

APM AUTOMOTIVE HOLDINGS BERHAD (“APMAH” OR “COMPANY”)

VALUATION OF NON-CURRENT ASSETS

1. INTRODUCTION

Pursuant to Paragraph 9.19(46) and Part H of Appendix 9A of the Main Market Listing Requirements, the Board of Directors of APMAH (“Board”) wishes to announce that the Company has carried out a revaluation exercise on the Company’s and its subsidiaries’ (“the Group”) investment properties which consist of buildings, leasehold land and freehold land situated in Malaysia (“Properties”).

The Board had on 25 February 2019 approved the incorporation of the revaluation surplus of RM3,520,000 and deferred tax of RM4,719,000 in the consolidated financial statements of APMAH for the financial year ended 31 December 2018.

2. PURPOSE OF REVALUATION

The purpose of the valuation is to reflect the fair value of the Properties in compliance with Malaysian Financial Reporting Standard (“MFRS”) 140: Investment Property.

3. REVALUATION SURPLUS, NAME OF VALUER, DATE OF VALUATION AND VALUATION ON PROPERTIES BY VALUER

The valuation of the Properties was conducted by Rahim & Co Chartered Surveyors Sdn. Bhd.

With effect of 1 January 2019, the Real Property Gains Tax (RPGT) rate had increased from 5% to 10%, for properties that will be disposed in the 6th year and subsequent years. The change of RPGT rate had resulted in additional deferred tax of RM4,543,000 being recognized in the financial year ended 31 December 2018.

The total net impact arising from current year revaluation of properties and impact of change of RPGT rate are disclosed as follows:-

	RM’000
Current year revaluation surplus	3,520
Current year deferred tax	(352)
Prior year deferred tax (due to change in RPGT rate)	(4,367)
	<u>(1,199)</u>

Please refer to Appendix A for the details.

4. EFFECT OF THE REVALUATION SURPLUS ON NET ASSETS PER SHARE

The recognition of revaluation surplus amounting to RM3,520,000 and deferred tax of RM4,719,000 arose from the change in fair value of investment properties and RPGT rate will not have any material effect on the Group’s net assets.

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5. DOCUMENTS FOR INSPECTION

The valuation reports on the Properties are available for inspection at the registered office of APMAH at 62-68, Jalan Sultan Azlan Shah, 51200 Kuala Lumpur, during normal business hours for a period of three (3) months from the date of this announcement.

This announcement is dated 25 February 2019.

APPENDIX A: REVALUATION OF PROPERTIES

No	Description of Properties	Date of valuation	Net Book Value @ 31 Dec 2018 RM'000	Market Value @ 31 Dec 2018 RM'000	Revaluation Surplus/ (deficit) RM'000	Deferred Tax RM'000	Revaluation deficit, net of deferred tax RM'000
Investment Properties (IP)							
SERI KEMBANGAN							
1	Lot 1 Jalan 6/3, Seri Kembangan Industrial Estate 43300 Serdang, Selangor	04-Jan-19	46,290	47,900	1,610	(2,077)	(467)
2	Lot 3 Jalan 6/3, Seri Kembangan Industrial Estate 43300 Serdang, Selangor	04-Jan-19	50,190	52,100	1,910	(2,309)	(399)
KLANG							
3	No. 23 & 25 Jalan Selat Selatan 21 Sobena Jaya, Pandamaran 42000, Port Klang, Selangor	03-Jan-19	4,860	4,860	-	(186)	(186)
KOTA KINABALU							
4	Lot 13 Lorong Durian 3, Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu Sabah	07-Jan-19	1,540	1,540	-	(70)	(70)
5	Lot 14 Lorong Durian 3, Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu Sabah	07-Jan-19	1,610	1,610	-	(70)	(70)
OASIS SQUARE, ARA DAMANSARA							
6	Parcel Nos. C3A05 (Block No. C, Oasis Squara, Ara Damansara)	04-Jan-19	2,110	2,110	-	(3)	(3)
7	Parcel Nos. C3A3A (Block No. C, Oasis Square, Ara Damansara)	04-Jan-19	1,400	1,400	-	(5)	(5)
Grand Total			108,000	111,520	3,520	(4,719)	(1,199)