

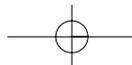


# C

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# Notice

## Of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Fifth Annual General Meeting of APM Automotive Holdings Berhad will be held at the Grand Ballroom, Grand Seasons Hotel, No. 72 Jalan Pahang, 53000 Kuala Lumpur on Wednesday, 29 May 2002 at 9.30 a.m. to transact the following businesses:

### Ordinary Business

- |   |              |
|---|--------------|
| 1. To receive and consider the Statement of Accounts for the financial year ended 31 December 2001 together with the Reports of the Directors and Auditors thereto. | Resolution 1 |
| 2. To declare a final dividend of 6% (comprising 3% less income tax and 3% tax exempt) for the financial year ended 31 December 2001.                               | Resolution 2 |
| 3. To re-appoint Dato' Tan Kim Hor as Director pursuant to Section 129 (6) of the Companies Act, 1965.  | Resolution 3 |
| 4. To re-elect the following Directors in accordance with Article 100 of the Company's Articles of Association  |              |
| i. Mr. Koo Sian Chu   | Resolution 4 |
| ii. Dato' N. Sadasivan N.N. Pillay  | Resolution 5 |
| iii. Mr. Tan Eng Hwa  | Resolution 6 |
| 5. To elect Encik Mohd. Sharif Haji Yusof as Director in accordance with Article 79 of the Company's Articles of Association.                                       | Resolution 7 |
| 2<br>6. To re-appoint the Auditors and authorise the Directors to fix their remuneration.   | Resolution 8 |

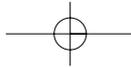
### Special Business:

7. To consider and if thought fit, pass the following resolution as an ordinary resolution:

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

"RESOLVED THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals and requirements of the relevant governmental/regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue new ordinary shares of RM1.00 each in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to the resolution does not exceed 10% of the issued and paid-up share capital for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 9



## Notice Of Annual General Meeting

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

By order of the Board

**LEE KWEE CHENG**  
**CHAN YOKE-LIN**  
Company Secretaries

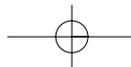
Kuala Lumpur  
6 May 2002

### Notes:

- A member entitled to vote is entitled to appoint a proxy or proxies (but not more than two) to attend and vote for him. A proxy need not be a member of the Company, and, where there are two proxies, the number of shares to be represented by each proxy must be stated.
- In the case of a corporation, the form of proxy appointing a corporate representative must be executed under seal or under the hand of an officer or attorney duly authorised.
- An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
- The form of proxy must be deposited at the Registered Office of the Company, 62 - 68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.
- Explanatory Statement on Special Business**

The Company continues to consider opportunities to broaden the operating base and earnings potential of the Company. If any of the expansion or diversification proposals involve the issue of new shares, the Directors of the Company, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued share capital of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors of the Company be empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purpose. This authority, unless revoked or varied at a general meeting, shall continue to be in force until the conclusion of the next annual general meeting of the Company.



## Notice Of Annual General Meeting

### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

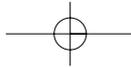
The Directors who are standing for re-appointment, re-election and election at the Fifth Annual General Meeting and their attendance at the five board meetings held in 2001 are as follows:

- i. Dato' Tan Kim Hor is seeking re-appointment under Section 129 (6) of the Companies Act, 1965. He attended all of the five board meetings.
- ii. Dato' N. Sadasivan N.N. Pillay, Mr. Koo Sian Chu and Mr. Tan Eng Hwa are standing for re-election. Mr. Koo and Dato' Sadasivan attended all of the five board meetings whilst Mr. Tan attended four of the five board meetings.
- iii. Encik Mohd. Sharif Haji Yusof is standing for election. He attended the last meeting held after his appointment to the board. He does not hold any shares in the Company or its subsidiaries.

The five board meetings in 2001 were held at 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur. The dates and times of the meetings are as follows:

DATE	TIME
22 February 2001	11:00 am
24 May 2001	9:30 am
4 July 2001	10:30 am
23 August 2001	11:00 am
19 November 2001	9:30 am

The details of attendance of Directors at board meetings are set out on page 25 whilst the profiles of all Directors are on pages 20-24. Details of securities holdings in the Company and its subsidiaries are set out on page 35.



# Corporate Information

## DIRECTORS

**Dato' Tan Heng Chew** DJMK, JP  
*(Chairman)*

**Koo Sian Chu**  
*(Executive Director)*

**Azman bin Badrillah**  
*(Executive Director)*

**Dato' Tan Kim Hor** DPMS, KMN, JP

**Dato' N. Sadasivan** DPMP, JSM, KMN

**Dato' Haji Kamaruddin @ Abas bin Nordin** DSSA, KMN

**Tan Eng Soon**

**Tan Eng Hwa**

**Ahmad bin Abdullah**

**Mohd. Sharif bin Haji Yusof**

## AUDIT COMMITTEE MEMBERS

**Dato' N. Sadasivan** DPMP, JSM, KMN  
*Chairman (Independent Non-executive Director)*

**Dato' Haji Kamaruddin @ Abas bin Nordin** DSSA, KMN  
*(Independent Non-executive Director)*

**Mohd. Sharif bin Haji Yusof**  
*(Independent Non-executive Director)*

**Koo Sian Chu**  
*(Executive Director)*

## COMPANY SECRETARIES

**Lee Kwee Cheng**

**Chan Yoke-Lin**

## REGISTERED OFFICE

62 - 68 Jalan Ipoh, 51200 Kuala Lumpur  
Malaysia  
Telephone : (603) 4041 1044  
Fax : (603) 4042 7198  
E-mail : [apmah@apm-automotive.com](mailto:apmah@apm-automotive.com)  
Website : [www.apm-automotive.com](http://www.apm-automotive.com)

## REGISTRARS

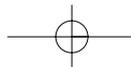
M & C Services Sdn. Bhd.  
20th Floor Plaza Permata  
Jalan Kampar, Off Jalan Tun Razak  
50400 Kuala Lumpur  
Telephone : (603) 4041 2188

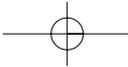
## AUDITORS

KPMG  
Wisma KPMG, Jalan Dungun  
Damansara Heights, 50490 Kuala Lumpur

## STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange Main Board





**APM** APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

# Business Divisions



**APM AUTOMOTIVE HOLDINGS BERHAD**  
(424838-D)

## SUSPENSION DIVISION

- Leaf Springs -
- Shock Absorbers -
- Coil Springs -
- Metal Parts -

## ELECTRICAL AND HEAT EXCHANGE DIVISION

- Starter Motors
- Alternators
- Wiper Motors
- Distributors
- Engine Management Systems
- Air Conditioners
- Radiators

## INTERIOR/PLASTICS DIVISION

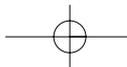
- Automotive Seats -
- Plastic Parts -
- Body Side Moulding -
- Interior Trim -

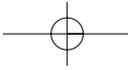
## OVERSEAS OPERATIONS

- Australia
- Canada / USA
- Indonesia

## MARKETING DIVISION

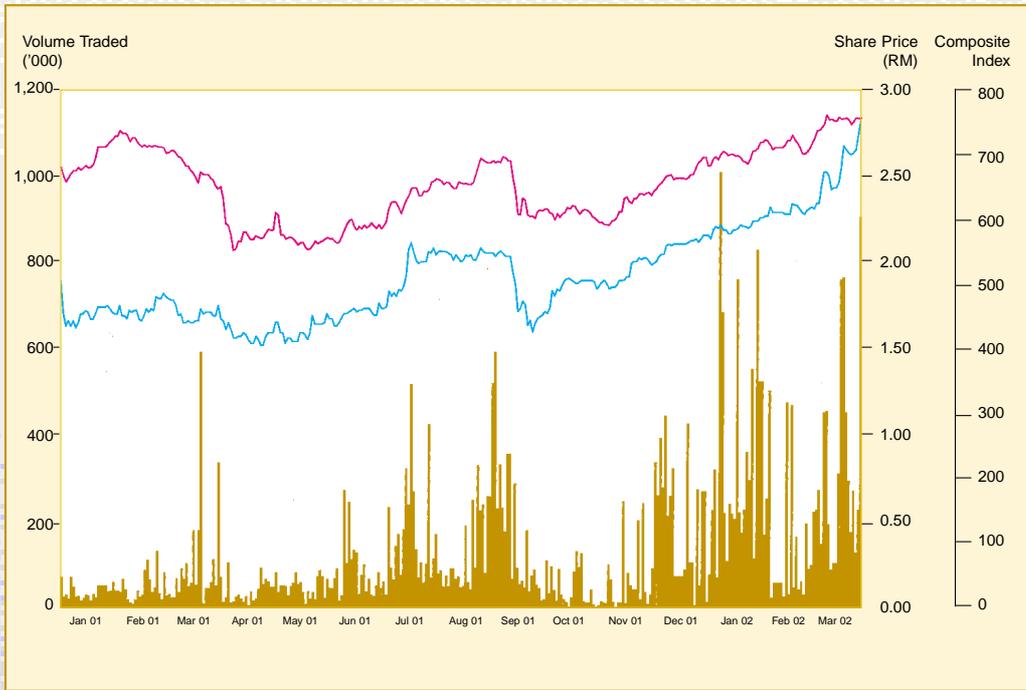
- Local replacement market -
- Export market -





# Share Price And Volume Traded

APM  
APM AUTOMOTIVE HOLDINGS BERHAD (424898-D)



— Daily Volume Traded      — Daily Closing Share Price      — KLSE Composite Index





World Excellence Award  
from Ford Motor Company  
for APM Springs Sdn Bhd.  
*Anugerah Kecemerlangan Dunia  
dari Ford Motor Company  
untuk APM Springs Sdn. Bhd.*

## Chairman's Statement

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Audited Financial Statements for the financial year ended 31 December 2001. I am pleased to report that the Group had performed well again to achieve a consolidated profit before tax of RM79.6 million in 2001 on a revenue of RM659.6 million, compared with consolidated profit before tax of RM55.3 million on a revenue of RM619.8 million in 2000, an increase of 43.9% in consolidated profit before tax.

## Laporan Pengerusi

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*Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang diaudit bagi tahun kewangan berakhir 31 Disember 2001. Saya berasa bangga melaporkan bahawa Kumpulan sekali lagi telah menunjukkan prestasi yang baik dan mencatatkan keuntungan bersatu sebelum cukai sebanyak RM79.6 juta pada tahun 2001 dari perolehan berjumlah RM659.6 juta, berbanding dengan keuntungan bersatu sebelum cukai sebanyak RM55.3 juta dari perolehan berjumlah RM619.8 juta pada tahun 2000, iaitu peningkatan keuntungan bersatu sebelum cukai sebanyak 43.9%.*

## Chairman's Statement

### ORIGINAL EQUIPMENT (OE) MARKET

Despite the global economic slowdown and its impact on the local economy, new vehicle sales in Malaysia remained strong. The number of new motor vehicle registrations in 2001 reached 396,381, representing a 15.5% increase over the 343,173 units registered in 2000. This increase was particularly significant, given that the 2000 registration had already represented an 18.9% increase over that of 1999. The reduction in interest rates charged on motor vehicles financing and the successful introduction of several new vehicle models were significant reasons contributing to the increase in new car purchases by consumers.

The Group's total revenue from sales of OE parts to motor manufacturers/assemblers grew by 10.7% compared with 2000. The introduction of two locally assembled South Korean vehicles in the second half of the year had also benefited the Group. These two assemblers sourced the majority of their components such as air-conditioning, seating, electrical parts and plastics from the Group and with the introduction of more variants, we expect the volume of our business to increase over the years.

### REPLACEMENT (RE) MARKET

The Group's RE sales declined by 3.6% in 2001. This was mainly attributed to lower sales of leaf springs and coil springs in East Malaysia as a result of the slowdown in logging activities. In Peninsular Malaysia, strong competition from local as well as imported products had also adversely affected the sales growth of other suspension products, particularly shock absorbers and coil springs. However, sales of air-conditioning components remained stable. With the opening of markets under the Asean Free Trade Agreement (AFTA) scheme and the weaker Japanese yen, we expect increasing competition in the local replacement market. However, despite the downward pressure on prices, the Group had managed to maintain its profitability through cost cutting measures and better production efficiencies.

### EXPORT MARKET

Overall export sales had remained flat in 2001 compared with 2000. While the Group's sales to the EU, South America and Oceania had grown, sales to the North American markets declined as the Group exercised greater prudence by being more selective in its customers and imposing tighter credit controls in light of the current economic environment.

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The Group is currently concentrating on exploring new markets in Southern Europe, Northern Africa, and South America. During the year, the Group started to export leaf springs to new customers in Italy and Belgium as well as coil springs to new customers in Venezuela and Canada. The Group also participated in 2 major international trade exhibitions in Paris, France and Sao Paolo, Brazil, during which many enquiries on our products were received. We hope that in future, export sales to these countries will be realised from these enquiries.

In addition to our existing ASEAN and Taiwan markets, APM Plastics Sdn Bhd started export of OE plastic parts to South America. Our heat exchange division also commenced the export of air-conditioning components to Thailand and Indonesia to take advantage of the lower AFTA tariffs.



R-Tech Lowering shock absorbers for sporty performance.  
*Penyerap hentak R-Tech yang lebih rendah untuk prestasi tinggi.*

After years of development, APM Shock Absorbers Sdn. Bhd. has launched a range of newly-designed shock absorbers for export, targeted particularly at European, American and certain Japanese car models in the global market.

During the year, the Group incorporated a new company in the United States — APM Components (USA) Inc. - to coordinate the sales in North America as well as to explore new business and export opportunities.

## Laporan Pengerusi

### PASARAN PERALATAN ASAL (OE)

Walaupun dalam keadaan ekonomi dunia yang meleset dan kesannya terhadap ekonomi negara, penjualan kenderaan baru di Malaysia masih kekal kukuh. Jumlah pendaftaran kenderaan baru dalam tahun 2001 mencecah 396,381 unit, iaitu pertambahan sebanyak 15.5% berbanding 343,173 unit yang didaftarkan pada tahun 2000. Peningkatan ini adalah amat ketara, memandangkan angka pada tahun 2000 telahpun menunjukkan peningkatan sebanyak 18.9% berbanding tahun 1999. Penurunan kadar faedah pinjaman kenderaan bermotor dan pengenalan model kenderaan baru yang berjaya telah menyumbang kepada pertambahan bilangan kereta baru yang dibeli oleh pengguna.

Jumlah perolehan Kumpulan dari hasil jualan peralatan OE kepada pengeluar/pemasang kenderaan bermotor telah meningkat sebanyak 10.7% berbanding tahun 2000. Pengenalan dua kenderaan Korea Selatan pemasangan tempatan pada penghujung setengah tahun kedua telah memafaatkan Kumpulan. Kedua-dua pemasang ini memperolehi sebahagian besar dari komponen mereka seperti penghawa dingin, tempat duduk, peralatan elektrik dan plastik daripada Kumpulan kami. Dengan pengenalan lebih lagi model baru, kami menjangka bahawa jumlah jualan kami akan bertambah lagi di tahun-tahun akan datang.

### PASARAN PENGGANTIAN (RE)

Jualan RE Kumpulan telah menurun sebanyak 3.6% pada tahun 2001 disebabkan terutamanya oleh penurunan jualan spring dedaun dan spring melingkar di Malaysia Timur akibat aktiviti pembalakan yang lembab. Di Semenanjung Malaysia, persaingan kuat dari barangan tempatan dan juga barangan impot pula telah menjejaskan pertumbuhan jualan barangan suspensi lain, terutamanya penyerap hentak dan spring melingkar. Penjualan komponen penghawa dingin bagaimanapun kekal stabil. Dengan pembukaan pasaran dibawah skim Perjanjian Kawasan Dagangan Bebas Asean (AFTA) dan penurunan nilai yen Jepun, kami meramalkan peningkatan persaingan dalam pasaran alat ganti. Meskipun mengalami tekanan keatas harga jualan, Kumpulan masih dapat mengekalkan keuntungannya melalui penurunan kos pengeluaran dan peningkatan keberkesanan pengeluaran.

### PASARAN EKSPOT

Jualan ekspot untuk tahun 2001 pada keseluruhannya kekal pada tahap yang sama dengan tahun 2000. Sungguhpun Kumpulan telah meningkatkan jaluannya ke Kesatuan Eropah, Amerika Selatan dan Ocenia, jualan ke Amerika Syarikat telah berkurangan disebabkan langkah-langkah berhati-hati yang diambil oleh Kumpulan dan kawalan kredit ketat ke atas pelanggan di Amerika Utara berdasarkan persekitaran ekonomi semasa.

Kumpulan kini sedang menumpukan sepenuh perhatian menerokai pasaran-pasaran baru di Selatan Eropah, Afrika Utara dan Amerika Selatan. Pada tahun 2001, Kumpulan telah mulai mengeksport spring dedaun kepada pelanggan baru di Itali dan Belgium manakala spring melingkar kepada pelanggan baru di Venezuela dan Kanada. Kumpulan juga telah mengambil bahagian dalam dua pameran perdagangan antarabangsa di Paris, Perancis dan Sao Paolo, Brazil, di mana banyak pertanyaan mengenai produk kami telah diterima. Kami berharap pada masa hadapan, jualan ekspot ke negara-negara ini dapat direalisasikan ekoran pertanyaan-pertanyaan tersebut.

APM Plastics Sdn Bhd telah mulai mengeksport peralatan plastik OE ke Amerika Selatan, selain daripada pasaran Asean dan Taiwan yang telah diterokai tahun lalu. Bahagian pertukaran hawa kami juga telah mulai mengeksport komponen penghawa dingin ke Thailand dan Indonesia, mengambil kesempatan daripada tarif AFTA yang rendah.



Viper sport seats.  
Tempat duduk Viper untuk kereta lumba.

## Chairman's Statement

### AWARDS AND CERTIFICATIONS

A member of the Group, APM Springs Sdn. Bhd., was one of two suppliers in ASEAN awarded the distinguished "World Excellence Award" by the Ford Motor Company, Dearborn, USA in March 2001. This worldwide recognition for quality and delivery metrics represented a milestone achievement for the Group and paved the way for greater international OEM business in the future.

In May 2001, APM Plastics Sdn. Bhd. earned the annual "Top Supplier Award: Best Overall Performance" from Assembly Services Sdn. Bhd., assembler of Toyota vehicles in Malaysia recognising our achievement in our continued commitment to quality and delivery excellence.

In October 2001, APM Auto Electrics Sdn Bhd was the finalist in the Selangor State Innovative Excellence Award 2001, a fine achievement as another subsidiary, APM Shock Absorbers Sdn. Bhd., had won a similar award in the previous year.

In addition, four members of the Group, APM Auto Electrics Sdn. Bhd., APM Coil Springs Sdn. Bhd., APM Plastics Sdn. Bhd., and APM Springs Sdn. Bhd., were awarded the prestigious QS-9000 certification by SIRIM QAS Sdn. Bhd. This quality management excellence award is a prerequisite to supply auto parts to the top three motor manufacturers in the USA and is also recognised internationally by European and Asian manufacturers. Other members of the Group are scheduled for certification in 2002.

### NEW DEVELOPMENTS AND JOINT VENTURES

In May 2001, the Group signed a Technical Assistance Agreement (TAA) to provide design and manufacturing knowledge on automotive and bus seating to Vasundhara Industries Limited, a member of the Jaycee Group of India. This arrangement enabled the Group to gain a foothold in the fast growing automotive sector in India.

In July 2001, the Group announced that its wholly-owned subsidiary Auto Parts Holdings Sdn. Bhd. (APH) acquired the remaining 50% of the shareholdings in APM Holdings Inc., Canada. With this acquisition, the Group has full control of the company's operations and hopes to further develop the export market in Canada for furniture parts and automotive components.

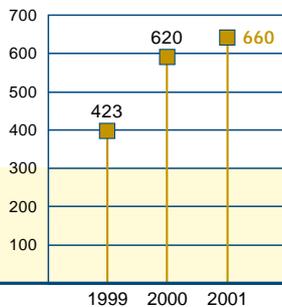
In September 2001, APH entered into a joint venture with P.T. Mekar Armada Jaya of Indonesia. The joint venture company, P.T. APM Armada Autoparts, will manufacture automotive, bus, and train seating products in Central Java. This joint venture enables the Group to penetrate the market for vehicle seating products in Indonesia. It is encouraging that the joint venture has to date been designated as a seat supplier by two major Indonesian vehicle assemblers. Sample development is already under way and mass supply is expected in the second half of 2002.



ASSB Top Supplier Award received by APM Plastics Sdn Bhd.  
*Anugerah Pembekal Terbaik dari ASSB untuk APM Plastics Sdn.Bhd*

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**TURNOVER / PEROLEHAN**  
 (RM'mil)



## Laporan Pengerusi

Selepas beberapa tahun dibangunkan, APM Shock Absorbers Sdn Bhd pula telah memperkenalkan satu siri penyerap hentak baru untuk diekspot, khususnya untuk model kenderaan Eropah, Amerika dan Jepun di pasaran antarabangsa.

Pada tahun ini, Kumpulan telah menubuhkan sebuah syarikat baru di Amerika Syarikat iaitu APM Components (USA) Inc untuk menyelaraskan jualan di Amerika Utara disamping menerokai perniagaan baru dan peluang ekspot.

### ANUGERAH DAN SIJIL

Pada bulan Mac 2001, sebuah ahli Kumpulan, APM Springs Sdn Bhd, telah menerima penghargaan sebagai salah satu daripada dua pembekal di ASEAN yang menerima "Anugerah Kecemerlangan Dunia" dari Ford Motor Company, Dearborn, USA. Pengiktirafan dunia terhadap kualiti dan kecemerlangan penghantaran ini melambangkan pencapaian penting bagi Kumpulan dan memberi laluan yang lebih luas kepada perniagaan OEM antarabangsa di masa hadapan.

Pada bulan Mei 2001, sebuah lagi ahli Kumpulan, APM Plastics Sdn Bhd, menerima "Anugerah Pembekal Terbaik : Prestasi Terbaik Keseluruhan" dari Assembly Services Sdn Bhd, pemasang kenderaan Toyota di Malaysia. Anugerah ini mengiktiraf pencapaian kami dalam komitmen terhadap keunggulan kualiti dan penghantaran yang berterusan.

Dalam bulan Oktober 2001, APM Auto Electrics Sdn Bhd telah memasuki peringkat akhir Anugerah Keunggulan Inovatif Negeri Selangor 2001, satu pencapaian yang baik memandangkan anak syarikat kami, APM Shock Absorbers Sdn Bhd, telah memenangi anugerah yang sama pada tahun sebelumnya.

Tambahan pula, empat ahli Kumpulan iaitu APM Auto Electrics Sdn Bhd, APM Coil Springs Sdn Bhd, APM Plastics Sdn Bhd dan APM Springs Sdn Bhd telah dianugerahkan sijil pengiktirafan QS-9000 oleh SIRIM QAS Sdn Bhd. Pengiktirafan kecemerlangan pengurusan kualiti ini adalah prasyarat untuk membekal peralatan otomotif kepada tiga pengilang motor utama di Amerika Syarikat dan juga pengilang Eropah dan Asia di peringkat antarabangsa. Ahli-ahli lain di dalam Kumpulan dijadualkan akan menerima sijil tersebut pada tahun 2002.

### PEMBANGUNAN BARU DAN KERJASAMA

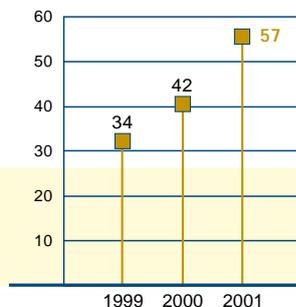
Dalam bulan Mei 2001, APM telah menandatangani satu Perjanjian Bantuan Teknikal (TAA) untuk membekalkan pengetahuan rekabentuk dan mengilang tempat duduk otomotif dan bas kepada Vasundhara Industries Limited, ahli Kumpulan Jaycee di India. Perjanjian ini akan membuka peluang untuk Kumpulan menyertai sektor permotoran India yang kian pesat berkembang.

Pada bulan Julai 2001, Kumpulan telah mengumumkan bahawa anak syarikat milik-penuh iaitu Auto Parts Holdings Sdn Bhd (APH) telah mengambil-alih baki 50% pegangan saham dalam APM Holdings Inc, Kanada. Dengan pengambil-alihan ini, Kumpulan kini dapat mengawal sepenuhnya operasi syarikat berkenaan dan berharap dapat mengembangkan pasaran ekspot untuk peralatan perabot dan komponen otomotif di Kanada.

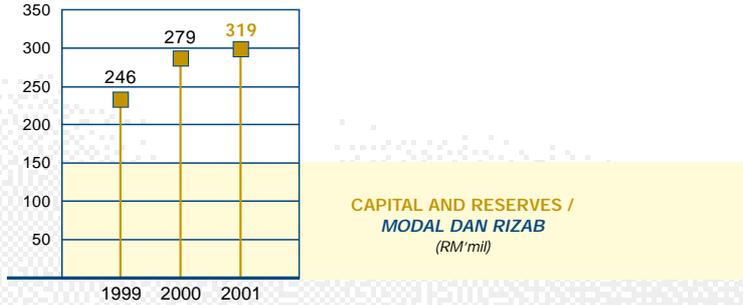
Multi-spot welding machine at our seat plant.  
Mesin kimpal belbagai noda di kilang tempat duduk kami.



PROFIT AFTER TAX /  
KEUNTUNGAN SELEPAS CUKAI  
(RM mil)



## Chairman's Statement



### MAJOR CAPITAL EXPENDITURE

The Group has incurred a total of RM24.0 million in capital expenditure for the upgrading of machinery and capacity expansion.

APM Plastics Sdn. Bhd. had added two major injection machines, bringing to a total seven such machines, ranging from 650 to 1,500 tonnes. APM Air-Conditioners Sdn. Bhd. has also invested in a new brazing furnace. This furnace, used in the production of air-conditioning evaporators and condensers and aluminum radiators, will expand the annual production capacity by 30%.

The increasing demand in the EU market has prompted APM Springs Sdn. Bhd. to invest in an additional manufacturing line for parabolic springs and air-link springs. Parabolic springs represented the second generation of leaf spring technology and provides better riding comfort, higher carrying capacity and weight reduction as compared to traditional multi-leaf springs. With this investment, our production capacity for parabolic springs will increase from 2,300 tonnes to 5,000 tonnes a year, elevating the Group to be a major manufacturer of parabolic springs in the world.

During the year 2001, the Group purchased 16,000 square meters of industrial property in Bukit Beruntung, Selangor Darul Ehsan. The construction of new factory building is expected to be completed by May 2002. The new location is very close to one of our major customers and will accommodate the expanded seat and plastic operations.

### DIVIDENDS

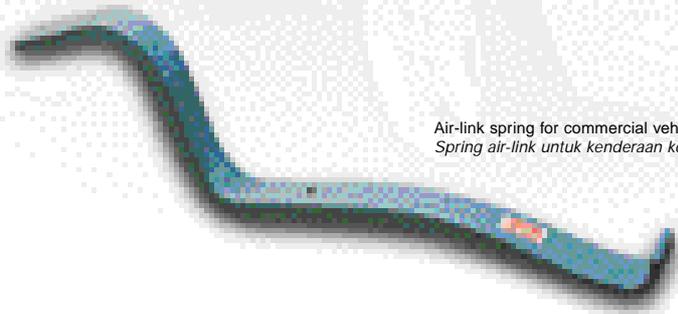
The Directors recommend the payment of a final dividend of 6%, made up of 3% tax exempt and 3% less 28% tax (2000 - 4% tax exempt). Together with the interim dividend of 5%, made up of 3% tax exempt and 2% less 28% tax (2000 - 5% less 28% tax), total dividend for the year will amount to 11%. The payment of final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting. The net dividend distribution for 2001 will be RM19.4 million, representing an increase of 26.3% over the RM15.3 million in 2000.

### FUTURE PROSPECTS

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The Malaysian Automotive Association has forecasted a 3% growth in motor vehicle sales from 396,381 units in 2001 to 410,000 units in 2002. We expect our OE business in 2002 to grow in tandem with the increase in vehicle sales.

With the Government's revision of the local content requirements beginning January 2002, the number of mandatory deletion items (MDI) for locally assembled/manufactured vehicles was reduced. Items removed from the MDI list affecting the Group include suspension coil springs, body side mouldings, shock absorbers and windshield washers. It is inevitable that a few local assemblers will find alternate sources for these items as they are no longer compelled to buy them locally. Generally, this applies to minor models as most national models are expected to continue sourcing their parts from local suppliers and as a result, the Group expects minimum impact on its revenue.



Air-link spring for commercial vehicles.  
Spring air-link untuk kenderaan komersial.

## Laporan Pengerusi

Dalam bulan September 2001, APH telah menyertai satu usaha-sama dengan P.T. Mekar Armada Jaya di Indonesia. Syarikat usaha-sama ini, P.T. APM Armada Autoparts, akan mengilang tempat duduk kereta, bas dan keretapi di Java Tengah. Usaha-sama ini membolehkan Kumpulan menerokai pasaran produk tempat duduk kenderaan di Indonesia. Adalah memberangsangkan kerana usaha-sama ini telah pun dilantik sebagai pembekal tempat duduk bagi dua pemasang kenderaan utama di Indonesia. Pembangunan sample telah pun siap dan pembekalan secara komersial adalah dijangka pada pertengahan kedua tahun 2002.

### PERBELANJAAN MODAL UTAMA

Kumpulan telah membelanjakan sejumlah RM24.0 juta dalam perbelanjaan modal untuk meningkatkan keupayaan mesin dan mengembangkan kapasitinya.

APM Plastics Sdn Bhd, telah menambah dua mesin suntikan plastic utama, menjadikan jumlahnya tujuh buah, melingkungi 650 ke 1,500 tan. APM Air-Conditioners Sdn Bhd pula telah melabur dalam relau perapian yang baru. Relau ini digunakan dalam pembuatan evaporator dan kondenser penghawa dingin dan radiator aluminium, dan akan menambah kapasiti pengeluaran tahunan sebanyak 30%.

Pertambahan permintaan dalam pasaran Kesatuan Eropah telah mendorong APM Springs Sdn Bhd untuk membuat pelaburan tambahan dalam pengilangan spring parabolik dan spring air-link. Spring parabolik merupakan generasi kedua teknologi spring dedaun di mana ia memberi lebih keselesaan memandu, kapasiti mengangkut yang lebih tinggi dan pengurangan berat jika dibandingkan dengan spring dedaun tradisional. Dengan pelaburan ini, kapasiti pengeluaran spring parabolik akan bertambah dari 2,300 tan kepada 5,000 tan setahun, menjadikan APM sesebuah pengilang utama spring parabolik di dunia.

Pada tahun 2001, Kumpulan telah membeli 16,000 meter persegi tanah perindustrian di Bukit Beruntung, Selangor Darul Ehsan. Lokasi baru ini terletak berhampiran dengan salah satu pelanggan utama kami dan bakal memenuhi pengembangan operasi tempat duduk dan plastik kami. Pembinaan bangunan kilang baru dijangka siap pada bulan Mei 2002.

### DIVIDEN

Para pengarah mencadangkan pembayaran dividen akhir sebanyak 6%, iaitu 3% dikecualikan cukai dan 3% ditolak cukai sebanyak 28% (2000 - 4% dikecualikan cukai). Bersama dengan dividen interim sebanyak 5%, iaitu 3% dikecualikan cukai dan 2% ditolak cukai sebanyak 28% (2000 - 5% dikecualikan cukai), jumlah dividen tahun ini adalah sebanyak 11%. Pembayaran dividen akhir adalah tertakluk kepada kelulusan dari pemegang saham pada Mesyuarat Agung Tahunan akan datang. Pengagihan dividen bersih pada tahun 2001 berjumlah RM19.4 juta, iaitu peningkatan sebanyak 26.3% berbanding RM 15.3 juta pada tahun 2000.

### PROSPEK MASA HADAPAN

Persatuan Otomotif Malaysia (MAA) telah meramalkan pertumbuhan sebanyak 3% dalam jualan kenderaan bermotor dari 396,381 unit pada tahun 2001 kepada 410,000 unit pada tahun 2002. Kami menjangkakan perniagaan OE kami dalam tahun juga akan berkembang seiring dengan pertambahan jualan kenderaan.

Pada awal bulan Januari 2002, Kerajaan telah menyemak semula keperluan kandungan tempatan kenderaan buatan/pemasangan tempatan dan bilangan komponen potongan mandatori (MDI) telah dikurangkan. Komponen yang telah dikeluarkan dari senarai MDI yang melibatkan Kumpulan kami termasuklah spring melingkar, perlindungan sisi badan, penyerap hentak dan pencuci kaca utama kereta. Disebabkan pemasangan tempatan tidak lagi diwajibkan membeli dari pembekal tempatan, tentu ada pemasang yang akan didorong mencari sumber alternatif komponen tersebut. Secara umum, kejadian ini akan berlaku pada model kecil sahaja kerana kebanyakan model nasional dijangka masih akan memperolehi sumber peralatan mereka dari pembekal tempatan. Sejurusnya Kumpulan menjangkakan kesan minima keatas perolehan kami.

## Chairman's Statement

The slow economic recovery and severe competition from imported parts will continue to affect our RE sales. However, with the aggressive sales promotions planned by our Marketing Division, the Group expects to further increase our RE sales.

The Group will continue to develop new export business for shock absorbers. Together with the increased parabolic spring production capacity in the second half of 2002, the Group expects to register further growth in total export business for the coming year.

Over the longer term, the Group intends to increase its presence in the ASEAN countries and China. The AFTA arrangement opens the ASEAN market for auto parts produced in Malaysia. We will strengthen our presence in Indonesia and Thailand and plan to establish footholds in other ASEAN countries as well. There is also a huge potential in the Chinese market for automotive components, especially with China's recent admission to the World Trade Organization.

In the light of the above developments and barring unforeseen circumstances, the Group expects to register further business growth in the coming year.

### ACKNOWLEDGEMENTS

The Board would like to take this opportunity to welcome Encik Mohd. Sharif bin Haji Yusof as the newest member of the Board of Directors. Encik Mohd. Sharif is a member of the Institute of Chartered Accountants, England and Wales and an Associate member of the Malaysian Institute of Accountants. He will serve as an additional Independent Director and a member of Audit Committee.

I would like to take this opportunity to extend the Board's appreciation to the Management and staff for their dedication and diligence during the past year. I hope that staff at all levels will continue to work hard to increase productivity and reduce costs in order to face the challenges ahead.

I would also like to express the Board's appreciation to all our valued customers, suppliers, bankers, business associates as well as shareholders for their continued support and confidence in the Group.



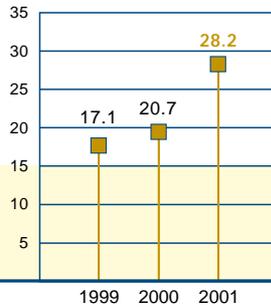
HARMONI plastic door and window frames.  
*Rangka pintu dan tingkap plastik HARMONI.*

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DATO' TAN HENG CHEW DJMK, JP  
 Chairman

24 April 2002

**EARNINGS PER SHARE /  
 PENDAPAT SESAHAM**  
 (RM'mil)



## Laporan Pengerusi

*Pemulihan ekonomi yang perlahan dan persaingan yang tinggi dari barangan impot akan memberi kesan berterusan keatas jualan RE kami. Bagaimanapun, dengan promosi jualan secara agresif yang dirancang oleh Bahagian Pemasaran, Kumpulan menjangkakan pertambahan jualan RE.*

*Kumpulan akan terus meneroka pasaran eksport baru untuk barangan penyerap hentak. Bersama dengan peningkatan kapasiti pengeluaran spring parabolik dalam setengah tahun kedua 2002, Kumpulan menjangkakan jumlah perniagaan eksport akan terus meningkat tahun ini.*

*Untuk jangka masa panjang, Kumpulan ingin menambahkan kehadirannya di pasaran ASEAN dan China. Dibawah skim AFTA, pasaran ASEAN akan dibuka untuk komponen kenderaan keluaran Malaysia. Kami akan menguatkan kehadiran kami di Indonesia dan Thailand sambil menembusi pasaran negara-negara ASEAN yang lain. Terdapat juga potensi yang besar di pasaran China bagi komponen otomotif, terutamanya dengan kemasukan China dalam Persatuan Perdagangan Sedunia (WTO) baru-baru ini.*

*Dengan pembangunan yang dirancang dan tidak berlaku sebarang keadaan luar dugaan Kumpulan dijangka akan mencatatkan pertumbuhan perniagaan yang berterusan pada tahun hadapan.*

### PENGHARGAAN

*Pihak Lembaga Pengarah ingin mengambil kesempatan ini untuk mengalu-alukan Encik Mohd. Sharif bin Haji Yusof yang baru dilantik menganggotai Lembaga Pengarah. Encik Mohd. Sharif adalah seorang ahli Persatuan Akauntan Bertauliah di England dan Wales disamping menjadi ahli bersekutu dalam Persatuan Akauntan Malaysia. Beliau merupakan Pengarah Bebas sambil menjadi ahli Jawatankuasa Audit.*

*Saya ingin mengambil kesempatan ini untuk menyampaikan penghargaan Lembaga Pengarah kepada pihak Pengurusan dan kakitangan atas dedikasi dan ketekunan mereka pada tahun lepas. Saya berharap kakitangan pada semua peringkat akan terus bekerja keras untuk meningkatkan produktiviti dan mengurangkan kos supaya dapat menghadapi cabaran pada masa hadapan.*

*Saya juga ingin merakamkan penghargaan Lembaga Pengarah kepada semua pelanggan yang dihargai, pembekal jurubank, rakan-rakan perniagaan serta para pemegang saham di atas sokongan dan keyakinan mereka yang berterusan kepada Kumpulan.*

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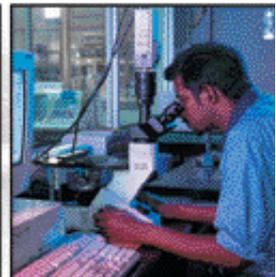
**DATO' TAN HENG CHEW** DJMK, JP  
Pengerusi

24 April 2002

Micro analysis computer.  
Komputer penganalisa mikro.



Construction of new factory in  
Bukit Beruntung in progress.  
Kilang baru di Bukit Beruntung  
dalam pembinaan.



# Corporate Calendar

## March 2001

QS-9000 presentation to APM Auto  
Electrics Sdn Bhd and APM Coil Springs  
Sdn Bhd from SIRIM QAS Sdn Bhd.



## MARCH 2001

Presentation of World Excellence Award  
from Ford Motor Company in Dearborn,  
Michigan, U.S.A.



## APRIL 2001

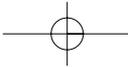
Products displayed at the Automec  
trade fair in Sao Paolo, Brazil.



## MAY 2001

YB Datuk Dr. Fong Chan Oon,  
the Human Resource Minister, visit  
to our Seri Kembangan factories.





## Corporate Calendar



### JULY 2001

Australian dealers of Radiators  
Australia (2000) Pty Ltd visit to our  
factories in Pandamaran and Seri  
Kembangan

### SEPTEMBER 2001

APM Group Dinner and Dance  
held at Sunway Pyramid Convention  
Centre, Petaling Jaya.



### SEPTEMBER 2001

Joint venture signing ceremony with  
P.T. Mekar Armada Jaya of Indonesia.



### OCTOBER 2001

APM's exhibits at the Auto Equip  
exhibition in Paris, France.



# Profile

## Of The Board Of Directors

### DATO' TAN HENG CHEW

Dato' Tan Heng Chew, DJMK, JP, 55, a Malaysian, is a Non-Independent Non-Executive Director. He was the first director of the Company when it was incorporated on 26 March 1997 and was appointed the Chairman of the Board on 1 November 1999.

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

Dato' Tan sits on the Board of Tan Chong Motor Holdings Berhad as Executive Deputy Chairman and also is the Chairman of Warisan TC Holdings Berhad.

Dato' Tan is the nephew of Dato' Tan Kim Hor and the brother of Messrs. Tan Eng Soon and Tan Eng Hwa. He is a director and shareholder of Tan Chong Consolidated Sdn Bhd, a major shareholder of the Company.

Dato' Tan does not have any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Dato' Tan attended all of the five board meetings held in 2001. He has had no convictions for any offences within the past 10 years.

### MR. KOO SIAN CHU

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Mr. Koo Sian Chu, 58, a Malaysian, is an Executive Director. He was appointed to the Board on 25 September 1999 and is a member of the Audit Committee.

Mr. Koo graduated from the University of Malaya with a Bachelor's degree (Honours) in Economics in 1971. Mr. Koo was with MIDA for a total period of 15 years. He had served on a number of overseas missions for MIDA, promoting Malaysia's investment opportunities and development potential to foreign investors. His last posting with MIDA was in Tokyo where he held the position of Overseas Director. He joined the Autoparts Division of Tan Chong Motor Holdings Berhad (TCMH) group in 1985 as an executive director of one of the companies. With the re-structuring of the TCMH group resulting in the emergence of the Company in 1999, Mr. Koo was appointed an Executive Director of the Company.

Mr. Koo does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

Mr. Koo attended all of the five board meetings held in 2001 and has had no convictions for any offences within the past 10 years.

## Profile Of The Board Directors

### ENCIK AZMAN BADRILLAH

Encik Azman Badrillah, 54, a Malaysian, is an Executive Director. He was appointed to the Board on 1 November 1999.

Encik Azman graduated with a degree in Economics from the University of Malaya in 1971. He joined Bank of America and had risen to the position of Assistant Vice-President when he left 11 years later. His service with Bank of America included a period spent with the international operations of the Bank. Encik Azman joined Tan Chong Motor Holdings Berhad (TCMH) group in 1983 as an executive director of its manufacturing division and was responsible for the overall performance of one of its key product groups. With the re-structuring of the TCMH group resulting in the emergence of the Company in 1999, Encik Azman was appointed an Executive Director of the Company.

Encik Azman sits on the board of Tan Chong Motor Holdings Berhad and Eco Resources Berhad.

Encik Azman does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Encik Azman attended all of the five board meetings held in 2001. He has had no convictions for any offences within the past 10 years.

### DATO' TAN KIM HOR

Dato' Tan Kim Hor, DPMS, KMN, JP, 78, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

Dato' Tan is a co-founder of the Tan Chong Motor Holdings Berhad group when he and his brother, the late Tan Sri Tan Yuet Foh became the first importers of Japanese motor vehicles in Malaysia in 1957. Apart from his business interests, Dato' Tan is actively involved in community services and the Malaysian Chinese Association ("MCA"). He sits on the board of trustees of several schools and societies and is presently the Chairman of the MCA Bahagian Kepong.

Dato' Tan is the Chairman of Tan Chong Motor Holdings Berhad and is a director of Warisan TC Holdings Berhad.

Dato' Tan is the uncle of Dato' Tan Heng Chew and Messrs. Tan Eng Soon and Tan Eng Hwa. He is a director and shareholder of Tan Chong Consolidated Sdn Bhd, a major shareholder of the Company.

Dato' Tan does not have any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Dato' Tan attended all of the five board meetings held in 2001. He has had no convictions for any offences within the past 10 years.

## Profile Of The Board Directors

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

Dato' N. Sadasivan s/o N.N. Pillay, 62, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 1 November 1999 and is the Chairman of the Audit Committee.

Dato' Sadasivan graduated from the University of Malaya with a Bachelor of Arts (Honours) degree majoring in Economics in 1963. In the same year, Dato' Sadasivan commenced working for the Singapore Economics Development Board and was head of the Industrial Facilities Division when he left to join the MIDA in 1968. He was with MIDA for a total of 27 years and became its Director-General in 1984. Dato' Sadasivan sits on the boards of Bank Negara Malaysia and Pengurusan Danaharta Nasional Berhad.

Dato' Sadasivan is a director of Chemical Company of Malaysia Berhad, Petronas Gas Berhad, Leader Universal Holdings Berhad, Amanah Capital Partners Berhad, Malaysian Airline System Berhad and Bukit Katil Resources Berhad.

Dato' Sadasivan does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

Dato' Sadasivan attended all of the five board meetings held in 2001 and has had no convictions for any offences within the past 10 years.

### DATO' HAJI KAMARUDDIN @ABAS NORDIN

Dato' Haji Kamaruddin @ Abas Nordin, DSSA, KMN, 63, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 1 November 1999 and is a member of the Audit Committee.

Dato' Haji Kamaruddin graduated from the University of Canterbury, New Zealand with a Masters of Arts degree majoring in Economics in 1966. He joined the Malaysian civil service upon his graduation and served the Government until he retired in 1993. During his tenure with the civil service he held various senior positions, among them as Director, Industries Divisions in the MITI, Deputy Secretary General, Ministry of Works and Director-General of the Registration Department, Ministry of Home Affairs.

Dato' Kamaruddin is a director of Tan Chong Motor Holdings Berhad and Lion Land Berhad.

Dato' Kamaruddin does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Dato' Kamaruddin attended all of the five board meetings held in 2001 and has had no convictions for any offences within the past 10 years.

## Profile Of The Board Directors

### MR. TAN ENG SOON

Tan Eng Soon, 53, a Singaporean and a Malaysian Permanent Resident, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

Mr. Tan has a degree in Civil Engineering from the University of New South Wales, Australia. He has been involved in the Tan Chong Motor Holdings Berhad group's operations since 1971.

Mr. Tan is the Group Managing Director of Tan Chong Motor Holdings Berhad and is a director of Warisan TC Holdings Berhad.

Mr. Tan is the nephew of Dato' Tan Kim Hor and the brother of Dato' Tan Heng Chew and Mr. Tan Eng Hwa. He is a director and shareholder of Tan Chong Consolidated Sdn Bhd, a major shareholder of the Company.

Mr. Tan does not have any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Mr. Tan attended all of the five board meetings held in 2001. He has had no convictions for any offences within the past 10 years.

### MR. TAN ENG HWA

Tan Eng Hwa, 47, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

Mr. Tan graduated from the University of Birmingham with a Bachelor of Commerce degree. He was with the Tan Chong Motor Holdings Berhad group as Treasurer and was also involved in various department functions within the group. He is now a businessman with interests in property and other investments.

Mr. Tan is the nephew of Dato' Tan Kim Hor and the brother of Dato' Tan Heng Chew and Mr. Tan Eng Soon. He is a director and shareholder of Tan Chong Consolidated Sdn Bhd, a major shareholder of the Company.

Mr. Tan does not have any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Mr. Tan attended all of the five board meetings held in 2001. He has had no convictions for any offences within the past 10 years.

## Profile Of The Board Directors

### ENCIK AHMAD BIN ABDULLAH

Encik Ahmad bin Abdullah, 67, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

Encik Ahmad received his law degree from the University of Hull in the United Kingdom in 1959. He was appointed by the Yang Di-Pertuan Agong to the constitutional post of Secretary of the Malaysian Parliament where he served from 1959 until 1972 during which he also represented Malaysia on various international bodies. He joined the Tan Chong Motor Holdings Berhad group in 1975 as an executive director of a subsidiary involved in marketing.

Encik Ahmad is the Vice-Chairman of Tan Chong Motor Holdings Berhad.

Encik Ahmad does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Encik Ahmad attended all of the five board meetings held in 2001 and has had no convictions for any offences within the past 10 years.

### ENCIK MOHD. SHARIF BIN HAJI YUSOF

Encik Mohd. Sharif Haji Yusof, 62, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 1 September 2001 and is a member of the Audit Committee.

Encik Mohd. Sharif is a Fellow Member of the Institute of Chartered Accountants, England and Wales, an Associate Member of the Malaysian Institute of Accountants and a Member of the Malaysian Association of Certified Public Accountants. He has had more than 20 years experience in government and financial sectors, serving the Selangor State Government, Bumiputra Merchant Bankers Berhad and thereafter British American Life & General Insurance Co. Bhd where he held the position of Senior Vice President, Finance/Company Secretary at the time he retired.

Encik Mohd Sharif is a director of Amanah Capital Partners Berhad, Ireka Corporation Berhad, Amanah Short Deposit Berhad, Amanah General Insurance Berhad, Amanah Capital Malaysia Berhad and Asia Unit Trust Berhad.

Encik Mohd. Sharif does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

Encik Mohd. Sharif attended the last of the five board meetings held in 2001 as that meeting was the only one held subsequent to his appointment. He has had no convictions for any offences within the past 10 years.

# Corporate Governance

## THE CODE

In March 2000, the Finance Committee on Corporate Governance issued the Malaysian Code on Corporate Governance ("the Code"). The Code sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The Board of Directors of the Company is committed to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance.

In line with the revamped Kuala Lumpur Stock Exchange Listing Requirements ("KLSE LR"), the Board of Directors wishes to report on the Group's application of the principles and the extent of compliance with the best practices as set out in the Code.

## APPLICATION OF PRINCIPLES

### A Directors

#### I The Board

The business of the Company and the Group is managed by the Board of Directors, which is responsible for ensuring that the Group is properly managed to achieve expected long-term improvement in shareholder value.

The Board has a formal schedule of matters for discussion on broad policy decisions, including the approval of interim and annual results, annual business plans and budgets, significant acquisitions and disposals, material agreements, major capital expenditures and senior executive appointments. Other matters are delegated to Board Committees, officers and line management.

There were five Board meetings held during the year and the attendance at these meetings were as follows:

Dato' Tan Heng Chew	5
Koo Sian Chu	5
Azman bin Badrillah	4
Dato' Tan Kim Hor	5
Dato' N. Sadasivan	5
Dato Kamaruddin @ Abas bin Nordin	5
Tan Eng Soon	5
Tan Eng Hwa	4
Ahmad bin Abdullah	5
Mohd. Sharif bin Hj. Yusof *	1

\* appointed September 1, 2001, attended the last meeting held after his appointment.

#### II Board Composition

The Board has 10 members; a Non-Executive Chairman, 2 Executive Directors and 7 other Non-Executive Directors, 3 of whom are Independent Directors.

No individual or group of individuals dominates the Board's decision making. The roles of the Chairman and the Executive Directors are separate and clearly defined. The non-Executive Chairman is responsible for the effectiveness and proper conduct of the Board whilst the Executive Directors are responsible for the operations of the business units and implementation of the Board's decisions and policies.

The Directors have wide ranging experience and all have occupied or are currently occupying senior positions in industry or government. The profiles of the Board members are set out on pages 20 to 24.

## Corporate Governance

On September 1, 2001, Encik Mohd. Sharif bin Hj. Yusof was appointed to the Board as an additional Independent Director and a member of the Audit Committee. Encik Mohd. Sharif is a Fellow member of the Institute of Chartered Accountants, England & Wales and an Associate member of the Malaysian Institute of Accountants, with more than 20 years experience in the government and financial sectors. With the appointment of Encik Mohd. Sharif, the Company has complied with paragraph 15.10 of the KLSE LR.

All the Non-Executive Directors are independent of management and have no relationships which could materially interfere with the exercise of their independent judgment.

### III Supply of information

Board members are provided with appropriate documentation in advance of each Board and Committee meeting. For Board meetings these documents may include reports on current trading and business issues from the Executive Directors, Heads of Operations and/or the Group Financial Officer, financial reports, proposals for capital expenditures, proposals for acquisitions and disposals as well as proposals for senior executive appointments. In addition to formal Board meetings, the Chairman and Executive Directors also maintain regular contact with all other Directors and hold informal meetings with the Non-Executive Directors to discuss issues affecting the Group.

Whenever deemed necessary, senior management below Board level are invited to attend Board meetings to present the financial performance, strategies and other proposals affecting their business units.

The Board has approved an agreed procedure for Directors to seek independent professional advice when necessary at the Company's expense.

Directors have direct access to the advice and the services of the Company Secretaries who are responsible for ensuring that Board procedures are followed.

### IV Appointments to the Board

The Board is of the view that proposals for new appointments and the assessment of the contributions of on-going Directors would be more effective by drawing on the wealth of experience of all Directors, and as such, a nomination committee is currently not required. Hence, the role of appointing new directors and the assessment of existing directors is performed by the Board as a whole when necessary and appropriate.

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### V Re-election

The names of the Directors at the date of this Report, together with their profiles are set out on pages 20-24. All the Directors held office throughout the year except for Encik Mohd. Sharif bin Hj. Yusof.

The Company's Articles of Association provide that at every Annual General Meeting of the Company one-third of the Directors shall retire from office provided that no Director including the Managing Director, may serve for more than three years before standing for re-election. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. Any Director appointed by the Board shall hold office only until the following Annual General Meeting but shall not be taken into account in determining the Directors or the numbers of Directors who are to retire by rotation at that meeting. The Board may from time to time appoint one or more of its number to any executive office for such period and on such terms as it thinks fit.

## Corporate Governance

Non-Executive Directors are not appointed for a specific term and are subject to re-election by shareholders at the next annual general meeting following their appointment, or to re-election in accordance with the Company's articles of association.

### B DIRECTORS' REMUNERATION

#### Remuneration Committee

The Board is of the view that remuneration guidelines formulated by drawing upon the wealth of experience of all the Directors on the Board would be more effective and therefore a Remuneration Committee is currently not required. Consequently, this role will be performed by the Board as a whole when necessary and as appropriate.

Essentially, the key principles and procedures applicable to the executive employees below Board level are also followed by the Executive Directors. The remuneration policy of the Group essentially seeks to attract, retain and motivate all levels of employees to contribute positively to the Group's performance.

The guidelines on bonuses in respect of 2001 and annual increment for 2002 in respect of executive employees of the Group were recommended for Board's approval by committees whose members included senior heads of operations below the board level. The quantum of the annual performance bonus was dependent on the operating results of the Group after taking into account the prevailing business conditions. The same guidelines were also applied to the Executive Directors.

#### Fees for Non-Executive Directors

The remuneration of each of the Non-Executive Directors is determined by the Board as a whole within the limits set by the Articles of Association. The Non-Executive Directors do not participate in the discussions relating to their remuneration.

Directors' Remuneration in aggregate with categorization into appropriate components and the numbers of directors whose remuneration falls in each successive band of RM50,000 distinguishing between Executive and Non-Executive Directors, as required under the revamped KLSE LR is disclosed on page 30 of the annual report.

### C RELATIONS WITH SHAREHOLDERS

#### I Dialogue between the Company and Investors

The Company holds regular group and individual meetings with institutional shareholders and investment communities with the view of fostering greater understanding of the Group's business. During the year, the Company held several group meetings of such nature.

The Group's announcements of quarterly results are available from the KLSE website and serve to keep shareholders informed of the Group's performance and financial position on a timely basis.

## Corporate Governance

### II The AGM

An Annual General Meeting ("AGM") was held on Thursday, 24 May 2001 at 3rd Floor, No. 21, Jalan Ipoh Kecil, 50350 Kuala Lumpur.

During the course of the AGM, a forum was made available for the shareholders present to raise questions or issues regarding the Group's performance and financial position. Questions or issues raised were appropriately addressed by the Directors. The Company maintains a cordial and informal relationship with all its shareholders.

The AGM in 2001 was attended by 122 shareholders comprising registered individuals, proxies and corporate representatives, whose total shareholdings represented 45.84% of the issued share capital.

### D ACCOUNTABILITY AND AUDIT

#### I Financial Reporting

The Board has presented a balanced and understandable assessment of the Group's financial position and prospects in the various financial reports contained in the Annual Report to the shareholders.

The announcements of quarterly results and the annual report are reviewed by the Audit Committee before Board's approval and release to the KLSE/public.

#### II Internal Control

The Directors are responsible for the Group's system of internal controls that covers all aspects of the business. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system cannot totally eliminate risks and thus there can never be an absolute assurance against the Group failing to achieve its objectives or making material losses.

The internal controls are embedded in the overall management processes and some key elements of the system may be represented by the following:

1. review and approval of annual business plan and budget of all major business units by the Board. These plans set out the key business objectives of the respective business units and the major risks and opportunities in the operations and ensuing action plans.
2. active participation by the Executive Directors in the day to day running of the business and regular dialogues with the senior management of the business units
3. monthly financial reporting by the business units and regular review of the performance of the business units by the Board which also assesses the impact of the changes in business and competitive environment on the Group
4. monitoring of actual results against budget and identifying areas requiring management follow-up actions where necessary

## Corporate Governance

The above processes serve to ensure that there is an on-going process for identifying, evaluating and managing significant risks affecting the business.

The internal controls of the Group are further supported by an established organisation structure with reporting lines and appropriate limits of authority clearly set out for different processes, decisions or commitments. The Executive Management Committee (EMC), with clearly laid down authority limits has been established to manage and control its businesses. Matters beyond the limits of authority are referred to the main Board for approval. The EMC is further supported by various sub-committees.

The above processes are complemented by the internal audit department. The Audit Committee approves plans for control reviews and deals with significant issues raised by internal audit department or the external auditors. The Group also maintains a comprehensive group insurance programme, which transfers all significant insurable risks to external insurers. A centralised Treasury department also manages hedging activities relating to financial and exchange exposure and co-ordinates the funding placements of all subsidiaries within the Group.

### III Audit Committee and Auditors

The Board of Directors has established an Audit Committee. The membership of this Committee, summary of the terms of reference and the activity report of the Audit Committee are set out on pages 31-32.

The Board maintains a formal and transparent relationship with the Group's internal and external auditors.

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES IN CORPORATE GOVERNANCE

The Directors considers that after July 2001, the company complies with the Best Practices in Corporate Governance set out under Part 2 of the Code, except for the formation of remuneration and nomination committees and explained in the report on the application of the principles of good governance.

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## STATEMENT ON DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL AUDITED ACCOUNTS

The Directors are required by the Companies' Act, 1965 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group, and their results for the financial year.

In preparing the financial statements for the year ended 31 December 2001, the directors have:

1. adopted the appropriate accounting policies, which are consistently applied.
2. made judgements and estimates that are reasonable and prudent.
3. ensure that the applicable approved accounting standards in Malaysia and provisions of the Act are complied with.

The Directors are responsible for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Act. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

**OTHER STATUTORY INFORMATION****DIRECTORS' REMUNERATION***for the year ended 31 December 2001*

	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
	RM'000	RM'000
Directors' fees	-	120
Salaries and allowances	641	-
Bonuses	301	-
Benefits-in-kind	38	-
Total	980	120

## Number of Directors by Remuneration Bands

	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
Nil	-	4
Up to RM50,000	-	4
RM400,001 to RM450,000	1	-
RM550,001 to RM600,000	1	-
Total	2	8

**30****MATERIAL CONTRACTS**

There were no material contracts of the Company and subsidiaries involving Directors and substantial shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

**REVALUATION POLICY ON LANDED PROPERTIES**

The Group's policy on revaluation of landed properties is stated in Note 1(d) on page 50 of the Financial Statements.

# Audit Committee Report

## AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee were adopted by the Board of Directors at a meeting held on 4 July 2001 and shall supersede all previous terms.

## COMPOSITION AND TERMS OF REFERENCE

### Membership

The committee shall be appointed by the Board from amongst the directors and shall be composed of no fewer than three members, a majority of whom must be independent directors.

The committee shall include at least one director who is a member of the Malaysian Institute of Accountants or alternatively, a person who must have at least 3 years working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said Schedule.

No alternate director shall be appointed a member of the committee.

The members of the committee shall elect a chairman from among their number who shall be an independent director.

In the event of any vacancy in the committee which result in a breach in the Listing Requirements of Kuala Lumpur Stock Exchange, the vacancy must be filled within three months.

The term of office and performance of the committee and each of its members shall be reviewed by the board at least once every three years.

### Authority

The committee is authorized by the board, and at the cost of the Company, to:

1. investigate any matter within its terms of reference
2. have the resources which are required to perform its duties
3. have full and unrestricted access to any information pertaining to the Company or the Group
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any)
5. be able to obtain independent professional or other advice
6. convene meetings with external auditors, excluding the attendance of the executive members

### Functions

The functions of the committee shall be, amongst others -

1. review the following and report the same to the Board
  - a) the audit plan, the evaluation of the system of internal control and the audit report with the external auditor; the assistance given by the employees of the Company/group to the external auditor
  - b) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work
  - c) the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendation of the internal audit function

## Audit Committee Report

- d) the quarterly results and year end financial statements, prior to approval by the board of directors, focusing on
    - i) changes in or implementation of major accounting policy changes significant and unusual events; and
    - ii) compliance with accounting standards and other legal requirements.
  - e) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity
  - f) any letter of resignation from external auditor
  - g) whether there is reason to believe that the external auditor is not suitable for re-appointment;
2. recommend the nomination of person or persons as external auditor;
  3. approve any appointment or termination of senior staff members of the internal audit function and review any appraisal or assessment of the performance of its members; and
  4. any other function as may be required by the Board from time to time.

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### CONDUCT OF MEETINGS

The chairman shall call for meetings to be held not less than four times a year. Any member of the committee may at any time, and the secretary shall on requisition of the member, summon a meeting.

Except in the case of an emergency, seven days notice of meeting shall be given in writing to all members.

A quorum of meeting shall be a majority of independent directors. Meetings shall be chaired by the chairman, and in his absence, by an independent director.

Decisions shall be made by a majority of votes.

The head of Finance, head of Internal Audit and the company secretary shall normally attend meetings. Other board members and employees may attend meetings upon the invitation of the committee. A representative of the external auditor shall attend the meeting to consider the final audited financial statements and such other meetings determined by the committee.

The chairman shall exercise the right to require those who are in attendance to leave the room when matters to be discussed are likely to be hampered by their presence or confidentiality of matters needed to be preserved.

### REPORTING PROCEDURES

The company secretary shall record the proceedings of meetings. Minutes shall be Circulated to all members of the board.

The committee shall prepare, for the board and for inclusion in the Company's annual report, a summary of its activities in the discharge of its functions and duties for the financial year.

The committee may report to the stock exchange of a matter reported by it to the board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements.



# F



## FINANCIAL STATEMENTS

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## Directors' Report

for the year ended 31 December 2001

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2001.

### Principal activities

The Company is principally engaged in investment holding and the provision of management services to companies in the Group. The principal activities of the subsidiaries are as stated in Note 23 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

### Results

	Group RM'000	Company RM'000
Net profit for the year	56,844	24,185

### Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements

### Dividends

Since the end of the previous financial year, the Company paid:

- a) a final dividend of 4% tax exempt totalling RM8,064,000 in respect of the year ended 31 December 2000 on 29 June 2001;
- b) an interim dividend of 3% tax exempt and 2% less 28% tax totalling RM8,951,040 in respect of the year ended 31 December 2001 on 26 October 2001.

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The final dividend recommended by the Directors in respect of the year ended 31 December 2001 is 3% tax exempt and 3% less 28% tax totalling RM10,402,560.

### Directors of the Company

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

Dato' Tan Heng Chew  
 Koo Sian Chu  
 Azman bin Badrillah  
 Dato' Tan Kim Hor  
 Dato' N. Sadasivan s/o N.N. Pillay  
 Dato' Haji Kamaruddin @ Abas bin Nordin  
 Tan Eng Soon  
 Tan Eng Hwa  
 Ahmad bin Abdullah  
 Mohd Sharif Haji Yusof (appointed on 1.9.2001)

## Directors' Report

for the year ended 31 December 2001

### Directors of the Company (cont'd)

The shareholdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:-

Name	Ordinary shares of RM1.00 each			At 31.12.2001
	At 1.1.2001	Bought	Sold	
Shareholdings in which Directors have direct interests				
Interests in the Company:				
Dato' Tan Heng Chew	3,849	-	-	3,849
Koo Sian Chu	15,000	-	-	15,000
Azman bin Badrillah	3,566,200	-	(290,000)	3,276,200
Dato' Tan Kim Hor	461,225	-	-	461,225
Dato Haji Kamaruddin @ Abas bin Nordin	511,448	-	(281,000)	230,448
Tan Eng Soon	210,000	-	-	210,000
Tan Eng Hwa	669,908	-	-	669,908
Ahmad bin Abdullah	2,514,000	-	(504,000)	2,010,000
Shareholdings in which Directors have indirect interests				
Interests in the Company:				
Dato' Tan Heng Chew	85,959,999	-	-	85,959,999
Dato' Tan Kim Hor	85,959,999	-	-	85,959,999
Tan Eng Soon	85,959,999	-	-	85,959,999
Tan Eng Hwa	1,650	-	-	1,650
Koo Sian Chu	10,000	-	-	10,000

Dato' Tan Heng Chew, Dato' Tan Kim Hor, Azman bin Badrillah and Tan Eng Soon are deemed interested in the shares of the subsidiaries of the company by virtue of their shareholdings in the Company.

None of the other Directors holding office at 31 December 2001 had any interest in the ordinary shares of the Company and of its related corporations during the year.

### Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emolument received or due and receivable by Directors as shown in the financial statements of the Company and related companies) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have significant financial interest in companies which traded with certain related companies in the ordinary course of business.

## Directors' Report

for the year ended 31 December 2001

### Directors' benefits (cont'd)

There were no arrangements during and at the end of the year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Issue of shares

There were no changes to the issued and paid-up share capital of the Company during the year.

### Options granted over unissued shares and debentures

No options were granted to any person to take-up unissued shares and debentures of the Company during the year.

### Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate allowance made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors of the Company are not aware of any circumstances:

- i) that would render the amount written off as bad debts or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

## **Directors' Report**

*for the year ended 31 December 2001*

In the opinion of the Directors the results of the operations of the Group and of the Company for the financial year ended 31 December 2001 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

### **Auditors**

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

**Koo Sian Chu**

**Azman bin Badrillah**

Kuala Lumpur  
24 April 2002

## Statement By Directors Pursuant To Section 169(15) Of The Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 40 to 69, except for pages 42 and 43 which are expressed in US\$ equivalent, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2001 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

**Koo Sian Chu**

**Azman bin Badrillah**

Kuala Lumpur  
24 April 2002

## Declaration Pursuant To Section 169(16) Of The Companies Act, 1965

I, Lee Kwee Cheng, the officer primarily responsible for the financial management of APM Automotive Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 40 to 69 are except for pages 42 and 43 which are expressed in US\$ equivalent, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

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Subscribed and solemnly declared by the abovenamed  
Lee Kwee Cheng (MIA 9160) at Kuala Lumpur on 24 April 2002

Before me:

**BARATHAN A/L SINNI AH @ CHINNI AH AMN,PJK**  
No. W202  
Persurujaya Sumpah  
Kuala Lumpur

## Report Of The Auditors To The Members Of APM Automotive Holdings Berhad

We have audited the financial statements set out on pages 40 to 69, except for pages 42 and 43 which are expressed in US\$ equivalent. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - i) the state of affairs of the Group and of the Company at 31 December 2001 and the results of their operations and cash flows for the year ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 23 to the financial statements and we have considered their financial statements and the auditors' report thereon, where applicable.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Jimmy Leow Min Fong**  
Partner  
Approval Number: 595/03/04(J/PH)

Kuala Lumpur  
24 April 2002

## Balance Sheets

31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Property, plant and equipment	2	134,186	134,925	232	182
Investments in subsidiaries	3	-	-	222,066	222,066
Investments in associates	4	5,421	4,334	-	-
Intangible assets	5	-	-	-	-
		<b>139,607</b>	<b>139,259</b>	<b>222,298</b>	<b>222,248</b>
<b>Current assets</b>					
Inventories	6	112,339	135,433	-	-
Trade and other receivables	7	133,165	130,765	15,100	18,618
Tax recoverable		2,409	-	-	-
Cash and cash equivalents	8	70,445	43,062	26,625	3,590
		<b>318,358</b>	<b>309,260</b>	<b>41,725</b>	<b>22,208</b>
<b>Current liabilities</b>					
Trade and other payables	9	86,519	88,367	29,187	16,990
Hire purchase payables	10	23	72	-	-
Borrowings	11	15,888	62,390	-	-
Taxation		11,979	8,669	-	-
		<b>114,409</b>	<b>159,498</b>	<b>29,187</b>	<b>16,990</b>
<b>Net current assets</b>		<b>203,949</b>	<b>149,762</b>	<b>12,538</b>	<b>5,218</b>
		<b>343,556</b>	<b>289,021</b>	<b>234,836</b>	<b>227,466</b>
<b>Financed by:-</b>					
<b>Capital and reserves</b>					
Share capital	12	201,600	201,600	201,600	201,600
Reserves	13	117,274	77,455	32,563	25,393
		<b>318,874</b>	<b>279,055</b>	<b>234,163</b>	<b>226,993</b>
<b>Long term and deferred liabilities</b>					
Borrowings	11	10,833	-	-	-
Deferred grant income	14	1,636	1,948	-	-
Deferred taxation		1,144	812	-	-
Retirement benefits		11,046	7,101	673	473
Hire purchase payables	10	23	105	-	-
		<b>24,682</b>	<b>9,966</b>	<b>673</b>	<b>473</b>
		<b>343,556</b>	<b>289,021</b>	<b>234,836</b>	<b>227,466</b>

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The notes set out on pages 49 to 69 form an integral part of, and, should be read in conjunction with, these financial statements.

## Income Statements

for the year ended 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	15	659,584	619,821	30,236	23,710
Cost of sales					
- Sale of goods		(522,780)	(507,460)	-	-
<b>Gross profit</b>		<b>136,804</b>	<b>112,361</b>	<b>30,236</b>	<b>23,710</b>
Distribution costs		(24,008)	(23,967)	-	-
Administration expenses		(34,394)	(31,191)	(3,142)	(3,355)
Other operating expenses		(1,085)	(2,532)	-	-
Other operating income		2,055	1,636	-	-
<b>Operating profit</b>	15	<b>79,372</b>	<b>56,307</b>	<b>27,094</b>	<b>20,355</b>
Financing cost		(1,737)	(2,385)	(222)	(16)
Interest income		1,308	694	230	34
Share of profit of associates		674	717	-	-
<b>Profit before tax</b>		<b>79,617</b>	<b>55,333</b>	<b>27,102</b>	<b>20,373</b>
Tax expense	17	(22,773)	(13,660)	(2,917)	(6,564)
<b>Net profit after taxation</b>		<b>56,844</b>	<b>41,673</b>	<b>24,185</b>	<b>13,809</b>
Basic earnings per ordinary share (sen)	18	<b>28.2</b>	<b>20.7</b>		
Dividends per ordinary share (sen)					
- excluding proposed final dividend	19	<b>5</b>	<b>5</b>		
- including proposed final dividend	19	<b>11</b>	<b>9</b>		

## Balance Sheets

31 December 2001

(in US\$ equivalent)

	Group	
	2001 US\$'000	2000 US\$'000
<b>Property, plant &amp; equipment</b>	35,405	35,600
<b>Investments in associates</b>	1,430	1,144
	<b>36,835</b>	<b>36,744</b>
<b>Current assets</b>		
Inventories	29,641	35,734
Trade and other receivables	35,136	34,503
Tax recoverable	636	-
Cash and cash equivalents	18,587	11,362
	<b>84,000</b>	<b>81,599</b>
<b>Current liabilities</b>		
Trade and other payables	22,828	23,315
Hire purchase payables	6	19
Borrowings (unsecured)	4,192	16,462
Taxation	3,161	2,287
	<b>30,187</b>	<b>42,083</b>
<b>Net current assets</b>	<b>53,813</b>	<b>39,516</b>
	<b>90,648</b>	<b>76,260</b>
<b>Financed by:-</b>		
<b>Capital and reserves</b>		
Share capital	53,193	53,193
Reserves	30,943	20,437
	<b>84,136</b>	<b>73,630</b>
<b>Long term and deferred liabilities</b>		
Borrowings	2,858	-
Deferred grant income	432	514
Deferred taxation	302	214
Retirement benefits	2,914	1,874
Hire purchase payables	6	28
	<b>6,512</b>	<b>2,630</b>
	<b>90,648</b>	<b>76,260</b>

The information contained on this page does not form part of the audited accounts of the Group. Figures for both 2001 and 2000 were converted into US Dollar equivalent using the same exchange rate of RM3.79=US\$1.00, which approximates that prevailing on 31.12.2001.

## Income Statements

31 December 2001  
 (in US\$ equivalent)

	Group	
	2001 US\$'000	2000 US\$'000
<b>Revenue</b>	174,033	163,541
<b>Cost of sales</b>	(137,937)	(133,894)
<b>Gross profit</b>	36,096	29,647
Distribution costs	(6,335)	(6,324)
Administration expenses	(9,075)	(8,230)
Other operating expenses	(286)	(668)
Other operating income	542	432
<b>Operating profit</b>	20,942	14,857
Financing cost	(458)	(629)
Interest income	345	183
Share of profit of associated	178	189
<b>Profit before tax</b>	21,007	14,600
Tax expense	(6,009)	(3,604)
<b>Net profit after tax for the year</b>	14,998	10,996
Basic earnings per share (cents)	7.44	5.45
Dividends per ordinary share (cents)		
- excluding propose final dividend	1.3	1.3
- including propose final dividend	2.9	2.4

*The information contained on this page does not form part of the audited accounts of the Group. Figures for both 2001 and 2000 were converted into US Dollar equivalent using the same exchange rate of RM3.79=US\$1.00, which approximates that prevailing on 31.12.2001.*

## Statement Of Changes In Equity

for the year ended 31 December 2001

Group	Note	Non distributable				- Distributable -		Total RM'000
		Share capital RM'000	Share Revaluation premium RM'000	reserve RM'000	Exchange adjustment RM'000	Merger deficit RM'000	Retained profits RM'000	
At 1 January 2000		201,600	18,852	5,447	(30)	(41,664)	62,248	246,453
Foreign exchange differences arising from translation		-	-	-	(184)	-	-	(184)
Listing expenses written off	5	-	(954)	-	-	-	-	(954)
Additional expenses		-	-	-	-	(675)	-	(675)
Net gains and losses not recognised in the income statement		-	(954)	-	(184)	(675)	-	(1,813)
Net profit for the year		-	-	-	-	-	41,673	41,673
Dividends paid - 2000 interim	19	-	-	-	-	-	(7,258)	(7,258)
<b>At 31 December 2000/ At 1 January 2001</b>		<b>201,600</b>	<b>17,898</b>	<b>5,447</b>	<b>(214)</b>	<b>(42,339)</b>	<b>96,663</b>	<b>279,055</b>
Foreign exchange differences arising from translation		-	-	-	(10)	-	-	(10)
Net gains and losses not recognised in the income statement		-	-	-	(10)	-	-	(10)
Net profit for the year		-	-	-	-	-	56,844	56,844
Dividends								
paid - 2000 final	19	-	-	-	-	-	(8,064)	(8,064)
paid - 2001 interim	19	-	-	-	-	-	(8,951)	(8,951)
<b>At 31 December 2001</b>		<b>201,600</b>	<b>17,898</b>	<b>5,447</b>	<b>(224)</b>	<b>(42,339)</b>	<b>136,492</b>	<b>318,874</b>

## Statement Of Changes In Equity

for the year ended 31 December 2001

Company	Note	- Non Distributable -		- Distributable -	Total
		Share capital	Share premium	Retained profits	
		RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2000</b>		201,600	18,852	944	221,396
Listing expenses written off	5	-	(954)	-	(954)
Net profit for the year		-	-	13,809	13,809
Dividends paid					
- 2000 interim	19	-	-	(7,258)	(7,258)
<b>At 31 December 2000</b>		201,600	17,898	7,495	226,993
Net profit for the year		-	-	24,185	24,185
Dividends paid					
- 2000 final	19	-	-	(8,064)	(8,064)
- 2001 interim	19	-	-	(8,951)	(8,951)
<b>At 31 December 2001</b>		201,600	17,898	14,665	234,163

Note 12

## Cash Flow Statements

for the year ended 31 December 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation	79,617	55,333	27,102	20,373
Adjustments for				
Depreciation of property, plant and equipment	23,376	17,851	49	28
Acquisition of subsidiary	48	-	-	-
Dividend income received	-	-	-	7,000
Gain on disposal of property, plant and equipment	(254)	(361)	-	-
Interest expenses	1,737	2,087	-	-
Interest income	(1,308)	(656)	-	-
Retirement benefits charged	4,070	1,904	231	473
Share of profit of associates	(674)	(717)	-	-
Merger debit	-	(675)	-	-
Amortisation of deferred income	(556)	(505)	-	-
Goodwill and deferred expenditure written off	273	359	-	2
Property, plant and equipment written off	277	-	-	-
Operating profit before working capital changes	106,606	74,620	27,382	27,876
(Increase)/Decrease in working capital:				
Inventories	23,096	(24,630)	-	-
Trade and other receivables	(2,400)	(8,013)	3,518	5,704
Trade and other payables	(2,221)	(26,447)	12,197	(11,476)
Cash generated from operations	125,081	15,530	43,097	22,104
Income tax paid	(21,736)	(6,418)	(2,917)	(6,564)
Income tax refund	-	191	-	-
Interest paid	(1,737)	(2,087)	-	-
Interest received	1,308	656	-	-
Grant income received	244	157	(31)	-
Retirement benefit paid	(125)	-	-	-
<b>Net cash generated from operating activities</b>	<b>103,035</b>	<b>8,029</b>	<b>40,149</b>	<b>15,540</b>

## Cash Flow Statements

for the year ended 31 December 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Cash flows from investing activities</b>				
Dividends received from associates	100	-	-	-
Purchase of property, plant and equipment	(23,164)	(25,558)	(99)	(210)
Acquisition of subsidiary	(106)	-	-	-
Proceeds from disposal of property plant and equipment	525	869	-	-
Acquisition of subsidiaries, net of cash acquired (i)	136	-	-	-
Investment in subsidiaries	-	-	-	364
Investment in associates	(355)	-	-	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(22,864)</b>	<b>(24,689)</b>	<b>(99)</b>	<b>154</b>
<b>Cash flows from financing activities</b>				
Repayment of hire purchase creditor	(131)	-	-	-
Dividend paid to shareholders	(17,015)	(13,306)	(17,015)	(13,306)
Repayment of short term borrowings	(5,000)	-	-	-
Increase in short term borrowings	-	2,621	-	-
Proceeds from term loan	15,000	-	-	-
<b>Net cash used in financing activities</b>	<b>(7,146)</b>	<b>(10,685)</b>	<b>(17,015)</b>	<b>(13,306)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>73,025</b>	<b>(27,345)</b>	<b>23,035</b>	<b>2,388</b>
Exchange difference	27	(339)	-	-
<b>Cash and cash equivalents at beginning of year</b>	<b>(14,328)</b>	<b>13,356</b>	<b>3,590</b>	<b>1,202</b>
<b>Cash and cash equivalents at end of year</b>	<b>58,724</b>	<b>(14,328)</b>	<b>26,625</b>	<b>3,590</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	70,445	43,062	26,625	3,590
Bills payable	(3,429)	(36,799)	-	-
Overdrafts	(8,292)	(20,591)	-	-
	<b>58,724</b>	<b>(14,328)</b>	<b>26,625</b>	<b>3,590</b>

## Cash Flow Statements

for the year ended 31 December 2001

i) *Acquisition of subsidiaries*

During the year, the Group acquired an additional 50% equity interest in the subsidiaries, APM Components America Inc. and APM Holdings Inc.. The fair values of assets and liabilities assumed were as follows:

	Group 2001 RM'000
Plant and equipment	58
Current assets	1,751
Current liabilities	(1,713)
	<hr/>
Net assets	96
Goodwill on acquisition	273
	<hr/>
Purchase price paid	369
Less: Cash and cash equivalents	(233)
	<hr/>
Cash flow on acquisition net of cash acquired	<u>136</u>

# Notes To The Financial Statements

31 December 2001

## 1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years.

### (a) Basis of accounting

The financial statements of the Group and of the Company are prepared in compliance with applicable approved accounting standards in Malaysia other than the early adoption of the accounting policy on proposed dividend which is now recognised as a liability in the year it is approved, in accordance with MASB 19, Events after the Balance Sheet Date.

### (b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the merger method of accounting.

Under the merger method of accounting, the difference between the cost of acquisition and the nominal value of the share capital and reserves of the subsidiaries is taken to merger reserves.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

### (c) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interest in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

### (d) Property, plant and equipment

Property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation.

It is the Group's policy to state property, plant and equipment at cost. Revaluation of certain properties in 1984 was carried out primarily for the purpose of issuing bonus shares then in the Company and was not intended to effect a change in the accounting policy to one of revaluation of properties.

## Notes To The Financial Statements

31 December 2001

### (d) Property, plant and equipment *(cont'd)*

In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on the adoption of International Accounting Standards ("IAS") No.16 (Revised) on "Property, Plant and Equipment", the valuations of these assets have not been updated and they continue to be stated at their existing carrying amounts less accumulated depreciation.

The Directors are of the opinion that the current market values of the revalued properties are not less than their net book values as at 31 December 2001.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. In determining the recoverable amount of property, plant and equipment, expected future cash flows are discounted to its present value. The impairment loss is charged to the income statement, unless it reverses a previous revaluation, in which case it is charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred. Such subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

### (e) Depreciation

Freehold land is not amortised. Leasehold land is amortised in equal instalments over the period of the respective leases which range from twenty-five to thirty-nine years while buildings are depreciated on a straight line basis over the shorter of 50 years or the lease period.

The straight-line basis is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates of depreciation:-

Buildings	2% - 4%
Plant, machinery and equipment	10% - 25%
Furniture, fixtures, fittings and office equipment	10% - 33.3%
Motor vehicles	10% - 20%

### (f) Investments

Long term investments are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

## Notes To The Financial Statements

31 December 2001

### (g) Inventories

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

Costs of manufactured inventories, work-in-progress and raw materials are determined primarily at standard cost adjusted for variances and approximates actual cost on a first-in-first-out basis.

Manufactured inventories and work-in-progress includes direct materials, labour and an appropriate proportion of fixed and variable production overheads.

Costs of trading inventories and spare parts are determined on a weighted average basis.

### (h) Intangible assets

Incorporation expenses incurred are classified as preliminary expenses while expenses incurred subsequent to the date of incorporation but before commencement of operation are classified as pre-operating expenses. Both preliminary and pre-operating expenses were to be amortised to the income statement over five (5) years commencing from the first year of operations.

Listing expenses incurred were deferred and to be amortised over a period of three (3) years commencing from 1 January 2000.

However, in compliance with Malaysia Accounting Standards Board ("MASB") Standards No. 1, the Group has charged all intangible assets relating to the issue of shares against share premium and written off the other intangible assets to the income statement during the last financial year.

### (i) Deferred grant income

Grant income from the World Bank arise from the installation of machinery for environmental control purposes. This is amortised on a straight line basis over a period of 10 years in line with the depreciation of the related machinery.

### (j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and short term borrowings.

### (k) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

## Notes To The Financial Statements

31 December 2007

### (l) Retirement benefits

The Group and the Company operate an unfunded defined benefits scheme for employees who have completed a qualifying period of service. The benefits payable on retirement are based on a fixed percentage of the basic salaries of the employees less the employer's statutory contribution to the Employees Provident Fund ("EPF"). A provision is made monthly for each employee regardless of whether the employee has completed the qualifying period of service. Should an employee leave before completing the qualifying period of service, the provision made for the employee is written back. No actuarial valuation has been conducted on the retirement benefits provision as the amount is insignificant to the Group and the Company. The Group and the Company have no obligation for the payment of retirement benefit beyond the amount provided.

### (m) Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

#### (ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Group's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at the average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

1 AUD	RM1.93	(2000 : 1 AUD	RM2.09)
1 USD	RM3.80	(2000 : 1 USD	RM3.80)
100 Yen	RM2.88	(2000 : 100 Yen	RM3.32)
1 CAD	RM2.50	(2000 : 1 CAD	RM2.50)

### (n) Revenue

#### i) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivables and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the income statement as and when the services are performed.

#### ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

## Notes To The Financial Statements

31 December 2001

(o) **Interest income**

Interest income is recognised in the income statements as it accrues, taking into account the effective yield on the asset.

(p) **Financing costs**

Financing costs comprise interest payable on borrowings.

All interest and other costs incurred in connection with borrowings are expensed as incurred.

### 2. Property, plant and equipment

Group	Long term leasehold land RM'000	Buildings RM'000	Land development RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
<i>Cost/valuation</i>								
Opening balance	42,773	41,477	277	171,531	12,887	5,236	429	274,610
Additions	443	153	-	18,683	1,993	1,350	542	23,164
Disposals	-	-	-	(3,360)	(218)	(591)	-	(4,169)
Written off	-	-	(277)	(1,472)	(2)	-	-	(1,751)
Transfers	-	-	-	587	-	-	(587)	-
Acquisition of subsidiary	-	-	-	-	106	-	-	106
Foreign exchange adjustment	-	-	-	(32)	-	(23)	-	(55)
Closing balance	43,216	41,630	-	185,937	14,766	5,972	384	291,905
<i>Representing items at:</i>								
Cost	26,479	34,980	-	185,935	14,766	5,974	384	268,518
1984 valuation	16,737	6,650	-	-	-	-	-	23,387
	43,216	41,630	-	185,935	14,766	5,974	384	291,905
<i>Accumulated depreciation</i>								
Opening balance	3,302	7,802	-	116,075	9,373	3,133	-	139,685
Charge for the year	713	1,137	-	19,152	1,552	822	-	23,376
Disposals	-	-	-	(3,159)	(205)	(534)	-	(3,898)
Written off	-	-	-	(1,472)	(2)	-	-	(1,474)
Acquisition of subsidiary	-	-	-	-	48	-	-	48
Foreign exchange adjustment	-	-	-	(9)	-	(9)	-	(18)
Closing balance	4,015	8,939	-	130,587	10,766	3,412	-	157,719

## Notes To The Financial Statements

31 December 2001

### 2. Property, plant and equipment (cont'd)

Group	Long term leasehold land RM'000	Buildings RM'000	Land development RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
<i>Net book value</i>								
At 31 December 2001	39,201	32,691	-	55,348	4,000	2,562	384	134,186
At 31 December 2000	39,471	33,929	-	55,479	3,514	2,103	429	134,925
Depreciation charge for the year ended 31 December 2000	691	1,132	-	14,042	1,315	671	-	17,851

#### Revaluation

The long term leasehold land and buildings are stated at Directors' valuation based on professional valuations on the existing use basis conducted in 1984.

The net book value of the revalued properties had they been stated at cost less accumulated depreciation calculated on original cost as required by the Malaysian Accounting Standards Board ("MASB") Standard No 15 on "Property, Plant and Equipment" is not shown as the records are not available since the revaluation was done in 1984.

The potential deferred tax liability relating to the increase in the carrying value of certain land and building upon their revaluation in 1984 is not shown as the amount is not material to the Group.

#### Assets under hire purchase

Included in property, plant and equipment of the Group are motor vehicles acquired under hire purchase agreements costing RM124,000 (2000 - RM133,000).

## Notes To The Financial Statements

31 December 2001

### 2. Property, plant and equipment *(cont'd)*

#### Company

	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
<i>Cost</i>			
Opening balance	77	133	210
Additions	99	-	99
Closing balance	176	133	309
<i>Accumulated depreciation</i>			
Opening balance	10	18	28
Charge for the year	22	27	49
Closing balance	32	45	77
<i>Net book value</i>			
At 31 December 2001	144	88	232
At 31 December 2000	67	115	182
Depreciation charge for the year ended 31 December 2000	10	18	28

### 3. Investments in subsidiaries

	Company	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost	223,105	223,105
Less: Allowance for diminution in value	(1,039)	(1,039)
	222,066	222,066

Details of the subsidiaries are shown in Note 23.

## Notes To The Financial Statements

31 December 2001

### 4. Investments in associates

	Group	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost	1,625	1,589
Share of post-acquisition reserves	3,796	2,745
	5,421	4,334
Group's share of net assets	5,421	4,334

The associates of the Group, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Principal activities	Group interest	
		2001 %	2000 %
APM-Coachair Sdn. Bhd.*	Distribution of coach air-conditioners	50	50
APM Irwin Seating Sdn. Bhd.*	Manufacture and sale of auditorium seats	50	50
Auto Culture Supplies Sdn. Bhd.*	Manufacture and sale of seat covers and related products	50	45
Diversified Furniture Systems Sdn. Bhd.*	Manufacture of office furniture	50	100

\* Owned via a 100% subsidiary, Auto Parts Holdings Sdn. Bhd.

During the financial year, due to the dilution of shareholdings in Diversified Furniture Systems Sdn. Bhd. through additional shares issued to an external investor, the company was converted from a subsidiary to an associate.

## Notes To The Financial Statements

31 December 2001

### 5. Intangible assets

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<i>Deferred expenditure</i>				
Opening balance	-	959	-	956
Written off to income statement	-	(5)	-	(2)
Written off to share premium reserve	-	(954)	-	(954)
Closing balance	-	-	-	-
<i>Goodwill</i>				
Opening balance	-	354	-	-
Written off to income statement	-	(354)	-	-
Closing balance	-	-	-	-

### 6. Inventories

	Group	
	2001 RM'000	2000 RM'000
Raw materials	54,736	56,792
Work-in-progress	13,231	10,833
Manufactured inventories and trading inventories	36,352	58,022
Spare parts and others	3,843	9,786
Goods-in-transit	4,177	-
	<b>112,339</b>	<b>135,433</b>

The following inventories are carried at net realisable value:

	2001 RM'000	2000 RM'000
Raw materials	8,943	11,345
Work-in-progress	56	1,287
Manufactured inventories and trading inventories	11,592	30,207
Spare parts and others	489	2,438
	<b>21,080</b>	<b>45,277</b>

## Notes To The Financial Statements

31 December 2001

### 7. Trade and other receivables

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade receivables	129,495	129,406	-	-
Less: Allowance for doubtful debts	(5,076)	(6,343)	-	-
	<b>124,419</b>	<b>123,063</b>	<b>-</b>	<b>-</b>
Subsidiaries	-	-	15,061	18,609
Associates	1,007	1,067	34	9
Other receivables, deposits and prepayments	7,739	6,635	5	-
	<b>133,165</b>	<b>130,765</b>	<b>15,100</b>	<b>18,618</b>

The amounts due from subsidiaries and associates are non-trade in nature, unsecured, have no fixed terms of repayments and are interest free.

Other receivables, deposits and prepayments consist of many individual items which are not significant to warrant subclassifications.

### 8. Cash and cash equivalents

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash and bank balances	14,390	7,127	693	156
Deposits	56,055	35,935	25,932	3,434
	<b>70,445</b>	<b>43,062</b>	<b>26,625</b>	<b>3,590</b>
Deposits are placed with:				
Licensed banks	30,123	24,701	-	-
Finance companies	25,932	11,234	25,932	3,434
	<b>56,055</b>	<b>35,935</b>	<b>25,932</b>	<b>3,434</b>

## Notes To The Financial Statements

31 December 2001

### 9. Trade and other payables

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade payables	41,011	44,861	-	-
Subsidiaries	-	-	27,442	16,485
Associates	2	-	-	28
Other payables and accruals	45,506	43,506	1,745	477
	<b>86,519</b>	<b>88,367</b>	<b>24,689</b>	<b>16,990</b>

The amounts due to subsidiaries and associates are non-trade in nature, unsecured, have no fixed terms of repayment and are interest free.

Other payables and accruals consist of many individual items which are not significant to warrant subclassifications.

### 10. Hire purchase payables

	Group	
	2001 RM'000	2000 RM'000
Hire purchase payables	42	169
Less: Interest in suspense	4	8
	<b>46</b>	<b>177</b>
Payable within one year	23	72
Payable after one year	23	105
	<b>46</b>	<b>177</b>

## Notes To The Financial Statements

31 December 2001

### 11. Borrowings

	Group	
	2001 RM'000	2000 RM'000
Current		
Bills payable - unsecured	3,429	36,799
Overdrafts - unsecured	8,292	20,591
Revolving credit - unsecured	-	5,000
Term loan - secured	4,167	-
	<u>15,888</u>	<u>62,390</u>
Non-current		
Long term loan - secured	10,833	-
	<u>10,833</u>	<u>-</u>

The borrowings of the Group are subject to interest at 2.65% to 8.39% (2000 - 3% to 8%) per annum.

The term loan is repayable in 36 equal monthly instalments, commencing from March 2002.

#### Term and debt repayment schedule

	Total RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Term loan - 4.15% (2000 - Nil)	15,000	4,167	10,000	833
	<u>15,000</u>	<u>4,167</u>	<u>10,000</u>	<u>833</u>

The term loan is secured by the assignment of rental proceeds from the tenants of the property.

### 12. Share capital

	Group and Company	
	2001 RM'000	2000 RM'000
Authorised:		
Ordinary shares of RM1.00 each	300,000	300,000
	<u>300,000</u>	<u>300,000</u>
Issued and fully paid:		
Ordinary shares of RM1.00 each	201,600	201,600
	<u>201,600</u>	<u>201,600</u>

## Notes To The Financial Statements

31 December 2001

### 13. Distributable reserves

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all its retained profits at 31 December 2001 if paid out as dividends.

### 14. Deferred grant income

	Group	
	2001 RM'000	2000 RM'000
Opening balance	3,319	3,162
Received during the year	244	157
	3,563	3,319
Accumulative amortisation	(1,927)	(1,371)
	1,636	1,948

### 15. Operating profit

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Revenue</b>				
- Sale of goods	659,584	619,821	-	-
- Services rendered	-	-	270	268
- Dividend income	-	-	29,966	23,442
	659,584	619,821	30,236	23,710

Operating profit is arrived at after crediting:

Amortisation of grant income	556	505	-	-
Foreign exchange gain				
- realised	35	317	-	-
- unrealised	856	154	-	-
Gain on disposal of property, plant and equipment	254	333	-	-
Tax exempt dividend received from				
- unquoted subsidiaries	-	-	19,548	-
Gross dividend received from				
- unquoted subsidiaries	-	-	10,418	23,442
Interest income	1,308	694	230	34
Reversal of allowance for doubtful debts	1,663	582	-	-
Discount from acquisition of associates	18	-	-	-
	18	-	-	-

## Notes To The Financial Statements

31 December 2001

### 15. Operating profit (cont'd)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>and after charging:</b>				
Audit fee				
- current year	144	144	14	14
- prior year	-	2	-	-
Amortisation of:				
- goodwill	-	73	-	-
Allowance for:				
- Diminution in value	-	-	1,664	1,039
- Doubtful debts	922	733	-	-
- Retirement benefits	4,070	1,904	231	10
Depreciation of property, plant and equipment	23,376	17,851	49	28
Property, plant and equipment written off	277	-	-	-
Deferred expenditure written off	-	5	-	2
Directors of the Company:				
- fees	120	108	120	108
- emoluments	942	810	942	810
- benefit in kind	38	30	38	30
Goodwill written off	273	354	-	-
Rental of Premises	1,432	1,765	-	-
Realised foreign exchange loss	286	-	-	-

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### 16. Employee information

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Staff costs	85,281	69,631	2,151	1,192

The number of employees of the Group (including Directors) and of the Company (including Directors) at the end of the year was 2,657 (2000 - 2,820) and 12 (2000 - 12) respectively.

## Notes To The Financial Statements

31 December 2001

### 17. Tax expense

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current tax expense - Malaysia	21,626	13,418	2,917	6,564
- foreign	-	11	-	-
Underprovision in prior years	1,011	-	-	-
Overprovision in prior years	-	(78)	-	-
	<b>22,637</b>	<b>13,351</b>	<b>2,917</b>	<b>6,564</b>
Deferred tax expense	332	-	-	-
	<b>22,969</b>	<b>13,351</b>	<b>2,917</b>	<b>6,564</b>
Tax expense on share of profits of associates				
- current year	-	309	-	-
- overprovision in prior years	(196)	-	-	-
	<b>22,773</b>	<b>13,660</b>	<b>2,917</b>	<b>6,564</b>

The Company's effective tax rate is lower than the prima facie tax rate mainly due to the availability of tax exempt dividend income.

Subject to the agreement by the Inland Revenue Board, the Group has potential deferred tax benefits not taken up in the financial statements under the liability method in respect of:

	Group	
	2001 RM'000	2000 RM'000
Unutilised tax losses	-	1,261
Other timing differences	25,164	29,636
	<b>25,164</b>	<b>30,897</b>

### 18. Earnings per share - Group

The calculation of earnings per share is based on the net profit attributable to shareholders of RM56,844,000 (2000 - RM41,673,000) and the number of ordinary shares in issue during the year of 201,600,000 (2000 - 201,600,000).

## Notes To The Financial Statements

31 December 2001

### 19. Dividends paid

	Group and Company	
	2001	2000
	RM'000	RM'000
Final in respect of the previous year		
4% tax exempt	8,064	-
Interim in respect of the year ended 31 December 2001:		
3% tax exempt	6,048	-
2% less tax (2000 - 5% less tax)	2,903	7,258
	17,015	7,258

#### *Proposed final dividend for the financial year ended 31 December 2001*

The Directors have recommended a final dividend of 3%, tax exempt and 3% less 28% tax totalling RM10,402,560 in respect of the year ended 31 December 2001, which will be paid after the financial year end subject to approval by the shareholders at the forthcoming Annual General Meeting.

The proposed final dividend has not been accounted for in the financial statements of the Group and of the Company as at 31 December 2001.

#### *Dividend per share*

##### Ordinary dividend

The calculation of dividend per share is based on the ordinary dividend for the financial year ended 31 December 2001 and the number of ordinary shares in issue during the year of 201.6 million (2000 - 201.6 million).

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	2001	2000	2001	2000
	RM'000	RM'000	sen per share	sen per share
Ordinary dividend paid	8,951	7,258	5	5
Proposed final dividend	10,403	8,064	6	4
Ordinary dividend including proposed final dividend	19,354	15,322	11	9

### 20. Segmental information

Segmental reporting is not disclosed as required by International Accounting Standards ("IAS") No. 14 on "Reporting Financial Information By Segment" as the Group predominantly manufactures and sells motor components and spare parts for the motor industry and operating principally in Malaysia.

## Notes To The Financial Statements

31 December 2001

### 21. Commitments

	Group	
	2001 RM'000	2000 RM'000
Capital commitments:		
Property, plant and equipment		
Contracted but not provided for in the financial statements	5,821	-

### 22. Related parties

Controlling related party relationships are as follows:

- i) The subsidiaries are disclosed in Note 23.
- ii) The substantial shareholders of the Company are Tan Chong Consolidated Sdn. Bhd. and Parasand Limited.

TCMH Group refers to companies in the Tan Chong Motor Holdings Berhad ("TCMH") Group after the reorganisation and demerger of the Autoparts and Non-Motor Division of TCMH Group and overseas operations.

TCIL Group refers to companies in the Tan Chong International Limited ("TCIL") Group. The TCIL Group was previously subsidiaries of the TCMH Group.

WTCH Group refers to companies in the Warisan TC Holdings Berhad ("WTCH") Group. The WTCH Group was previously subsidiaries of the TCMH Group.

#### *Transactions with related parties*

- i) Significant transactions with TCMH, TCIL and WTCH Groups in which certain Directors of the Company, namely Dato' Tan Kim Hor, Dato' Tan Heng Chew and Tan Eng Soon are deemed to have substantial financial interests, are as follows:-

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<i>With TCMH Group</i>				
Sales	79,863	61,452	-	-
Rental income	92	92	-	-
Purchases	1,425	2,586	-	134
Other purchases	1,956	893	698	701
Rental expenses	972	784	41	-
Management fee	28	28	28	28
<hr/>				
<i>With TCIL Group</i>				
Sales	3,560	6,071	-	-
Purchases	614	649	-	-
Other purchases	-	-	-	-

## Notes To The Financial Statements

31 December 2001

### 22. Related parties (cont'd)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<i>With WTCH Group</i>				
Sales	78	106	-	-
Other purchases	1,706	882	-	-

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

- ii) Significant transactions with Auto Dunia Sdn. Bhd., a company in which certain Directors of the Company, namely Ahmad bin Abdullah and Azman bin Badrillah have substantial financial interests, are as follows:

	Group	
	2001 RM'000	2000 RM'000
Sales	2,207	2,732
Purchases	1,801	6,703
Other purchases	29	739

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

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- iii) Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Company	
	2001 RM'000	2000 RM'000
Subsidiaries		
Management fees receivable	270	268
Interest income	26	4
Dividends received	29,966	23,442
Interest expense	222	-

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

## Notes To The Financial Statements

31 December 2001

### 23. Subsidiaries

The principal activities of the companies in the Group, their places of incorporation and the Group's interest are as follows:-

Name of Company	Principal activities	Group interest	
		2001 %	2000 %
APM Air-Conditioners Sdn. Bhd.	Manufacture of automotive air-conditioners	100	100
APM Auto Electrics Sdn. Bhd.	Manufacture of automotive electrical components	100	100
APM Coil Springs Sdn. Bhd.	Manufacture of automotive coil springs	100	100
APM Metal Industries Sdn. Bhd.	Manufacture of automotive metal component parts. Toward the end of the year, the Company changed its principal activity to the manufacture and assembly of automotive and non-automotive metal component parts and mechanism	100	100
APM Plastics Sdn. Bhd.	Manufacture of plastic injection and extrusion moulded parts and components	100	100
APM Shock Absorbers Sdn. Bhd.	Manufacture of shock absorbers and related component parts	100	100
APM Springs Sdn. Bhd.	Manufacture of tapered leaf springs	100	100
APM Trim Parts Sdn. Bhd.	Manufacture of vehicle interior parts and accessories	100	100
Auto Parts Holdings Sdn. Bhd.	Investment holding	100	100
Auto Parts Manufacturers Co. Sdn. Bhd.	Manufacture of automotive leaf springs, seats and radiators. Toward the end of the year, the Company ceased its leaf springs manufacturing activity	100	100
Auto Parts Marketing Sdn. Bhd.	Marketing of automotive parts and accessories	100	100
KAB Otomotif Sdn. Bhd.	Property holding	100	100
Perusahaan Tilam Kereta Sdn. Bhd.	Property holding	100	100

## Notes To The Financial Statements

31 December 2001

### 23. Subsidiaries (cont'd)

Name of Company	Principal activities	Group interest	
		2001 %	2000 %
Radiators Australia (2000) Pty. Ltd + (owned via 100% subsidiary, Auto Parts Holdings Sdn. Bhd.)	Distribution and assembly of automotive radiators	100	100
APM Auto Mechanisms Sdn. Bhd.	Property holding	100	100
APM Components America Inc.* (owned via 100% subsidiary, APM Holdings Inc.)	Distribution of furniture components	100	50
APM Holdings Inc.* (owned via 100% subsidiary, Auto Parts Holdings Sdn. Bhd.)	Investment holding	100	50
APM Motorsport Sdn. Bhd.	Trading and selling automotive parts and accessories	100	100
APM Chalmers Suspensions Sdn. Bhd.	Dormant	100	100
APM Radiators Sdn. Bhd.	Dormant	100	100
APM Tooling Centre Sdn. Bhd.	Dormant	100	100
Atsugi Parts Manufacturing Sdn. Bhd.	Dormant	100	100
Pandamaran Special Steel Sdn. Bhd.	Dormant	100	100
TC-Kinugawa Rubber Sdn. Bhd.	Dormant	100	100

Radiators Australia (2000) Pty Ltd is a company incorporated in Australia. APM Components America Inc. and APM Holdings Inc. are companies incorporated in Canada. The other subsidiary companies are incorporated in Malaysia.

+ Audited by overseas KPMG Firm

\* Companies not required to be audited and consolidated using management financial statements

On 30 June 2001, the Group acquired additional 50% share in APM Components America Inc. and APM Holdings Inc. for a total consideration of RM 369,000 to be satisfied by cash. The acquisition was accounted for using the acquisition method of accounting. In the six months ended 31 December 2001 the results of this subsidiaries were not considered material to the consolidated results for the year.

On 18 September 2001, APM Components (USA), Inc (owned via 100% subsidiary Auto Parts Holdings Sdn. Bhd.) was incorporated. As at year end, there was no share capital paid up. The Board has authorised the paid up capital to be not more than US\$50,000.

## Notes To The Financial Statements

31 December 2001

### 24. Comparative figures

The presentation and classification of certain items in the financial statements have been amended. Accordingly, comparative amounts for those items have been reclassified to ensure comparability with the current financial year.

	Group	
	As restated RM'000	As previously reported RM'000
<b>Cash flow statements</b>		
Provision for doubtful debts	-	733
Provision for royalties	-	1,429
Provision for sales promotion	-	243
Provision for inventories written back	-	(111)
Inventories	(24,630)	(24,519)
Trade and other receivables	(8,013)	(8,746)
Trade and other payables	(26,447)	(28,119)
	<hr/>	<hr/>

### Notes to the financial statements

Note 2	Property, plant and equipment		
	Building	41,477	41,754
	Land development	277	-
		<hr/>	<hr/>
Note 15	Operating profit		
	Directors of the Company		
	- emoluments	810	1,256
	- benefits in kind	30	46
		<hr/>	<hr/>
Note 19	Potential deferred tax benefit #		
	Unutilised tax losses	1,261	353
	Other timing differences	29,636	8,298
		<hr/>	<hr/>
		30,897	8,651
		<hr/>	<hr/>

# Potential deferred tax benefit which was stated at the 28% tax effect has been restated to its respective gross amount.

## Shareholders' Statistics

as at 8 April 2002

### SHARE CAPITAL

Authorised	: RM300,000,000
Issued & fully paid up	: RM201,600,000
Class of shares	: Ordinary shares of RM1.00 each
Voting rights	: 1 vote per ordinary share

### THIRTY LARGEST SHAREHOLDERS

	No. of Shares Held	%
1. Parasand Limited	40,320,000	20.0000
2. Tan Chong Consolidated Sdn Bhd	34,539,999	17.1329
3. Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	10,000,000	4.9603
4. Employees Provident Fund Board	8,707,000	4.3189
5. Mayban Nominees (Tempatan) Sdn Bhd Tan Chong Consolidated Sdn Bhd (N14011984860)	6,750,000	3.3482
6. Malaysian Assurance Alliance Berhad	4,002,000	1.9851
7. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (MLF)	3,747,000	1.8586
8. Lembaga Tabung Haji	3,065,000	1.5203
9. Cimsec Nominees (Tempatan) Sdn Bhd Allied Investments Limited for Tan Chong Consolidated Sdn Bhd	3,000,000	1.4881
10. Maju Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koperasi Pegawai-Pegawai Melayu Malaysia Berhad (MOCCIS)	2,563,000	1.2713
11. Hong Leong Assurance Berhad as Beneficial Owner (Life Division)	2,500,000	1.2401
12. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Azman bin Badrillah (01-00736-000)	2,500,000	1.2401
13. Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund Board (029)	2,325,000	1.1533
14. HSBC Nominees (Asing) Sdn Bhd DZ Bank INTL for Uni EM Fernost Treuhandkonto, Luxembourg	2,235,600	1.1089
15. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust (3548)	2,150,000	1.0665
16. Hong Leong Assurance Berhad as Beneficial Owner (General Div)	2,000,000	0.9921
17. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Ahmad bin Abdullah (01-00734-000)	2,000,000	0.9921
18. MCIS Insurance Berhad	1,531,000	0.7594
19. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chong Consolidated Sdn Bhd (014011528927)	1,350,000	0.6696
20. HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	1,000,000	0.4960

## Shareholders' Statistics

as at 8 April 2002

### THIRTY LARGEST SHAREHOLDERS (cont'd)

	No. of Shares Held	%
21. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (MLF2)	979,000	0.48562
22. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Bhd for Amanah Saham Wanita (N14011980040)	912,000	0.4524
23. Citicorp Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad (Prulink Eqty FD)	700,000	0.3472
24. Citicorp Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad (Par Fund)	685,000	0.3398
25. Citicorp Nominees (Asing) Sdn Bhd MLPFS for Hang Chooi Seng	670,750	0.3327
26. Malaysian Assurance Alliance Berhad As Beneficial Owner (Growth Fund)	648,000	0.3214
27. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Bhd for Amanah Saham Bank Islam Tabung Pertama (N14011940160)	601,000	0.2981
28. HSBC Nominees (Asing) Sdn Bhd UBS AG Zurich for Saimwall Commercial SA BVI	600,000	0.2976
29. Azman bin Badrillah	600,000	0.2976
30. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Commerce Asset Fund Managers Sdn Bhd for Tenaga Nasional Berhad Retirement Benefit Trust Fund (7/892-3)	600,000	0.2976
	<b>143,281,349</b>	<b>71.0721</b>

### ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares held	%
1 - 999	10,448	59.7028	3,692,511	1.8316
1,000 - 10,000	6,350	36.2857	17,394,668	8.6283
10,001 - 100,000	592	3.3828	16,292,565	8.0816
100,001 - 10,079,999	108	0.6171	89,360,257	44.3255
10,080,000 and above	2	0.0114	74,859,999	37.1329
<b>Total</b>	<b>17,500</b>	<b>100.0000</b>	<b>201,600,000</b>	<b>100.0000</b>

### SUBSTANTIAL SHAREHOLDERS (per Register of Substantial Shareholders)

	No. of Shares Held	%
1. Parasand Limited	40,320,000 *	20.0000
2. Tan Chong Consolidated Sdn Bhd	45,639,999 *	22.6389
3. Employees Provident Fund Board	11,168,000	5.5397

\* Dato' Tan Kim Hor, Dato' Tan Heng Chew, Dr. Tan Ban Leong, Messrs. Tan Beng Keong, Tan Boon Pun, Tan Eng Soon, Tan Hoe Pin, Dr. Tan Kang Leong and Mr. Tan Kheng Leong are deemed interested in the shares held by Tan Chong Consolidated Sdn Bhd and Parasand Limited by virtue of Section 6A of the Companies Act, 1965 and consequently, are substantial shareholders of APM Automotive Holdings Berhad.

## Group Properties

Location	Description	Land Area (sq m)	Tenure/ Expiry Date	Net Book Value (RM'000)	Age of Building (years)	Date of Last Revaluation	Date of Acquisition
Lot 1 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office & warehouse	40,545	Leasehold/ 21.06.2092	11,233	4	1984	1984
Lot 3 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office & warehouse	42,046	Leasehold/ 21.06.2092	10,663	7	1984	1984
Lot 600 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	40,354	Leasehold/ 19.10.2076	28,449	15	-	1999
Lot 601 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	20,234	Leasehold/ 19.10.2076	7,191	23	1984	1974
Lot 1621 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	22,573	Leasehold/ 6.4.2079	13,636	5	-	1996
Lot 13 Lorong Durian 3 Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu, Sabah	Light industrial building	195	Leasehold/ 16.11.2922	354	5	-	1995
Lot 14 Lorong Durian 3 Kian Yap Industrial Estate Off Km 9 Jalan Tuaran 88300 Kota Kinabalu, Sabah	Light industrial building	195	Leasehold/ 16.11.2922	403	5	-	2001

# Form Of Proxy



**APM AUTOMOTIVE HOLDINGS BERHAD**  
 (Company No. 424838-D)  
 (Incorporated in Malaysia)

I/We .....  
 of (address) .....

being a member of **APM AUTOMOTIVE HOLDINGS BERHAD**, hereby appoint (Name of Proxy/Proxies/Corporate Representative) ..... ,  
 or failing him (name) ..... of (address) .....

or failing the abovenamed proxy/proxies/corporate representative, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Fifth Annual General Meeting of the Company to be held at Grand Ballroom, Grand Seasons Hotel, No. 72 Jalan Pahang, 53000 Kuala Lumpur, Malaysia, on Wednesday, 29 May 2002 at 9.30 a.m., and at any adjournment thereof, as indicated below:

		For	Against
Resolution 1	Reports and Accounts		
Resolution 2	Final Dividend		
Resolution 3	Dato' Tan Kim Hor		
Resolution 4	Mr. Koo Sian Chu		
Resolution 5	Dato' N. Sadasivan N.N. Pillay		
Resolution 6	Mr. Tan Eng Hwa		
Resolution 7	Encik Mohd. Sharif Haji Yusof		
Resolution 8	Auditors		
Resolution 9	Section 132D of the Companies Act, 1965		

*(If you wish to instruct your proxy how to vote, insert a tick in the appropriate box. Subject to any voting instructions so given, the proxy will vote, or may abstain from voting on any resolution as he may think fit.)*

*If the member is an individual or joint shareholder:*

No of shares held: .....

.....  
 Signature Date: .....

*If the member is a corporation:*

The Common Seal of .....  
 was hereunto affixed in accordance with its  
 Articles of Association in the presence of

(seal)

No of shares held: .....

.....  
 Director Director/Secretary Date: .....

**Notes to Form of Proxy:**

1. A member entitled to vote is entitled to appoint a proxy or proxies (but not more than two) to attend and vote for him. A proxy need not be a member of the Company, and, where there are two proxies, the number of shares to be represented by each proxy must be stated.
2. In the case of a corporation, the form of proxy appointing a corporate representative must be executed under seal or under the hand of an officer or attorney duly authorised.
3. An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
4. The form of proxy must be deposited at the Registered Office of the Company, 62 - 68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

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Affix stamp here

The Company Secretaries  
**APM Automotive Holdings Berhad**  
62-68 Jalan Ipoh  
51200 Kuala Lumpur

..... fold here .....