

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 of Bursa Malaysia Securities Berhad, 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 and Right-Of-Use assets (“ROU”) which consist of buildings, leasehold land and freehold land situated in Malaysia, Vietnam, Indonesia and Myanmar (“Properties”).

The Board had on 21 February 2020 approved the incorporation of the revaluation surplus, net of deferred tax, of RM32.663 million in the consolidated financial statements of APMAH for the financial year ended 31 December 2019.

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”) 116: Property, Plant and Equipment and MFRS 140: Investment Property.

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

Listed below the names of the valuers which conducted the valuation of the Group’s Properties:-

No.	Location of Properties	Name of Valuer
1	Malaysia	Rahim & Co Chartered Surveyors Sdn. Bhd.
2	Vietnam	Sacomvalue
3	Indonesia	Rinaldi Alberth Baroto & Partners

With effect from 1 January 2019, the Group had applied MFRS 16, *Leases*. Upon adoption of MFRS 16, leasehold lands, which were previously recognized as operating lease and prepaid leases are now classified as ROU. Subsequent to the reclassification, the leasehold lands are re-measured at fair value to be in line with the Group’s accounting policy by applying revaluation model for the land and buildings under Property, Plant and Equipment.

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3. REVALUATION SURPLUS, NAME OF VALUER, DATE OF VALUATION AND VALUATION ON PROPERTIES BY VALUER (CONT'D)

The basis for the valuation of leasehold lands are:-

No.	Country	Basis
1	Indonesia	Fair value these lands were based on independent valuation report dated 27 November 2017, adjusted for depreciation based on the remaining lease period.
2	Vietnam	Fair value these lands were based on independent valuation report dated 30 November 2017, adjusted for depreciation based on the remaining lease period.
2	Myanmar	Fair value of leasehold land was derived using the valuation data in close proximity and was adjusted for differences in key attributes.

The revaluation surpluses, net of deferred tax, of investment properties and ROU arising from the above revaluation are disclosed as follows:-

	Profit and loss RM'000	Revaluation Surplus RM'000
Investment property	936	-
Leasehold lands under ROU	-	31,727

Please refer to Appendix A for the details.

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

The recognition of revaluation surplus, net of deferred tax, amounting to RM32.663 million arose from the changes in fair value of investment properties and leasehold lands under ROU resulted in an increase in net assets per share by RM0.17 as at 31st December 2019.

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 21 February 2020.

APPENDIX A: REVALUATION OF PROPERTIES

Investment Property

No	Description of Properties	Date of valuation	Net Book Value @ 31 Dec 2019 RM'000	Market Value @ 31 Dec 2019 RM'000	Revaluation Surplus/ (deficit) RM'000	Deferred Tax RM'000	Revaluation surplus/ (deficit), net of deferred tax
Investment Properties (IP)							
SERI KEMBANGAN							
1	Lot 1 Jalan 6/3, Seri Kembangan Industrial Estate 43300 Serdang, Selangor	25-Nov-19	47,900	47,900	-	-	-
2	Lot 3 Jalan 6/3, Seri Kembangan Industrial Estate 43300 Serdang, Selangor	25-Nov-19	52,100	52,100	-	-	-
KLANG							
3	No. 23 & 25 Jalan Selat Selatan 21 Sobena Jaya, Pandamaran 42000, Port Klang, Selangor	25-Nov-19	4,860	5,900	1,040	(104)	936
KOTA KINABALU							
4	Lot 13 Lorong Durian 3, Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu Sabah	31-Dec-19	1,540	1,610	70	(7)	63
5	Lot 14 Lorong Durian 3, Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu Sabah	31-Dec-19	1,610	1,690	80	(8)	72
OASIS SQUARE, ARA DAMANSARA							
6	Parcel Nos. C3A05 (Block No. C, Oasis Squara, Ara Damansara)	25-Nov-19	2,110	2,020	(90)	9	(81)
7	Parcel Nos. C3A3A (Block No. C, Oasis Square, Ara Damansara)	25-Nov-19	1,400	1,340	(60)	6	(54)
Grand Total			111,520	112,560	1,040	(104)	936

Leasehold lands under ROU

No	Description of Properties	Net Book Value @ 31 Dec 2019 RM'000	Fair Value @ 31 Dec 2019 RM'000	Revaluation Surplus RM'000	Deferred Tax RM'000	Revaluation surplus, net of deferred tax RM'000
Property, plant and equipment						
INDONESIA						
1	Suryacipta City of Industry, Jl Surya Utama Kav I-15A, Ciampel, Karawang, Jawa Barat 41361 Indonesia	1,588	12,070	10,482	(2,620)	7,861
2	Jl Surya Utama Kav I-15A Ciampel, Karawang Jawa Barat	9,720	19,199	9,479	(2,370)	7,109
VIETNAM						
3	27 Dai Lo Tu Do 'Vietnam Singapore Industrial Park, Thuan An District Binh Duong Province, Socialist Republic of	642	6,705	6,063	(1,213)	4,850
4	25A Dai Lo Tu Do 'Vietnam Singapore Industrial Park, Thuan An District Binh Duong Province, Socialist Republic of	3,141	12,837	9,696	(1,939)	7,757
MYANMAR						
5	Industrial Park In Nyaung Inn Village (located next to the Kyay Thun Pagoda, along the Yangon-Mandalay Highway), Bago Township, Bago Region, Myanmar	12,005	17,537	5,532	(1,383)	4,149
Grand Total		27,097	68,348	41,252	(9,525)	31,727