we have implemented conservation measures to minimise usage. As a result, the Group's total water consumption for 2025 was contained at **223 megalitres**.

In 2025, we successfully diverted a total of **2,827.27 metric tonnes** of waste from disposal, while **1,712.14 metric tonnes** were directed to disposal.

2.2.4 Sustainable Supply Chain ("SSC")

The automotive industry's extensive, global supply chain presents substantial environmental and social responsibilities. We are committed to fostering sustainability beyond our direct operations by assessing and influencing the lifecycle impacts of the goods and services within our value chain.

Core Issues & Description

- A SSC is the systematic integration of economic, environmental, social, and governance principles across every stage of a product's lifecycle - from raw material extraction and supplier operations, through our own manufacturing processes, to product use by customers and eventual end-of-life disposal or recycling.

Value to APM

- Proactively managing compliance across the chain prevents disruptions from a supplier's environmental violations.

Approach/Strategy

- This approach is vital for mitigating systemic risks, reducing collective greenhouse gas emissions, and ensuring long-term resilience. We have begun evaluating the significant environmental impacts associated with our supply chain, focusing on key areas from raw material extraction to product end-of-life.

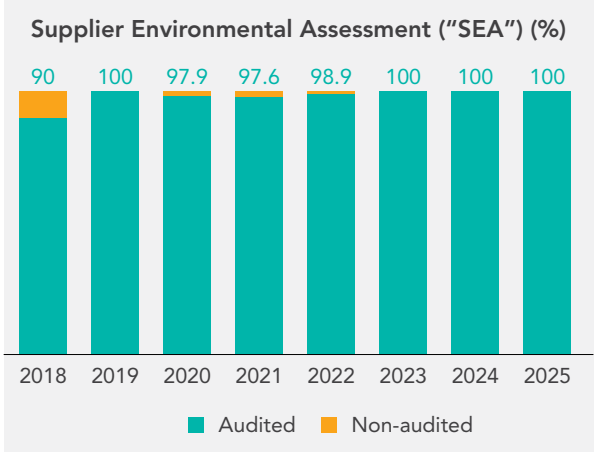
Risks

- Many suppliers, especially SMEs, may lack the resources or knowledge to meet APM's sustainability requirements, potentially leading to supply base reduction.

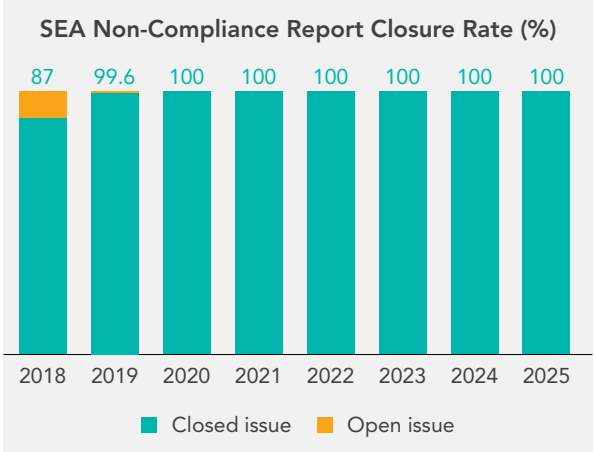
Opportunities

- Deep collaboration and transparency build stronger, more trusted relationships with suppliers, leading to better risk-sharing and innovation partnerships.
- By integrating SSC principles into the AMS+ framework, we can ensure that every operational decision - from procurement to production to product design - considers and optimises its impact across the entire value chain, building a legacy of leadership that goes beyond financial performance to encompass environmental stewardship and positive societal impact.

The significant environmental impacts observed or assessed in the supply chain concerning our operations are as follows:



Assessment of new and existing suppliers to identify enviornmental impact



Results of monitoring or auditing of suppliers

Sustainability Statement

2.3 SOCIAL

2.3.1 Community Engagement

The Group maintains a firm belief that our corporate success is inextricably linked to the prosperity and well-being of the communities in which we operate. To formalise this commitment, we allocated an annual budget of RM300,000 for community investment in 2025.

Our flagship programme, "*APM Make a Difference Day*," empowers each subsidiary with a dedicated **RM5,000** fund to support localised, impactful initiatives. In 2025, we demonstrated a strong commitment to these efforts, utilising approximately **62%** of our allocated budget, amounting to a total investment of **RM186,106**.

Core Issues & Description

- Community Investment refers to a company's strategic allocation of resources - financial, human, and in-kind to create shared, long-term value for the communities in which it operates. It goes beyond philanthropy or corporate social responsibility compliance to become an integral part of business strategy, focusing on initiatives that align with both community needs and corporate capabilities and goals.

Value to APM

- Proactive, genuine investment builds public trust and goodwill.

Risks

- Programmes can be perceived as superficial "greenwashing," or failing to deliver promised benefits can damage trust more than doing nothing.
- Potential backlash and reputational damage if community expectations are not in line with the investment efforts.
- Investing in areas disconnected from business or community priorities leads to wasted resources and minimal impact.

Opportunities

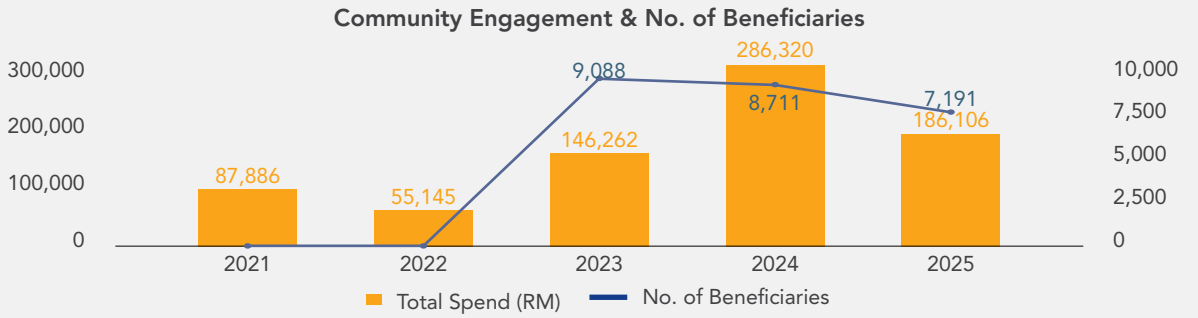
- Our reputation, trust, and standing among stakeholders can be strengthened.
- Relationship and bond between participating employees can be improved, thus boosting morale and sense of purpose.

Approach/Strategy (Non-Exhaustive)

Mangrove Tree Planting

Approach/Strategy (Non-Exhaustive)

Back to School



2.3.2 Occupational Health, Safety, and Performance ("OSH")

Our foremost priority is the health and safety of every employee. Guided by the International Labour Organisation's ("ILO") principles of hazard anticipation and control, we are committed to fostering a zero-incident culture. We recognise that consistent, high-quality training is foundational to risk prevention and awareness.

Core Issues & Description

- OSH is an integrated management discipline that protects and promotes the physical, mental, and social well-being of employees within the workplace.
- For us, it extends beyond compliance to create a high-performance work environment where safety, health, and operational excellence are inseparable.

Value to APM

- Protecting employees from harm is a non-negotiable ethical responsibility and core to APM's duty of care. This underpins all other business values.
- Prevents expenses from medical treatments, insurance premiums, compensation claims, and regulatory fines.
- Avoids massive hidden costs of accidents: production downtime, retraining, repair of damaged equipment, investigation time, and loss of management focus.
- Safe processes are predictable, standardised, and reliable, which is fundamental to AMS and achieving high OEE.
- Engaged, healthy employees have lower absenteeism, higher morale, and are more likely to contribute ideas for improvement.
- A poor OSH record can lead to failed audits and lost contracts.
- A serious accident can devastate our reputation with communities, regulators, and customers overnight. Proactive OSH management protects this critical intangible asset.

Sustainability Statement

Approach/Strategy

- Integration (Operational & Process Safety) into AMS.
- Progressive ISO 45001 certification.
- Safety performance is a key fundamental KPI in the AMS for all leaders.
- Employees are trained to identify workplace safety hazards, to conduct safety observations, participate in workshops and safety committees, and stop work exercises for unsafe conditions.

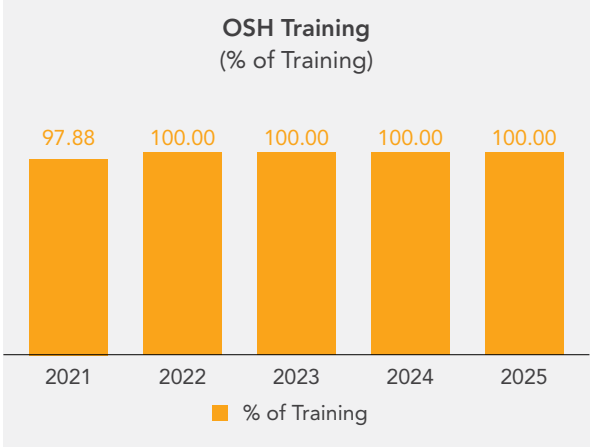
Risks

- A single fatality or major incident can result in criminal liability for directors, significant fines, and permanent reputational damage.
- High incident rates lead to fear, disengagement, and high turnover of skilled workers, creating a vicious cycle of inexperience and higher risk.
- Can lead to work stoppage orders, loss of operating licenses, and disqualification from supplier lists.

Opportunities

- A genuine safety culture is the ultimate foundation of operational discipline, driving standardisation, attention to detail, and problem-solving that benefits all areas of performance.

The prioritisation of health and safety is upheld through the systematic review and updating of our safety protocols and standard operating procedures. This is complemented by mandatory employee retraining and continuous awareness initiatives.

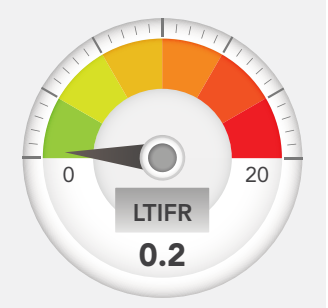


Critically, we have maintained a fatality-free record since 2018.

2.3.3 Advancing Safety through Innovation and Measurement

Understanding that safety excellence requires continuous improvement, we have developed and deployed tailored measures to systematically eliminate workplace hazards. Central to this effort is the integration of dedicated safety pillars within our AMS framework, which includes structured processes for hazard mapping and scheduled workplace safety inspections.

A key innovation is the establishment of Safety DOJOs - dedicated training rooms that use realistic simulations to provide effective, hands-on safety education. We are expanding this network to ensure broader and more efficient training coverage across our operations.



To objectively benchmark our performance, we monitor the LTIFR, in which the details are as follows:

Core Issues & Description

- LTIFR is the key metric used by many to assess a company's safety performance. It allows us to benchmark ourselves against industry peers worldwide.
- Unlike minor first-aid cases, an LTIFR represents a significant failure of the safety system with real human suffering and major operational disruption (loss of a skilled worker, investigation, line stoppage).
- Tracking LTIFR compels us to focus on preventing high-consequence events, not just total recordable cases.

Value to APM

- Primary Measure of Safety Performance.
- Direct Indicator of Human & Operational Impact.
- Core Component of the AMS & Management Accountability.
- Driver of Cost Management - Improving LTIFR directly protects our profitability.
- Essential for Customer & Partner Requirements.

Approach/Strategy

- Establishment of Safety DOJOs.
- Integration (Operational & Process Safety) into AMS.
- Progressive ISO 45001 certification.
- Safety performance is a key fundamental KPI in the AMS for all leaders.
- Employees are trained to identify workplace safety hazards, to conduct safety observations, participate in workshops and safety committees, and stop work exercises for unsafe conditions.

Risks

- LTIFR can lead to under-reporting pressure, where supervisors discourage employees from reporting injuries to protect the metric.
- A low LTIFR can breed complacency. This ignores leading indicators (near misses, unsafe acts, safety observations) that predict future LTIFR.
- LTIFR only measures injuries, not illnesses. Therefore, a good LTIFR does not necessarily mean a good occupational health record.

Opportunities

- LTIFR trends can be used to support or justify proactive safety culture and investment in leading indicator programmes such as Near-Miss Reporting or Safety Observations & Behavioural Programmes.

2.3.4 Human Capital, Sustainable Labour Practices and Succession

APM is built on a foundation of respect and equality. Our workforce is the cornerstone of our success. We are committed to cultivating sustainable labour practices that not only uphold fundamental rights to fair wages and a safe workplace but also foster an environment where every employee can thrive and contribute their best.

We believe that investing in our people directly translates to enhanced performance and organisational resilience. Aligned with the United Nations Global Compact principles, we have established a framework that values, empowers, and inspires our team through structured growth opportunities. We uphold a zero-tolerance policy towards all forms of discrimination. We are committed to fostering a diverse and inclusive workplace that respects human rights, while actively investing in talent development and retention.

Sustainability Statement

Core Issues & Description

Human Capital and Sustainable Labour Practices ("SLP")

- Essentially, we see Human Capital as the collective skills, knowledge, abilities, health, and motivation embedded in our workforce, which we invest in, nurture, and develop to create economic value.
- We view employees as strategic assets rather than operational costs.
- As for SLP, we see them as policies, procedures, and practices that ensure fair, safe, equitable, and ethical treatment of workers throughout their employment lifecycle - from recruitment to retirement - while promoting long-term business resilience and social license to operate.

Value to APM

- Continuous investment in training and education, especially for Industry 4.0 technologies (such as automation, data analytics and AI), ensures the workforce can operate efficiently, directly impacting OEE and quality metrics.
- Inclusive hiring and development practices foster cognitive diversity, which can link to better productivity and ultimately, higher revenue.
- Adherence to international labour standards can help to prevent violations that could attract the imposition of statutory punishments and lead to customer contract suspension or termination, especially for OEMs requiring strict ethical sourcing.
- Proactive compliance with applicable laws and regulations avoids legal penalties and operational disruptions.
- Strong human capital practices can improve our ranking in employer reviews, thus enabling us to attract a wider pool of talent.

Approach/Strategy

- Offering strategic mobility through transfers and secondment programmes that will allow employees to gain cross-functional experience and develop new competencies.
- Providing targeted development through regular upskilling and training focused on operational efficiency and productivity, with clear KPIs to track progress. For senior management staff, these KPIs are integrated with EESG metrics.
- Commitment to provide each employee with a minimum of twenty (20) hours per annum dedicated to skills and knowledge enhancement.
- Continuous investment and upgrading of specialised training facilities, such as our Safety DOJOs, to deliver hands-on, practical learning that elevates workforce capability.

Risks

- Labour shortage and production disruption.
- Labour mistreatment and violations can lead to the imposition of penalties, reputational damage, and loss of revenue.

Opportunities

- By continuously investing in our people with the same rigor we apply to our processes, we can benefit from better talent attraction and retention, become more resilient and capable of navigating industry disruptions, and we will have the potential to eliminate talent and workforce shortages.

Core Issues & Description

Succession

- For us, we see succession as the strategic, systematic process of identifying, developing, and transitioning key leadership and critical technical roles to ensure business continuity, preserve institutional knowledge, and drive long-term strategic growth.
- It is not merely replacement planning, but rather a proactive talent strategy that builds a pipeline of capable leaders and experts who are ready to assume greater responsibility when needed, whether due to promotion, retirement, resignation, or unforeseen events.
- In the context of APM, succession encompasses both leadership succession and critical role succession.

Sustainability Statement

Value to APM

- Succession can provide business continuity as well as risk mitigation.
- Succession planning ensures seamless transitions and facilitates knowledge transfer.
- Being identified as a successor or part of a development pool boosts engagement, commitment, and discretionary effort.

Approach/Strategy

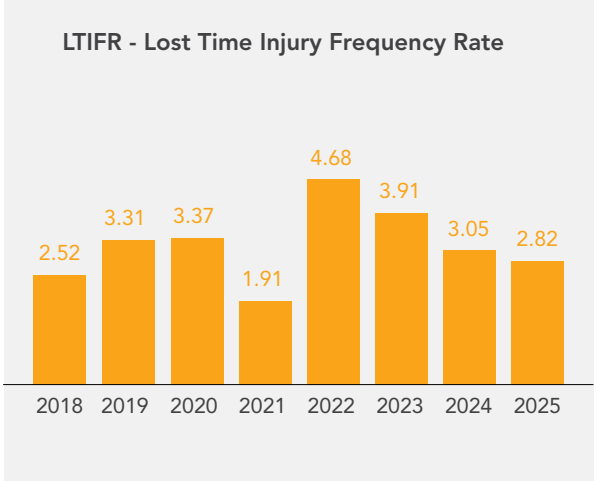
- Continuous identification and development of new talents.

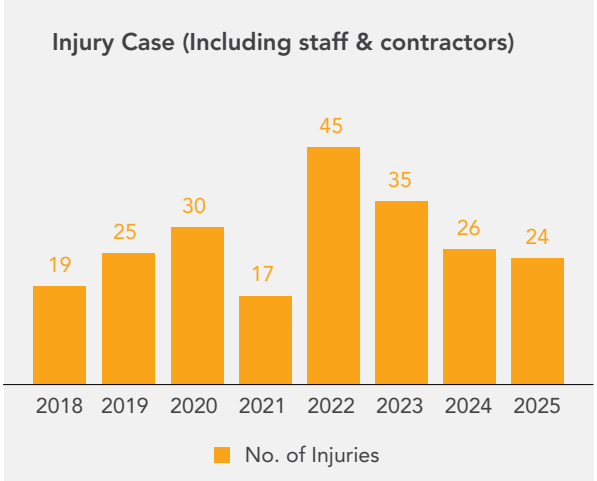
Risks

- Erosion of customer confidence.
- Disruption to operation and administration.
- Public disclosure of a leadership vacuum can trigger share price volatility and cause customers to question our stability as a long-term supplier.

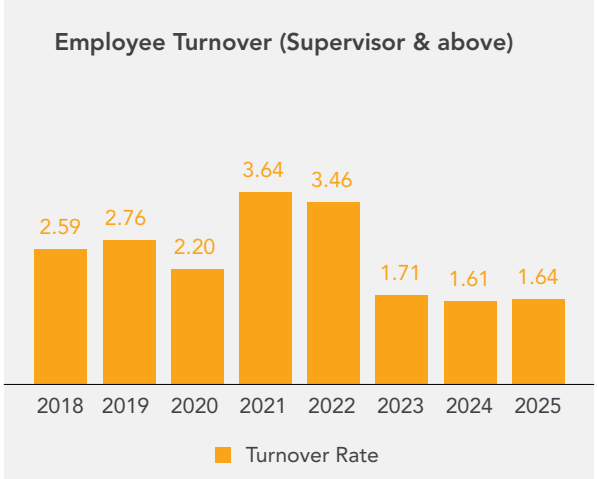
Opportunities

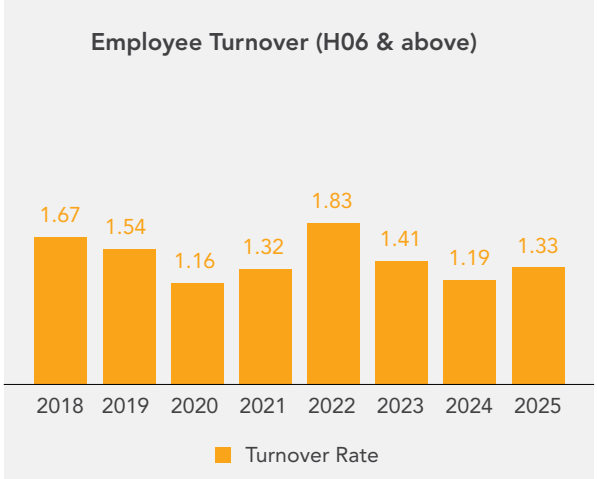
- Business continuity can be achieved with robust succession planning.



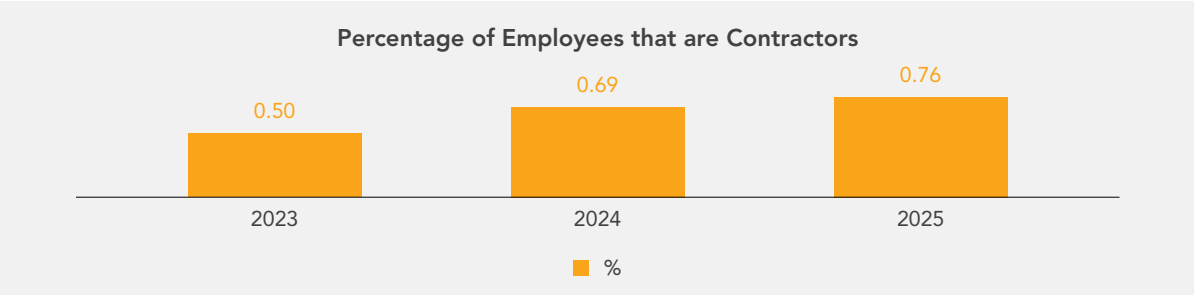


We closely monitor workforce stability through our employee turnover rate, calculated as the ratio of replacements required due to all forms of departure (including resignation, retirement, and termination). The following data reflects our operations in Malaysia:

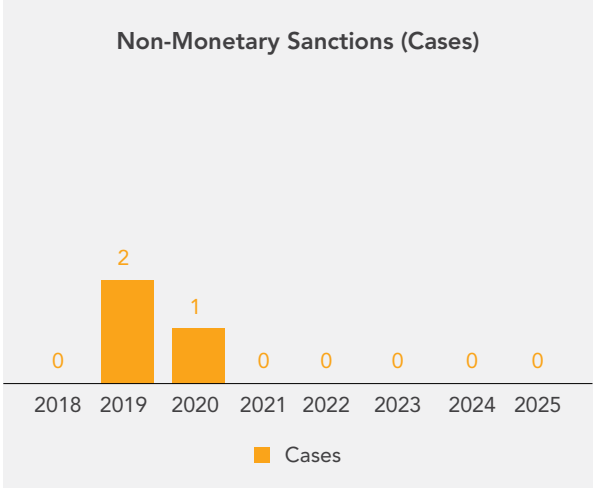


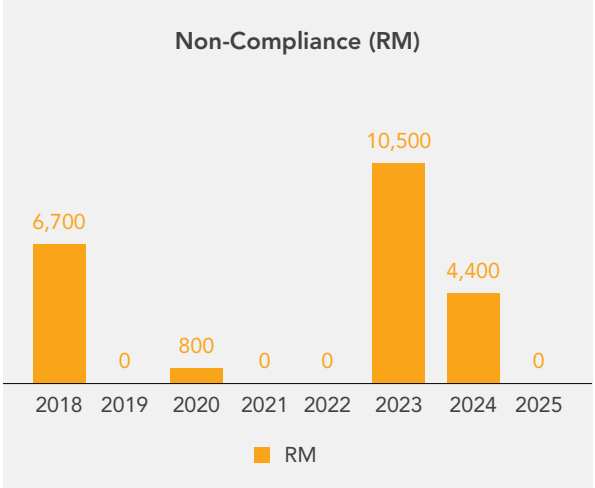


Sustainability Statement



As shown below, our history of Social Non-Compliances is recorded for prior years. In 2025, we achieved significant progress by reducing associated fines and maintaining a clean record of zero non-monetary sanctions. We remain committed to upholding and strengthening all preventive measures.





Other social indicators' performance for the past three (3) years is summarised in the table below:

	Key Performance Indicators ("KPI")						
					Result		
Themes	Index	Indicators	Unit of Measurement	Category / Target	2023	2024	2025
SOCIAL							
Labour Practices	11.1	Average hours of training per year per employee by employee category	Hour	≥ 20 hours			
				Management	26.9	42.9	31.3
				Supervisor	13.2	19.3	14.8
				Worker	5.6	6.1	4.9
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	100	100	100
	13.2	Number of child labour incidents	Number	0	0	0	0
	13.3	Number of grievances about human rights issues	Number	0	0	0	0
	13.4	Number of forced or compulsory labour incidents	Number	0	0	0	0

Sustainability Statement

Themes	Key Performance Indicators ("KPI")						
	Index	Indicators	Unit of Measurement	Category / Target	Result		
					2023	2024	2025
SOCIAL							
Anti-Competitive Behaviour	14.1	Number of legal actions pending or completed regarding anti-competitive behaviour	Number	0	0	0	0
Anti-Corruption	15.1	Percentage of employees that have received training on anti-corruption by employee category	%	100	100	100	100
			%	100	100	100	100
	15.2	Percentage of operations assessed for risk related to corruption	%	100	100	100	100
	15.3	Confirmed incidents of corruption and action taken	Number	0	0	0	0
	15.4	Percentage of external providers submitted the letter of undertaking on anti-corruption	%	100	100	100	100
Diversity	16.1	Percentage of employees by gender and age group, for each employee category	% Executive - By Gender	Male	64.11	64.53	64.90
				Female	35.89	35.47	35.10
			% Non-Executive - By Gender	Male	76.71	76.84	77.74
				Female	23.29	23.16	22.26
			% Executive - By Age Group	< 30 years old	21.87	19.37	18.58
				30 ~ < 40 years old	31.22	32.35	32.70
				40 ~ < 50 years old	25.71	26.09	25.59
				≥ 50 years old	21.20	22.20	23.14
			% Non-Executive - By Age Group	< 30 years old	50.05	45.01	40.25
				30 ~ < 40 years old	29.14	32.37	35.33
				40 ~ < 50 years old	14.12	14.87	15.86
				≥ 50 years old	6.69	7.74	8.57
	16.2	Percentage of directors by gender and age group	% Directors - By Gender	Male	92.11	94.59	94.29
				Female	7.89	5.41	5.71
			% Directors - By Age Group	< 40 years old	7.89	5.41	2.86
				40 ~ < 50 years old	13.16	13.51	11.43
				≥ 50 years old	78.95	81.08	85.71
Supply Chain Management	17.1	Proportion of spending on local suppliers	%	> 63%	63	56	59
Data Privacy and Security	18.1	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0

Sustainability Statement

Human Capital and SLP are not just initiatives; for us, they are the strategic engine for AMS+. When technology alone is no longer a durable advantage, our people - their skills, engagement, and agility - become our ultimate competitive moat. The critical risk is treating labour as a cost to cut, which fuels a destructive cycle of turnover, skill loss, and fragility. By leading in development, inclusion, and well-being, we build the opposite: a virtuous cycle that attracts and keeps talent, allows them to perfect our operations, and drives the creation of superior products.

We feel that this excellence will consequently attract even more talent and customers, and we can make this a reality by embedding these goals into our AMS+ framework, measuring them with the same rigor as operational KPIs, and holding ourselves accountable with clear metrics.

2.4 GOVERNANCE

A robust governance framework is the essential foundation for integrating and advancing sustainability within any organisation. As sustainability becomes a core strategic priority, the need for structured oversight, clear accountability, and transparent management becomes paramount. Effective governance ensures the prudent stewardship of human, natural and financial resources while fostering equitable development and building lasting trust with our stakeholders.

At APM, we have strengthened our governance mechanism to ensure alignment with this imperative. The following outlines key initiatives in this area:

Core Issues & Description	Value to APM	Approach/Strategy	Risks	Opportunities
Bribery and Corruption	▸ Provides a defensible compliance framework, reducing regulatory fines and criminal exposure.	▸ Anti-Bribery and Anti-Corruption Policy.	▸ Potential reputational damages. ▸ Directors can be personally liable and charged. ▸ Potential loss of revenue.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.
Whistleblowing	▸ Serves as a vital tool and mechanism for uncovering fraud and misconduct at an early stage, while also ensuring legal adherence and fostering a culture of integrity.	▸ Special Complaints Policy/Whistleblowing Policy – A secure, confidential mechanism for reporting misconduct (fraud, corruption, harassment) without fear of retaliation.	▸ Potential reputational damages. ▸ Potential loss of revenue.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.
Fraud	▸ Acts as a critical instrument for the detection and treatment of fraud and other infractions, while simultaneously ensuring legal compliance and cultivating a culture of integrity.	▸ Fraud Prevention Policy – A set of proactive measures to detect, prevent, and respond to fraud, including asset misappropriation, financial statement fraud, etc.	▸ Potential reputational damages. ▸ Potential loss of revenue.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.

Core Issues & Description	Value to APM	Approach/Strategy	Risks	Opportunities
Personal Data	▸ A mandatory notice informing individuals how their personal data is collected, used, disclosed, and managed, per the Personal Data Protection Act ("PDPA").	▸ Personal Data Protection Notice – A mandatory notice informing individuals how their personal data is collected, used, disclosed, and managed, per the PDPA.	▸ Non-compliance can lead to the imposition of punishment by the authorities. ▸ Potential reputational damages. ▸ Potential loss of revenue.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.
Cybersecurity	▸ Safeguarding intellectual property, reducing the risk of operational downtime from ransomware, protecting digital financial assets, and preserving revenue and profit.	▸ Cybersecurity Policy – A set of rules and guidelines protecting our IT systems, data, and networks from cyber threats.	▸ Potential loss of valuable data and revenue, reputational damage, and operational disruption.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.
Anti-Harassment	▸ Attracts and retains top talent by ensuring a safe, respectful, and fair workplace. This reduces recruitment costs and maintains a skilled, stable workforce crucial for manufacturing.	▸ Anti-Harassment Policy – A set of rules and regulations prohibiting workplace harassment (sexual, bullying, psychological) as part of the employer's duty to provide a safe workplace.	▸ Workers may leave unsafe environments, thereby leading to operational disruption, reputational damage, and potential loss of revenue.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.
Employee Conduct	▸ Serves as a driver of positive organisational outcomes like enhanced performance and a strong reputation. ▸ Functions as a critical internal control, reducing vulnerabilities to financial and non-financial risks.	▸ Code of Conduct for Employees – The core ethical and behavioural guidelines governing employee actions, decision-making, and conflicts of interest.	▸ An unethical environment can cause operational disruption, reputational damage, and potential loss of revenue.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.

Sustainability Statement

Core Issues & Description	Value to APM	Approach/Strategy	Risks	Opportunities
Supplier Conduct	▸ Mitigates supply chain vulnerabilities, safeguards the uninterrupted flow of materials, and shields the APM brand from the severe reputational damage associated with human rights controversies.	▸ Code of Conduct for Suppliers – A set of guidelines that extends our ethical, social, and environmental standards to our supply chain, mandating compliance from business partners. ▸ Vendor Integrity Undertaking.	▸ Loss of revenue due to the disqualification of APM from OEM lists upon audit failure. ▸ Reputational damage.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.
Foreign Worker	▸ Aligned with our support for diversity, inclusiveness, and our respect for human rights. ▸ Facilitate compliance with labour laws for migrant workers.	▸ Code of Conduct for the Recruitment and Treatment of Foreign Workers – A set of specific rules ensuring ethical recruitment (zero cost to worker), fair treatment, and compliance with labour laws for migrant workers.	▸ Human rights infringement can lead to the imposition of fines and other forms of penalties. ▸ Our foreign worker quotas may also be affected, thus halting production lines dependent on this workforce, loss of revenue. ▸ Potential disqualification from OEM supplier lists. ▸ Reputational damage.	▸ Enhances reputation, increases customer and investor confidence, improves decision-making process, cost savings, promotes operational resilience, and fosters innovation.

These policies, notices, and codes represent far more than administrative documents. They form the constitutional bedrock of a modern, resilient, and respected global enterprise. Within the AMS+ framework, they provide the essential governance and ethical infrastructure that enables our three (3) core pillars i.e., Lean Excellence, Environmental Sustainability, and Industry 4.0 to truly thrive. After all, a genuine Lean culture is impossible without the foundation of integrity, Industry 4.0 cannot succeed without robust cybersecurity, and Sustainable Value Chains cannot exist without fair codes for suppliers and workers.

While we maintain robust cybersecurity defences, no organisation is entirely immune to digital threats. We recently experienced an incident involving a third-party human resources system, which may have led to the exposure of some personal data. The situation was promptly contained, the system is now fully restored, and all mandatory incident reports have been submitted to the authorities. Building on the lessons learned, we have taken decisive steps to strengthen our IT infrastructure, including upgrading our backup systems, to better safeguard confidential information and enhance our overall cyber resilience. As the threat landscape continues to evolve, we remain committed to staying vigilant and continuously improving our defences.

SECTION 3 CONCLUSION

3.1 OUR PATHWAY FORWARD

As a cornerstone of Malaysia's automotive supply chain, we are not merely responding to the global sustainability imperative - we are actively shaping a future where industrial progress and planetary stewardship are inextricably linked one part at a time. Our sustainability journey, detailed in this statement, reflects a strategic and integrated commitment to the principles of the United Nations Sustainable Development Goals, the Bursa Securities Sustainability Reporting Framework, and the evolving NSRF.

Our 2025 performance underscores a trajectory of tangible action. From the systematic reduction of greenhouse gas emissions and the evolution of our AMS to include "*Net-Zero Carbon Emissions*" and Industry 4.0 pillars, to significant community investment and the maintenance of a zero-fatality safety record, we are embedding resilience and responsibility into our operational DNA.

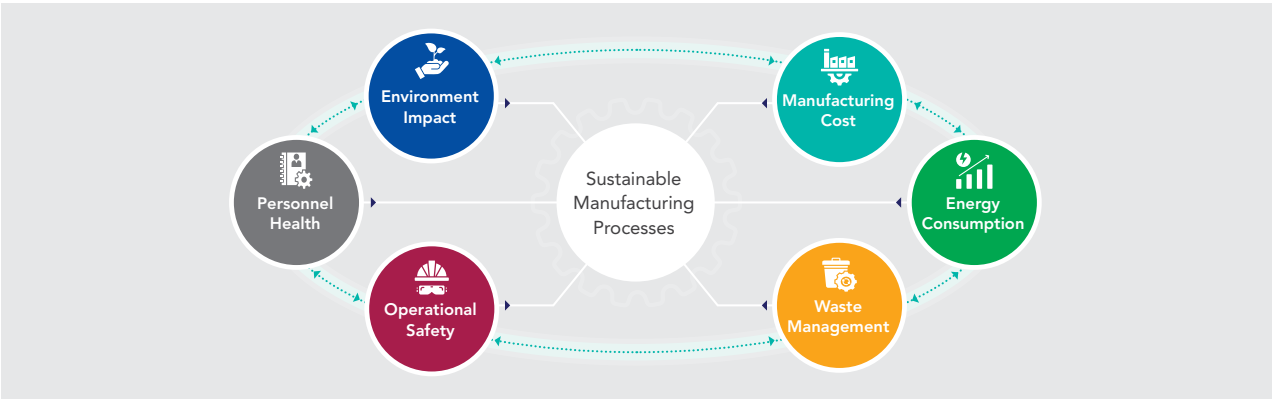
The inaugural measurement of our Scopes 1 and 2 emissions provide a critical baseline for targeted decarbonisation, while our investments in solar energy, lean processes, and supply chain engagement are building blocks for long-term value creation.

Looking ahead, we will strive to be the partner of choice for automakers and global automotive manufacturers by leading in sustainable manufacturing excellence. Our pathway is defined by three (3) interconnected priorities:

- Decarbonisation and Circularity: We will intensify our efforts to achieve our net-zero ambition through accelerated renewable energy adoption, process innovation, and closed-loop material management, guided by our alignment with IFRS S2 Climate-related Disclosures.

- Innovation and Digitalisation: Our gradual transition to SMART factories will, in time, be central to optimising resource efficiency, enhancing safety, and minimising environmental footprint across our value chain.

- People and Partnership: We invest in our people as our greatest asset, empowering them through upskilling and safe workplaces. In parallel, we will advance sustainability by strengthening collaboration with our partners and supply chain.



We recognise that our journey is continuous and can be arduous. The challenges posed by climate change, resource scarcity, and a just transition are complex. However, we are confident that our foundational investments in governance, technology, and human capital have positioned us to meet these challenges with agility and conviction.

APM Automotive Holdings Berhad

BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100	100	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	100	100	Internal
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operation assessed for corruption-related risks	Percentage	100	100	Internal
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	Internal
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	186,106	300,000	Internal
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7,191	> 6,543	Internal
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	18.58	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Age Group by Employee Category - Executive Between 30 to 40 years old	Percentage	32.70	-	Internal

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Age Group by Employee Category - Executive Between 40 to 50 years old	Percentage	25.59	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Age Group by Employee Category - Executive Above 50 years old	Percentage	23.14	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Age Group by Employee Category - Non-Executive Below 30 years old	Percentage	40.25	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Age Group by Employee Category - Non-Executive Between 30 to 40 years old	Percentage	35.33	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Age Group by Employee Category - Non-Executive Between 40 to 50 years old	Percentage	15.86	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Age Group by Employee Category - Non-Executive Above 50 years old	Percentage	8.57	-	Internal

APM Automotive Holdings Berhad

BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Gender Group by Employee Category - Executive Male	Percentage	64.90	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Gender Group by Employee Category - Executive Female	Percentage	35.10	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Gender Group by Employee Category - Non-Executive Male	Percentage	77.74	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category Gender Group by Employee Category - Non-Executive Female	Percentage	22.26	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	94.29	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	5.71	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Below 40 years old	Percentage	2.86	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Between 40 to 50 years old	Percentage	11.43	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Above 50 years old	Percentage	85.71	-	Internal

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Megawatt	31,113.33	-	Internal
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0	0	Internal
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.56	0.256	Internal
Bursa (Health and safety)	Bursa C5(a) Number of employees trained on health and safety standards	Number	3,715	-	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Executive	Hour	19,470	-	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Non-Executive	Hour	16,873	-	Internal
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractor or temporary staff	Percentage	0.76	< 1.0	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	99	-	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-Executive	Number	547	-	Internal
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	Internal
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	59	> 63	Internal

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BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
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	Internal
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	223	< 243	Internal