



The largest autoparts manufacturer in Malaysia



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Notice of

Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of APM AUTOMOTIVE HOLDINGS BERHAD will be held at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia on Thursday, 24 May 2001 at 11.00 a.m. to transact the following businesses :

Ordinary Business: Reports and Accounts

1. To receive and consider the Statement of Accounts for the financial year ended 31 December 2000 together with the Reports of the Directors and Auditors thereto. **Resolution 1**

Ordinary Business: Final Dividend

2. To declare a final dividend of 4% tax exempt for the financial year ended 31 December 2000. **Resolution 2**

Ordinary Business: Directors

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. | Encik Ahmad bin Abdullah | Resolution 4 |
| ii. | Encik Azman bin Badrillah | Resolution 5 |
| iii. | Dato' Kamaruddin @ Abas bin Nordin | Resolution 6 |

Ordinary Business: Auditors

5. To re-appoint the Auditors and authorise the Directors to fix their remuneration. **Resolution 7**

Special Business: Directors' Fees

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

"RESOLVED BY WAY OF AN ORDINARY RESOLUTION THAT the aggregate fees payable to the Directors of the Company be hereby increased to an amount not exceeding RM250,000/- per annum for the financial year ended 31 December 2000 and for each financial year thereafter."

Resolution 8

Special Business: Amendment of Article 78 of the Articles of Association to Increase the Number of Directors

7. To consider and if thought fit, pass the following resolution as a special resolution:

"RESOLVED BY WAY OF A SPECIAL RESOLUTION THAT Article 78 of the Articles of Association of the Company as set out below (with deletions from and additions to the existing Article 78 marked-up for ease of reference) be and is hereby approved and adopted as Article 78, in substitution for, and to the exclusion of the existing Article 78.

Notice of

Annual General Meeting (cont'd)

" 78. Number of Directors

The Company may from time to time in general meeting increase or reduce the number of Directors, ~~and determine in what rotation such increased or reduced number shall go out of office.~~ Until otherwise determined by general meeting the number of Directors including a Managing Director shall not be less than three nor more than ~~nine~~ ten but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Directors or Director may, except in an emergency, act only for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company but for no other purpose. " "

Resolution 9

8. 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

30 April 2001

Notes:

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. To be valid, 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.

4. Explanatory Statement on Special Business relating to Directors' Fees

It is important that the Directors of the Company be adequately remunerated so that the Company will be able to retain and attract persons of calibre and credibility with the necessary skill and experience to manage the Company. The skill and experience of the Directors are required more particularly in the application of the principles set out in Part 1 of the Malaysian Code on Corporate Governance and compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance, which will be for the benefit of the shareholders of the Company. In addition, under the revamped Kuala Lumpur Stock Exchange Listing Requirements, with effect from 1 August 2001, the number of independent Directors would have to be increased. Therefore, it has become necessary for the aggregate amount of Directors' fees to be increased and approved in advance so that the Directors may be paid in the course of each financial year.

In accordance with Article 81.2 of the Company's Articles of Association, the Board recommends that shareholders approve in advance, an annual payment of directors' fees of an aggregate amount not exceeding RM250,000/-. The Board will seek fresh approval from the shareholders when there is a need to change the amount.

Article 81.2 of the Articles of Association of the Company reads as follows:

"Fees payable to all Directors shall be determined by the Company in general meeting and shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting. Such fees may be divided among the Directors in such proportions and manner as the Directors shall determine."

5. Explanatory Statement on Special Business on Amendment of Article 78 of the Articles of Association of the Company in relation to the increase in number of Directors
Under paragraph 15.02 of the revamped Listing Requirements of Kuala Lumpur Stock Exchange ("KLSE"), at least two directors or one-third of the Board of Directors of the Company, whichever is higher, must be independent Directors. Of the nine Directors on the present Board of the Company, two are independent Directors. The Company must appoint an additional Director who is independent to comply with paragraph 15.02.

Article 78 of the Articles of Association of the Company at present allows for a maximum of nine Directors to be appointed to the Board.

The Company seeks shareholders' approval to increase the maximum number of Directors to ten to allow for the appointment of an additional Director when a suitable person has been identified, in order to ensure compliance with the requirement that one-third of the Directors be independent Directors in paragraph 15.02 of the Listing Requirements of KLSE.

The other proposed amendments to Article 78 of the Articles of Association of the Company are in compliance with the other relevant revamped Listing Requirements of KLSE. KLSE granted approval of the proposed amendments on 19 April 2001.

Corporate

Information

DIRECTORS

Dato' Tan Heng Chew DJMK, JP
(Chairman)

Azman bin Badrillah
(Executive Director)
Koo Sian Chu

(Executive Director)

Dato' Tan Kim Hor DPMS, KMN, JP

Ahmad bin Abdullah
Tan Eng Soon
Tan Eng Hwa

Dato' N. Sadasivan DPMP, JSM, KMN

Dato' Haji Kamaruddin @ Abas bin Nordin DSSA, KMN

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)

Koo Sian Chu
(Executive Director)

COMPANY SECRETARIES

Lee Kwee Cheng
Chan Yoke-Lin

REGISTERED OFFICE

62 - 68 Jalan Ipoh, 51200 Kuala Lumpur

Telephone : (603) 4042 7644 / 4041 1044 Fax : (603) 4041 8846

E-mail : apmah@apm-automotive.com

Website : www.apm-automotive.com

REGISTRARS

M & C Services Sdn. Bhd.

11th Floor Wisma Damansara, Jalan Semantan,

Damansara Heights, 50490 Kuala Lumpur

Telephone : (603) 255 7188

AUDITORS

KPMG

Wisma KPMG, Jalan Dungun

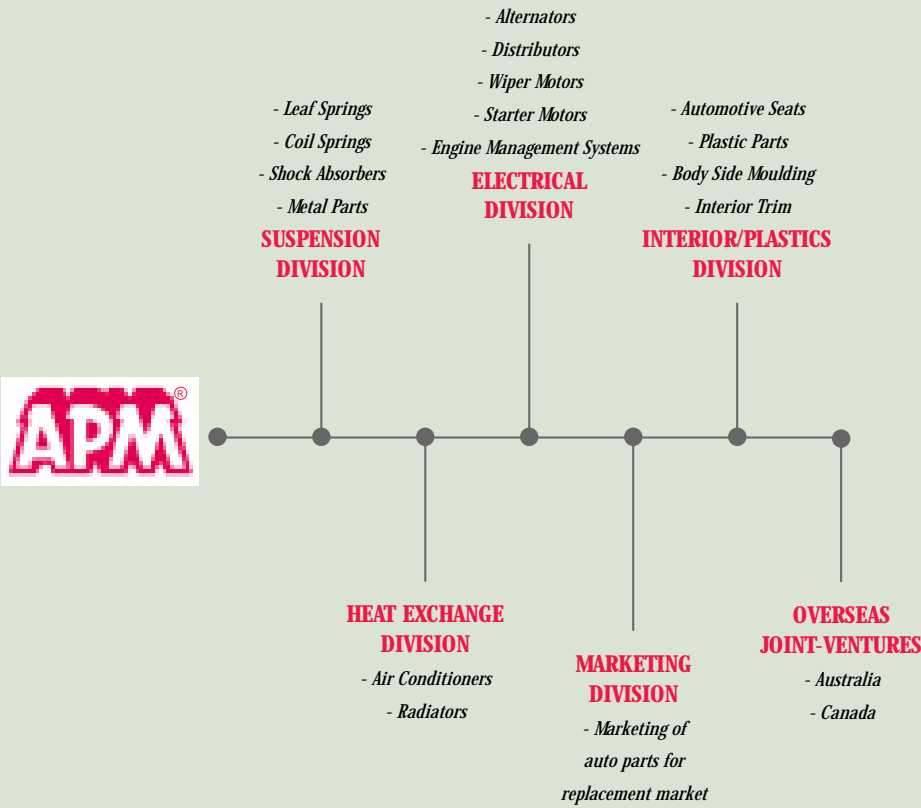
Damansara Heights, 50490 Kuala Lumpur

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange Main Board

Business

Divisions



Corporate

Calendar

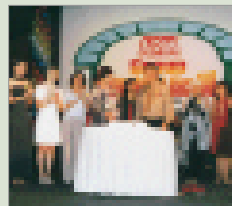
SEPTEMBER 2000

YAB Datuk Seri
Abdullah Ahmad Badawi,
the Deputy Prime Minister
officiated the launch
of our HARMONI
range of uPVC
window systems
produced by
APM Plastics Sdn. Bhd.



SEPTEMBER 2000

Anugerah Kecemerlangan
Inovatif Selangor
was awarded to
APM Shock Absorbers
Sdn. Bhd. by the
Menteri Besar
of Selangor on
September 14, 2000.



SEPTEMBER 2000

Y.B. Datuk
Dr. Fong Chan Onn,
the Human
Resources
Minister
visited APM Auto
Electrics Sdn. Bhd.
in conjunction
with the signing
of the in-house
union agreement.



SEPTEMBER 2000

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



Corporate

Calendar (cont'd)

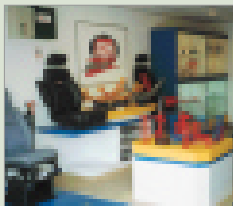
OCTOBER 2000

Automotive
seats displayed
at the
SEMA 2000
exhibition held
in Las Vegas,
USA.



NOVEMBER 2000

Commemoration
of the 10,000,000th
shock absorber
produced by APM
held at
Sheraton Imperial,
Kuala Lumpur.



SEPTEMBER 2000

Automotive seats
manufactured
by APM
were displayed
at Auto Mechanika
exhibition in
Frankfurt,
Germany.



OCTOBER 2000

APM Motorsport
Sdn. Bhd. opened
its showroom
and service centre
at Jalan PSJ11/20
Bandar Sunway
Technologi Park,
Selangor.



The Board of Directors is pleased to report that the Group achieved consolidated profit before tax of RM55.3 million in 2000 on the back of total revenue of RM619.8 million, compared with consolidated profit before tax of RM31.1 million with total revenue of RM423.2 million in 1999. This represents a 77.8% increase in consolidated profit before tax and 46.5% in revenue growth.

ORIGINAL EQUIPMENT (OE) MARKET

The motor industry in Malaysia enjoyed a very good year in 2000, with new motor vehicles registration increasing from 288,547 units in 1999 to 343,173 units in 2000, an 18.9% increase. The ease in obtaining motor vehicles financing and the continued improvement in the economic condition of the country have encouraged more consumers to purchase new motor vehicles.

PVC moulded door panel/
Panel pintu terbentuk PVC



Chairman's L a p o r a n P e n g a r a h Statement

The Group's sales of OE parts to the motor manufacturers/assemblers have increased in tandem with the growth in motor vehicle sales. In addition to the growth achieved from the sales of traditional OE parts such as seats, suspension components, electrical components and plastic parts, new products such as moulded PVC door panel and aluminum radiators also contributed to the sales growth.

Moulded PVC door panels are of higher value than traditional flat-type door panels and are currently used in more up-market vehicles because of its better appearance, whilst aluminum radiators are increasingly being used in new models for their lighter weight compared with conventional copper radiators. These new products required additional investments by the Group in new equipment and new technologies. Commercial production commenced during the year. APM supplies these products to both National and non-National cars in Malaysia.

Lembaga Pengarah berasa bangga melaporkan bahawa Kumpulan telah mencatatkan keuntungan bersatu sebelum cukai sebanyak RM55.3 juta pada tahun 2000 dari perolehan keseluruhan berjumlah RM619.8 juta, berbanding dengan keuntungan bersatu sebelum cukai sebanyak RM31.1 juta dari perolehan sebanyak RM423.2 juta pada tahun 1999. Ini merupakan peningkatan keuntungan bersatu sebelum cukai sebanyak 77.8% dan pertumbuhan perolehan sebanyak 46.5%.

Pasaran Peralatan Asal (OE)

Industri kenderaan bermotor di Malaysia menikmati tahun yang amat baik pada tahun 2000 dengan peningkatan jumlah pendaftaran kenderaan baru daripada 288,547 unit bagi tahun 1999 kepada 343,173 unit bagi tahun 2000, iaitu peningkatan sebanyak 18.9%. Kemudahan kredit kenderaan bermotor yang senang diperolehi dan keadaan ekonomi negara yang bertambah baik turut menggalakkan lebih ramai pengguna membeli kenderaan bermotor baru.

In addition, the Group had its first full year supply of Engine Management Systems (EMS) to certain models of National cars. The EMS is a critical component in the functioning of fuel-injection systems currently used in most new motor vehicles on the road today as manufacturers strive to improve the performance, fuel economy as well as exhaust emissions in modern engines.

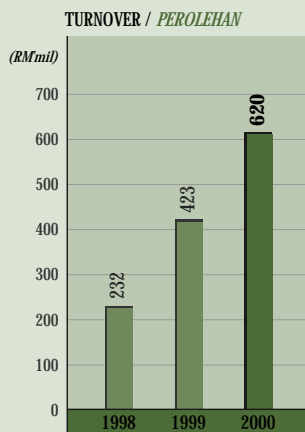
REPLACEMENT (RE) AND EXPORT MARKETS

The improved domestic economy resulted in higher RE sales for the Group, which registered 28.8% increase in 2000 when compared to 1999. The major RE products sold by the Group are shock absorbers, leaf springs, U-bolts, king pins and air-conditioning component parts.

Jumlah jualan peralatan OE kepada pengeluar/pemasang kenderaan bermotor telah meningkat seiring dengan pertumbuhan jualan kenderaan bermotor. Selain dari pertumbuhan jualan peralatan OE tradisional seperti kerusi kereta, komponen suspensi, komponen elektrik dan peralatan plastik, pengenalan produk-produk baru seperti panel pintu terbentuk PVC dan radiator aluminium turut menambah kepada pertumbuhan jualan keseluruhannya.

Panel-panel pintu terbentuk PVC adalah bernilai lebih tinggi daripada panel-panel pintu jenis rata dan kini digunakan dalam kenderaan bermotor kelas tinggi kerana penampilannya yang lebih menarik, sementara penggunaan radiator aluminium pada model-model kenderaan baru pula kian meningkat memandangkan beratnya yang lebih ringan berbanding dengan radiator kuprum konvensional. Produk-produk baru ini memerlukan perlaburan Kumpulan dalam

Shock absorber/
Penyerap hentak



peralatan baru dan teknologi canggih, dan seterusnya telah berjaya mencapai pengeluaran komersial pada tahun lepas. APM membekal produk-produk ini kepada kereta-kereta Nasional dan bukan Nasional di Malaysia.

Selanjutnya, Kumpulan juga telah membekalkan Sistem Pengurusan Enjin (EMS) bagi tahun penuh pertama kepada sesetengah model kereta Nasional. EMS merupakan komponen utama dalam fungsi sistem pemancitan bahan bakar yang kini luas digunakan dalam kenderaan bermotor baru memandangkan pengeluar berusaha mempertingkatkan prestasi, ekonomi dan juga emisi ekzos enjin moden.

Pasaran Penggantian (RE) dan Ekspot

Ekonomi domestik yang bertambah baik telah mendorong peningkatan jumlah jualan RE Kumpulan, yang mencatatkan peningkatan 28.8% pada tahun 2000 berbanding dengan tahun 1999. Produk-produk RE utama yang dijual oleh Kumpulan adalah penyerap hentak, leaf spring, U-bolt, kingpin, dan peralatan komponen pendingin hawa.

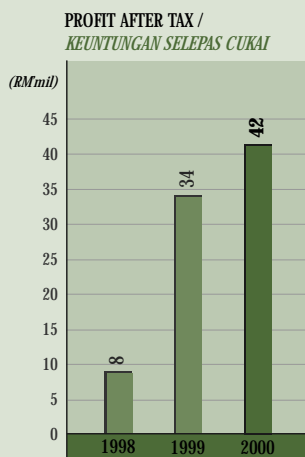
The Group's export sales grew by 25.1% in 2000. The Group continued its strong export push during the year. In addition to Europe, North America and Australia, the Group successfully developed certain new markets in Central and South America. A few new markets in countries such as El Salvador, Costa Rica and Guatemala were added to the Group's strong list of more than 40 export markets.

Our plastic division has been designated to supply certain plastic components to one of the major motor vehicle manufacturer in the far east region. Supply commenced towards end of 2000 to Taiwan, Philippines, Thailand, Vietnam and Indonesia. The full impact of this new customer on the Group's revenue should be realised in 2001.

Kumpulan meneruskan usahanya mempertingkatkan jualan eksport dan telah berjaya mencapai peningkatan sebanyak 25.1% dalam tahun 2000. Selain dari Eropah, Amerika Utara dan Australia, Kumpulan juga berjaya menebusi pasaran baru di Amerika Tengah dan Selatan. Beberapa negara baru seperti El Salvador, Costa Rica dan Guatemala turut ditambah kepada senarai yang kini merangkumi lebih daripada 40 buah negara sasaran eksport.

Bahagian plastik kami telah dinamakan sebagai pembekal komponen-komponen plastik tertentu kepada salah satu daripada pengeluar kenderaan bermotor utama di rantau Timur Jauh. Bekalan ke negara Taiwan, Filipina, Thailand, Vietnam dan Indonesia telah bermula pada hujung tahun 2000 dan kesan keseluruhan pelanggan baru ini terhadap perolehan Kumpulan seharusnya akan dirasai pada tahun 2001.

Chairman's L a p o r a n P e n g e r u s i Statement



Perbezaan dengan Ramalan Keuntungan

Dalam Dokumen Pengenalan bertarikh 18 November 1999 yang diterbitkan berkaitan dengan penyenaraian saham APM di Bursa Saham Kuala Lumpur, Pengarah-pengarah telah meramalkan keuntungan bersatu selepas cukai sebanyak RM24.3 juta bagi tahun 2000. Kumpulan berjaya mencapai keuntungan selepas cukai sebenar berjumlah RM41.7 juta, iaitu kelebihan sebanyak 71.6%. Perbezaan ini disebabkan jumlah jualan yang lebih tinggi dicatatkan oleh Kumpulan berbanding dengan jumlah jualan yang diramalkan ekoran pertumbuhan ekonomi dalam negara yang pesat.

Pencapaian Utama Tahun Lepas

Pada November 2000, APM meraihkan pengeluaran penyerap hentak ke 10 juta. APM mengeluarkan penyerap hentaknya yang pertama pada tahun 1978 dan peristiwa bersejarah ini melambangkan sesuatu pencapaian utama bagi Kumpulan. Sempena meraihkan peristiwa istimewa ini, satu majlis telah dianjurkan di sebuah hotel utama di Kuala Lumpur dengan kehadiran prinsipal, rakan bersekutu dan pengedar-pengedar kami.

VARIANCE FROM PROFIT FORECAST

In the Introduction Document dated 18 November 1999 issued in relation to the listing of APM shares on the Kuala Lumpur Stock Exchange, the Directors made a forecast consolidated profit after tax of RM24.3 million for year 2000. The Group achieved an actual consolidated profit after tax of RM41.7 million, thus exceeding the forecast by 71.6%. This variance was attributed to the higher sales registered by the Group resulting from the robust economic growth in the country, as compared to the forecast assumed.

HIGHLIGHTS OF THE YEAR

In November 2000, APM celebrated the production of its 10 millionth shock absorber. APM produced its first shock absorber in 1978 and this milestone marks a great



achievement for the Group. To commemorate this auspicious occasion, a special event was held at a major hotel in Kuala Lumpur, during which our principal, associates and dealers were present.

The production of shock absorbers is currently running at more than 120,000 pieces a month, thus enabling APM to achieve the economies of scale that is necessary to reduce unit cost and remain competitive on a global scale. Over the years, APM shock absorbers have not only been fitted as OE parts to many locally manufactured/assembled cars in Malaysia, it has also become a popular brand for replacement parts.

The Group also completed the installation of the production line for furniture gas lifts during the year. Production commenced in the month of August 2000. Sales of furniture gas lifts for domestic as well as the North America market have increased steadily.

Pengeluaran penyerap hentak Kumpulan kini melebihi tahap 120,000 unit setiap bulan. Ini membolehkan APM mencapai skala ekonomi yang diperlukan untuk mengurangkan kos unit dan mengekalkan daya persaingan secara global. Selama ini, penyerap hentak APM bukan sahaja telah dipasang sebagai peralatan OE pada kereta-kereta keluaran/pasangan Malaysia, bahkan telah juga menjadi satu jenama popular sebagai alat gantian.

Peralatan pengeluaran bagi pengangkat gas perabot telah siap di pasang oleh Kumpulan pada tahun lepas. Pengeluaran bermula pada bulan Ogos 2000 dan jualan pengangkat gas perabot di pasaran tempatan dan juga pasaran Amerika Utara semakin meningkat.

Kumpulan juga menubuhkan pejabat cawangan baru di Bangkok pada May 2000. Pejabat ini membolehkan APM menceburi pasaran peralatan otomobil di Thailand sebuah pusat pengeluaran otomotif utama di rantau Asean. Pada hujung tahun lepas, Kumpulan berjaya menembust pasaran RE Thailand.

The Group has also established a new branch office in Bangkok in May 2000. The office has enabled APM to penetrate the autoparts market in Thailand, a major automotive production center in Asean. By the end of the year, the Group achieved reasonable success in Thailand's RE market.

NEW BUSINESS

During the year, a new subsidiary Diversified Furniture Systems Sdn. Bhd. was incorporated with the intention to undertake the fabrication and distribution of office furniture systems as a joint venture with Diversified Malaysia Holdings Inc., a Canadian company. This new venture is part of the Group's continuing efforts to expand the Group's non-automotive range of products which are synergistic to the Group's core products, especially those related to our seat manufacturing business.

Perniagaan Baru

Pada tahun lepas, sebuah Syarikat subsidiari baru Diversified Furniture Systems Sdn Bhd telah ditubuhkan dengan tujuan mengeluarkan dan mengedar sistem perabot pejabat, sebagai satu usaha sama dengan Diversified Malaysia Holdings Inc, sebuah syarikat Kanada. Usaha sama ini merupakan sebahagian daripada usaha Kumpulan untuk memperkembangkan siri produk bukan otomotif Kumpulan yang sinergi dengan produk-produk utama Kumpulan, terutamanya yang berkaitan dengan perniagaan kerusi kereta kami.

Dividen

Satu dividen interim sebanyak 5% tolak 28% cukai (1999-sifar) berjumlah RM7.258 juta telah dibayar pada 23 Oktober 2000. Para Pengarah kini mencadangkan bayaran dividen akhir sebanyak 4% (dikecualikan cukai). Jika diluluskan oleh



*Diversified office furniture/
Perabot pejabat Diversified*

DIVIDENDS

An interim dividend of 5% less 28% tax (1999-nil) amounting to RM7.258 million was paid on 23 October 2000. The Directors recommend the payment of a final dividend of 4% tax exempt. If approved by the shareholders at the forthcoming Annual General Meeting, the final dividend amounting to RM8.064 million will be paid on 29 June 2001.

The net distribution for the 2000 will be RM15.322 million or 9% (gross) compared with the 3% tax exempt dividend amounting to RM6.05 million, paid in respect of 1999.

FUTURE PROSPECTS

The Malaysian Automotive Association (MAA) has forecasted motor vehicle sales to grow from 343,173 units in 2000 to 380,000 units in 2001. This represents an 11% increase. Historically, sales of the Group have demonstrated

pemegang-pemegang saham dalam Mesyuarat Agung Tahunan yang akan datang, dividen akhir berjumlah RM8.064 juta, akan dibayar pada 29 June 2001.

Pengagihan bersih bagi tahun 2000 berjumlah RM15.322 juta atau 9% (kasar) berbanding dengan dividen 3% (dikecualikan cukai) berjumlah RM6.05 juta yang dibayar pada tahun 1999.

Prospek Masa Depan

Persatuan Otomotif Malaysia (MAA) telah meramalkan jumlah jualan kenderaan bermotor meningkat daripada 343,173 unit pada tahun 2000 kepada 380,000 unit pada tahun 2001. Ini mewakili kadar peningkatan sebanyak 11%. Menurut pencapaian tahun-tahun lepas, jumlah jualan Kumpulan berubah seiring dengan jumlah jualan kenderaan bermotor dalam sesuatu tahun.

Pertumbuhan ekonomi tempatan yang kian lebih perlahan mungkin menjejaskan pertumbuhan perolehan pasaran alat

a strong correlation with the number of vehicles sold during the year.

The slowdown in the domestic economy may dampen the revenue growth in the replacement market. However, with the ever increasing vehicle population, the Group expects its suspension and heat exchange products to continue enjoying wide acceptance in the after market.

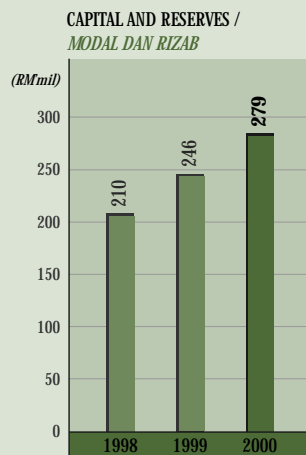
Export sales should show further improvement in line with our strong export push. The encouraging response experienced by the Group in the automotive shows in Europe and North America augurs well for increased sales for 2001. Many enquiries registered in the shows should translate into actual sales in 2001.

gantian. Walau bagaimanapun, dengan bertambahnya jumlah kenderaan bermotor, Kumpulan menjangka produk-produk suspensi dan pertukaran hawa akan luas diterima di pasaran gantian.

Jumlah jualan eksport dijangka menunjukkan peningkatan lagi seiring dengan usaha eksport yang kami perkuatkan. Reaksi menggalakkan yang diterima oleh Kumpulan di pameran otomotif di Eropah dan Amerika Utara merupakan pertanda baik kepada peningkatan jualan dalam tahun 2001. Banyak pertanyaan yang dicatat ketika masa pameran berpotensi menjadi jualan benar pada tahun 2001.

Walaupun kebanyakan ahli ekonomi meramalkan pertumbuhan KDNK yang lebih perlahan, Kumpulan meramal pencapaian tahun 2001 akan memuaskan.

Chairman's L a p o r a n P e n g e r u s i Statement



Dalam jangka masa panjang, Kumpulan pasti akan menemui persaingan yang lebih hebat lagi daripada barangan impot memandangkan pasaran peralatan otomobil yang beransur terbuka. Perjanjian Kawasan Dagangan Bebas Asean (AFTA) dalam tarif dan dagangan yang akan bermula pada 2003 merupakan satu cabaran hebat kepada Kumpulan. Memandangkan pengurangan kadar duti, peralatan impot akan menjadi lebih murah. Dalam usaha mengekalkan daya persaingan kami di era selepas AFTA, APM kini berusaha gigih untuk meningkatkan keberkesanan operasi dengan melancarkan inovasi dan pembinaan semula proses pengeluaran di samping mewujudkan pengikatan dengan pengeluar-pengeluar kenderaan dan komponen di rantau ini.

Penghargaan

Saya mengambil peluang ini untuk menyampaikan ucapan penghargaan ikhlas kepada pihak pengurusan dan kakitangan atas dedikasi dan ketekunan mereka pada tahun lepas. Tanpa dedikasi mereka, pencapaian Kumpulan yang cemerlang bagi tahun 2000 tidak mungkin tercapai. Saya ingin menyeru agar

Despite the slower GDP growth forecasted by most economists, the Group anticipates that the result for 2001 will be satisfactory.

On a longer term, the Group inevitably will face intense competition from imports as the autoparts market gradually opens up. The Asean Free Trade Area (AFTA) agreement on tariff and trade, due in 2003, will pose a severe challenge for the Group. As duties reduce, imported parts will become cheaper. In anticipation, and to remain competitive in the post-AFTA era, APM is stepping up its efforts to increase operating efficiency by process innovation and re-engineering as well as forging alliances with vehicle and component manufacturers in the region.

mereka terus berusaha dengan lebih gigih lagi demi meningkatkan daya produktiviti supaya APM dapat meningkatkan daya persaingan terutama sekali memandangkan persaingan pasaran yang dijangka semakin hebat.

Sebagai penamat, saya juga ingin merakamkan penghargaan Lembaga Pengarah kepada semua pelanggan yang dihormati, pembekal-pembekal, jurubank, rakan-rakan perniagaan serta para pemegang saham atas sokongan dan keyakinan berterusan mereka kepada Kumpulan.

Aluminium radiator/
Radiator aluminium



Chairman's L a p o r a n P e n g e r u s i Statement

ACKNOWLEDGEMENTS

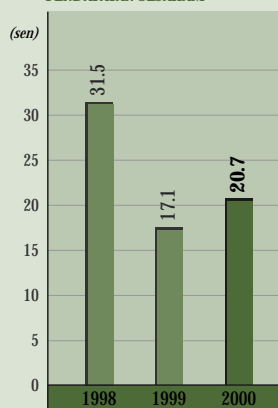
I would like to take this opportunity to extend the Board's appreciation to the Management and staff for their dedication and diligence during the past year, without which the Group's excellent results for 2000 would not be possible. I urge them to continue to work hard and strive for further improvements in productivity so that APM may increase its competitiveness in anticipation of the increasingly competitive environment ahead.

In closing, I would also like to put on record 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.

DATO' TAN HENG CHEW DJMK JP
Chairman/Pengerusi

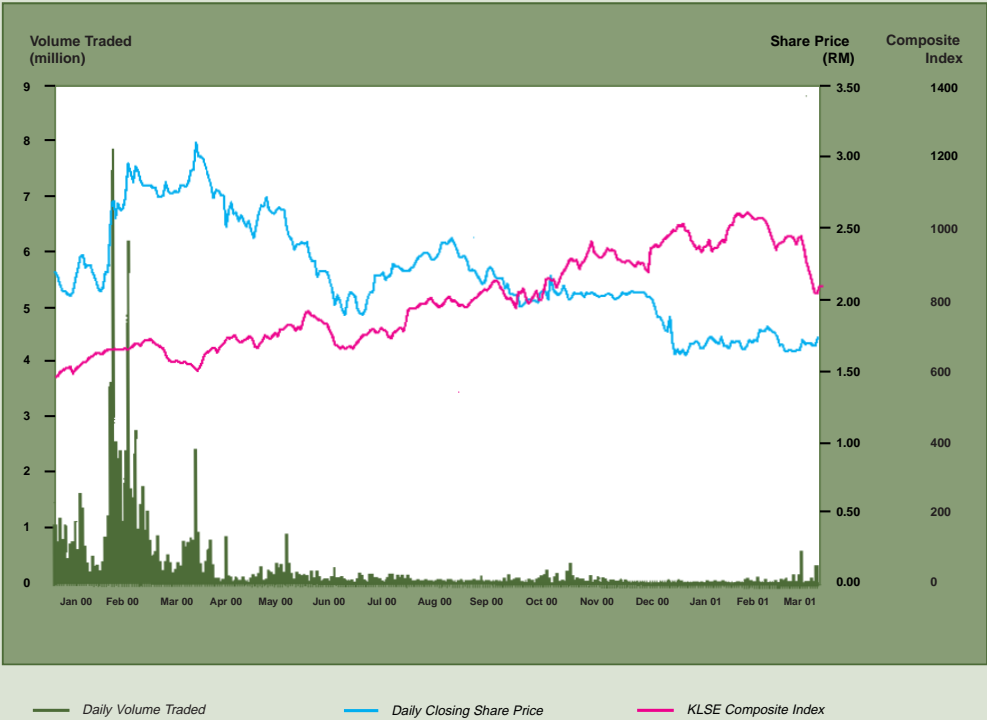
Kuala Lumpur
10 April 2001

EARNINGS PER SHARE /
PENDAPATAN SESAHAM



Share Price

and Volume Traded



Audit

Committee

TERMS OF REFERENCE

1. Membership

The Audit Committee shall be appointed by the Board amongst the Directors of the Company and shall consist of not less than 3 members, a majority of whom shall be Non-executive Directors. A quorum shall be 2 members.

The Chairman of the Audit Committee shall be appointed by the members of the Committee and must be a Non-executive Director.

2. Attendance at Meetings

The Finance Director and Head of Internal Audit shall attend Audit Committee meetings.

The external Auditor or his representative has the right to appear and be heard at any meeting of the Audit Committee. The external Auditor shall appear before the Audit Committee when required to do so by the Committee.

The Audit Committee shall meet with the external Auditor without any officers of the Company present once a year.

The Company Secretary shall be the Secretary of the Audit Committee.

3. Frequency of Meetings

Audit Committee meetings shall be held not less than three times a year.

The external Auditor may request an Audit Committee meeting if he considers that one is necessary. The Chairman of the Audit Committee, upon the request of the external Auditor, shall convene a meeting of the Audit Committee to consider any matters the external Auditor believes should be brought to the attention of the Directors or Shareholders.

4. Reporting Procedures

The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

5. Authority

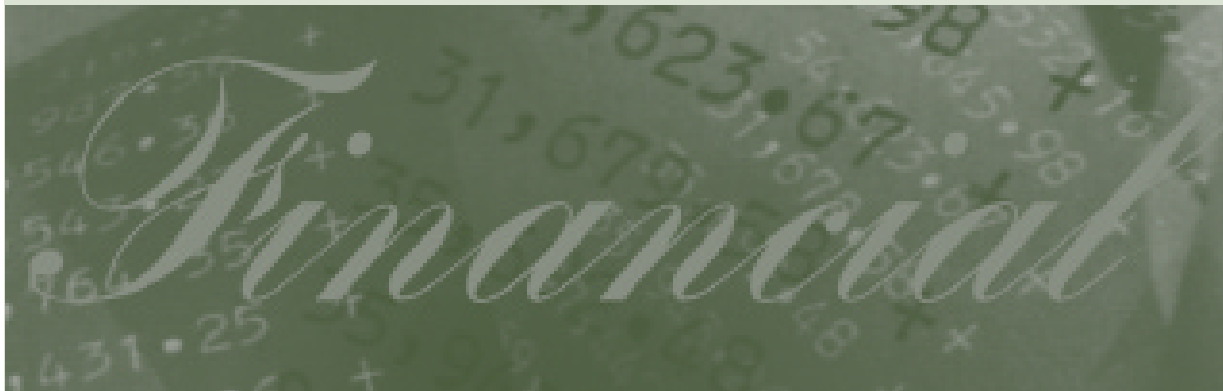
The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

6. Duties & Responsibilities

The following are the duties and responsibilities of the Audit Committee:

- To consider the appointment of the external Auditor, the audit fee and any questions of resignation or dismissal;
- To discuss with the external Auditor before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
- To review quarterly and annual financial statements before submission to the Board, focusing particularly on:
 - * any changes in accounting policies and practices
 - * major judgemental areas
 - * significant adjustments resulting from the audit
 - * the going concern assumption
 - * compliance with accounting standards
 - * compliance with stock exchange and legal requirements
- To discuss problems and reservations arising from the interim and final audits, and any matters the external Auditor may wish to discuss (in the absence of management, if necessary);
- To review the internal audit programme, consider the major findings of internal audit investigations and management's response and ensure co-ordination between the internal and external Auditors;
- To keep under review the effectiveness of internal control systems and, in particular, review the external Auditor's management letter and management's response; and
- To consider other matters as may be agreed to by the Audit Committee and the Board of Directors.



F i n a n c i a l S t a t e m e n t
For the year ended 31 December 2000

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Directors' report

for the year ended 31 December 2000

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 2000.

Principal activities

The Company is principally an investment holding company. The principal activities of the subsidiaries are as stated in Note 25 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 after tax	41,673	13,809

Reserves

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:-

- i) a final dividend of 3%, tax exempt totalling RM6,048,000 in respect of the year ended 31 December 1999.
- ii) an interim dividend of 5% less tax at 28%, totalling RM7,258,000 in respect of the year ended 31 December 2000.

The final dividend recommended by the Directors in respect of the year ended 31 December 2000 is 4%, tax exempt, totalling RM8,064,000.

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
Ahmad bin Abdullah
Tan Eng Soon
Dato' N. Sadasivan s/o N.N. Pillay
Dato' Kamaruddin @ Abas bin Nordin
Tan Eng Hwa

Directors' report

for the year ended 31 December 2000 (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:-

		Ordinary shares of RM1.00 each		
	At	Bought	Sold	At
Name	1.1.2000			31.12.2000
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	1,024,200	11,085,000	8,543,000	3,566,200
Dato' Tan Kim Hor	461,225	-	-	461,225
Ahmad bin Abdullah	-	13,235,000	10,721,000	2,514,000
Tan Eng Soon	210,000	-	-	210,000
Dato' Kamaruddin @ Abas bin Nordin	25,448	975,000	489,000	511,448
Tan Eng Hwa	669,908	-	-	669,908

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	-	15,000	5,000	10,000

Dato' Tan Heng Chew, Dato' Tan Kim Hor, Tan Eng Soon and Tan Eng Hwa have deemed interests in the shares.

Dato' Tan Heng Chew, Dato' Tan Kim Hor, Azman bin Badrillah, Tan Eng Soon and Tan Eng Hwa 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 2000 had any interest in the ordinary shares of the Company and 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 emoluments 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 interest in companies which traded with certain related companies in the ordinary course of business as well as advances to and from companies in which certain Directors have significant financial interest.

Directors' report

for the year ended 31 December 2000 (*cont'd*)

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 other than the allocation by the Ministry of International Trade and Industry ("MITI") to the following Directors of the Company to purchase from the holding company, Tan Chong Motor Holdings Berhad ("TCMH") ordinary shares of RM1 each in the Company and Warisan TC Holdings Berhad ("WTCH") at RM1.74 and RM1.82 per ordinary share respectively as follows:-

	Allocated And Accepted	Number of shares of RM1 each		
		Balance at 1.1.2000	Purchased from TCMH	Balance at 31.12.2000
APM Automotive Holdings Berhad				
- Ahmad bin Abdullah	13,235,000	13,235,000	(13,235,000)	-
- Azman bin Badrillah	13,235,000	11,085,000	(11,085,000)	-
- Dato' Haji Kamaruddin @ Abas bin Nordin	1,000,000	975,000	(975,000)	-
	27,470,000	25,295,000	(25,295,000)	-
Warisan TC Holdings Berhad				
- Ahmad bin Abdullah	4,000,000	4,000,000	(4,000,000)	-

As a condition for the listing of the Company on the Kuala Lumpur Stock Exchange in 1999, TCMH was required to dispose of 30% or 60,480,000 shares in the Company to Bumiputera investors approved by MITI.

The arrangement was undertaken pursuant to the reorganisation and demerger of the Autoparts Division of TCMH Group. As at 31 December 2000, 30% of the equity interest in the Company has been disposed by TCMH to Bumiputera investors approved by MITI.

The details of the subsidiary companies acquired are stated in Note 25 to the financial statements.

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 statement 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 provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

Directors' report

for the year ended 31 December 2000 (*cont'd*)

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 provision 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 or of the Company to meet their obligations as and when they fall due.

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 2000 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
Executive Director

AZMAN BIN BADRILLAH
Executive Director

Kuala Lumpur,
10 April 2001

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 24 to 51, except for pages 26 and 27 which are expressed in US\$, 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 2000 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
Executive Director

AZMAN BIN BADRILLAH
Executive Director

Kuala Lumpur,
10 April 2001

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 24 to 51 are, except for pages 26 and 27 which are expressed in US\$, 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.

Subscribed and solemnly declared by the abovenamed
LEE KWEE CHENG at Kuala Lumpur this 10th day of April 2001.

Before me:
MOHD RADZI BIN YASIN
No. W327
Commissioner for Oaths
(*Persuruhjaya Sumpah*)
Kuala Lumpur

Report of the Auditors to the Members

We have audited the financial statements set out on pages 9 to 32, except for pages 26 and 27 which are expressed in US\$. 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 2000 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 25 to the financial statements and we have considered its financial statements and the auditors' report thereon.

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
Public Accountants

Kuala Lumpur,
10 April 2001

Jimmy Leow Min Fong

Partner
Approval Number: 595/3/02 (J/PH)



Balance sheets

31 December 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Property, plant and equipment	2	134,925	127,817	182	-
Investments in subsidiaries	3	-	-	222,066	222,430
Investments in associates	4	4,334	3,927	-	-
Intangible assets	5	-	1,313	-	956
		139,259	133,057	222,248	223,386
Current assets					
Inventories	6	135,433	110,803	-	-
Trade and other receivables	7	130,765	122,984	18,618	24,322
Dividend receivable		-	-	-	7,000
Cash and cash equivalents	8	43,062	19,044	3,590	1,202
		309,260	252,831	22,208	32,524
Current liabilities					
Trade and other payables	9	88,367	114,814	16,990	28,466
Hire purchase payables	10	72	131	-	-
Borrowings (unsecured)	11	62,390	8,067	-	-
Taxation		8,669	1,776	-	-
Proposed dividend		-	6,048	-	6,048
		159,498	130,836	16,990	34,514
Net current assets/(liabilities)		149,762	121,995	5,218	(1,990)
		289,021	255,052	227,466	221,396
Financed by:-					
Capital and reserves					
Share capital	12	201,600	201,600	201,600	201,600
Reserves	13	77,455	44,853	25,393	19,796
		279,055	246,453	226,993	221,396
Long term and deferred liabilities					
Deferred grant income	14	1,948	2,296	-	-
Deferred taxation	15	812	812	-	-
Retirement benefits		7,101	5,197	473	-
Hire purchase payables	10	105	294	-	-
		9,966	8,599	473	-
		289,021	255,052	227,466	221,396

The notes set out on pages 30 to 50 form an integral part of, and, should be read in conjunction with, these financial statements.

Income statements

for the year ended 31 December 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue	16	619,821	423,189	23,710	7,011
Operating profit	16	56,307	29,739	20,355	6,992
Financing cost	18	(2,385)	(1,044)	(16)	-
Interest income	19	694	1,994	34	-
Share of profit of associates		717	380	-	-
Profit before tax		55,333	31,069	20,373	6,992
Income tax expense	20	(13,660)	3,266	(6,564)	-
Profit after taxation		41,673	34,335	13,809	6,992
Minority interests		-	170	-	-
Net profit after tax for the year		41,673	34,505	13,809	6,992
Basic earnings per ordinary share (sen)	21	20.7	17.1		
Dividends per ordinary share (sen)					
- excluding proposed final dividend	22	5	-	5	-
- including proposed final dividend	22	9	3	9	3

The notes set out on pages 30 to 50 form an integral part of, and, should be read in conjunction with, these financial statements.

Balance sheet

31 December 2000
(in US\$ equivalent)

	Group	
	2000 US\$'000	1999 US\$'000
Property, plant & equipment	35,600	33,725
Investment in associates	1,144	1,036
Intangible assets	-	346
	36,744	35,107
Current assets		
Inventories	35,734	29,236
Trade and other receivables	34,503	32,450
Cash and cash equivalents	11,362	5,025
	81,599	66,710
Current liabilities		
Trade and other payables	23,315	30,293
Hire purchase payables	19	35
Borrowings (unsecured)	16,462	2,128
Taxation	2,287	469
Proposed dividend	-	1,596
	42,083	34,521
Net current assets	39,516	32,189
	76,260	67,296
Financed by:-		
Capital and reserves		
Share capital	53,193	53,193
Reserves	20,437	11,835
	73,630	65,028
Long term and deferred liabilities		
Deferred grant income	514	606
Deferred taxation	214	214
Retirement benefits	1,874	1,371
Hire purchase payables	28	77
	2,630	2,268
	76,260	67,296

The information contained on this page does not form part of the audited accounts of the Group. Figures for both 2000 and 1999 were converted into US Dollar equivalent using the same exchange rate of RM3.79=US\$1.00, which approximates that prevailing on 31.12.2000.

Income statement

31 December 2000
(in US\$ equivalent)

	Group	
	2000	1999
	US\$'000	US\$'000
Revenue	163,541	111,659
Operating profit	14,857	7,847
Financing cost	(629)	(275)
Interest income	183	526
Share of profit of associated	189	100
Profit before tax	14,600	8,198
Income tax expense	(3,604)	862
Profit after taxation	10,996	9,060
Minority interests	-	45
Net profit after tax for the year	10,996	9,105
Basic earnings per ordinary share (cents)	5.45	4.51
Dividends per ordinary share (cents)		
- excluding proposed final dividend	1.3	-
- excluding proposed final dividend	2.4	0.8

The information contained on this page does not form part of the audited accounts of the Group. Figures for both 2000 and 1999 were converted into US Dollar equivalent using the same exchange rate of RMB.79=US\$1.00, which approximates that prevailing on 31.12.2000.

Cash flow statements

for the year ended 31 December 2000

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	55,333	31,069	20,373	6,992
Adjustments for				
Amortisation of goodwill	-	100	-	-
Depreciation and amortisation of property, plant and equipment	17,851	16,034	28	-
Dividend income not received in 1999	-	-	7,000	(7,000)
Deferred expenditure amortised	-	-	-	1
Gain on disposal of property, plant and equipment	(361)	(25)	-	-
Interest expenses	2,087	1,044	-	-
Interest income	(656)	(1,994)	-	-
Provision for doubtful debts	733	783	-	-
Bad debts recovered	-	(1,207)	-	-
Provision for retirement benefits	1,904	941	473	-
Provision for royalties	1,429	706	-	-
Provision for sales promotion	243	330	-	-
Provision for slow moving inventories	-	5,003	-	-
Share of profit of associates	(717)	(380)	-	-
Merger debit	(675)	(41,664)	-	-
Amortisation of grant income	(505)	(220)	-	-
Goodwill and deferred expenditure written off	359	-	2	-
Operating profit before working capital changes	77,025	10,520	27,876	(7)
(Increase)/Decrease in working capital:				
Inventories	(24,630)	(10,440)	-	-
Trade and other receivables	(8,746)	(698)	5,704	(24,322)
Trade and other payables	(28,119)	44,584	(11,476)	28,464
Cash generated from operations	15,530	43,966	22,104	4,135
Income taxes paid	(6,418)	(9,016)	(6,564)	-
Income tax refunded	191	-	-	-
Interest paid	(2,087)	(1,044)	-	-
Interest received	656	1,994	-	-
Grant income received	157	960	-	-
Net cash generated from operating activities	8,029	36,860	15,540	4,135

Cash flow statements

for the year ended 31 December 2000 (cont'd)

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Additional deferred expenditure incurred	-	(965)	-	(955)
Purchase of property, plant and equipment	(25,558)	(44,325)	(210)	(222,430)
Proceeds from disposal of property, plant and equipment	869	802	-	-
Investment in subsidiaries	-	-	364	-
Investment in associates	-	(320)	-	-
Minority interest acquired	-	(440)	-	-
Net cash used in investing activities	(24,689)	(45,248)	154	(223,385)
Cash flows from financing activities				
Dividends paid to shareholders	(13,306)	(195,000)	(13,306)	-
Repayment of term loans	-	(2,548)	-	-
Issuance of shares	-	194,642	-	220,452
Increase in short-term borrowings	2,621	2,379	-	-
Net cash (used in)/generated from financing activities	(10,685)	(527)	(13,306)	220,452
Net (decrease)/increase in cash and cash equivalents	(27,345)	(8,915)	2,388	1,202
Exchange difference	(339)	340	-	-
Cash and cash equivalents at beginning of year	13,356	21,931	1,202	-
Cash and cash equivalents at end of year	(14,328)	13,356	3,590	1,202
Cash and cash equivalents comprise:				
Cash and bank balances	43,062	19,044	3,590	1,202
Bills payable	(36,799)	(2,767)	-	-
Overdrafts	(20,591)	(2,921)	-	-
	(14,328)	13,356	3,590	1,202

The notes set out on pages 30 to 50 form an integral part of, and, should be read in conjunction with, these financial statements.

Notes to the accounts

31 December 2000

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 have been prepared under the historical cost convention, modified to include the revaluation of certain land and buildings in subsidiary companies, and in compliance with applicable approved accounting standards in Malaysia.

(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 termed as merger debit and is included in the Group's 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 recognized 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 accounts

31 December 2000 (cont'd)

(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 2000.

Surpluses arising from revaluation are dealt with in the property revaluation 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 will be 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 is 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) 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 include direct materials, labour and production overheads.

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

Notes to the accounts

31 December 2000 (cont'd)

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

However, in compliance with Malaysian Accounting Standards Board ("MASB") Standards No. 1, the Group has charged all intangible assets relating to the issue of shares against share premium and writing off the other intangible assets to the income statement during the current financial year. The change in accounting policy does not have a material impact on the financial statements.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

Notes to the accounts

31 December 2000 (*cont'd*)

(k) Foreign currency (*cont'd*)

(ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company'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 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:

One AUD	RM2.09
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(l) 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.

(ii) Dividend income

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

(m) Interest income

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

(n) Financing costs

Financing costs comprise interest payable on borrowings.

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

Notes to the accounts

31 December 2000 (cont'd)

2. Property, plant and equipment

Group	At 1.1.2000 RM000	Additions RM000	Disposals RM000	Transfer (out)/in RM000	Foreign exchange adjustment RM000	At 31.12.2000 RM000
Valuation/Cost						
Building	41,299	455	-	-	-	41,754
Long leasehold land	41,304	1,469	-	-	-	42,773
Plant, machinery and equipment	152,740	19,123	(1,259)	1,055	(128)	171,531
Motor vehicle	4,958	1,416	(1,138)	-	-	5,236
Furniture, fittings and office equipment	11,329	1,758	(200)	-	-	12,887
Work in-progress	147	1,337	-	(1,055)	-	429
	251,777	25,558	(2,597)	-	(128)	274,610

	Cost RM000	1984 Valuation RM000	At 31.12.2000 RM000
Representing:			
Building	35,081	6,650	41,731
Long leasehold land	26,036	16,737	42,773
Plant, machinery and equipment	171,554	-	171,554
Motor vehicle	5,236	-	5,236
Furniture, fittings and office equipment	12,887	-	12,887
Work in-progress	429	-	429
	251,223	23,387	274,610

Notes to the accounts

31 December 2000 (cont'd)

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

	At 1.1.2000 RM'000	Charge for the year RM'000	Disposals RM'000	Transfer (out)/in RM'000	Foreign exchange adjustment RM'000	At 31.12.2000 RM'000
Depreciation						
Building	6,670	1,132	-	-	-	7,802
Long leasehold land	2,611	691	-	-	-	3,302
Plant, machinery and equipment	102,971	14,042	(907)	-	(31)	116,075
Motor vehicle	3,483	671	(1,021)	-	-	3,133
Furniture, fittings and office equipment	8,225	1,315	(167)	-	-	9,373
Work in-progress	-	-	-	-	-	-
	123,960	17,851	(2,095)	-	(31)	139,685

	Net book value		Depreciation charge for the year ended 31 December 1999
	2000 RM'000	1999 RM'000	RM'000
Building	33,929	34,629	761
Long leasehold land	39,471	38,693	553
Plant, machinery and equipment	55,479	49,769	12,864
Motor vehicle	2,103	1,475	648
Furniture, fittings and office equipment	3,514	3,104	1,208
Work in-progress	429	147	-
	134,925	127,817	16,034

The long leasehold land and buildings were revalued in 1984 based on a valuation on the existing use basis by an independent professional valuer.

Assets under hire purchase

Included in property, plant and equipment of the Group are motor vehicles acquired under hire purchase agreement at cost of RM133,000 (1999 - RM403,000)

Notes to the accounts

31 December 2000 (cont'd)

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

Company	At 1.1.2000 RM000	Additions RM000	Disposals RM000	At 31.12.2000 RM000
Cost				
Motor vehicle	-	133	-	133
Furniture, fittings and office equipment	-	77	-	77
	-	210	-	210
Depreciation				
Motor vehicle	-	18	-	18
Furniture, fittings and office equipment	-	10	-	10
	-	28	-	28

	Net book value		Depreciation
	2000	1999	charge for the year
	RM000	RM000	ended 31.12.1999 RM000
Motor vehicle	115	-	-
Furniture, fittings and office equipment	67	-	-
	182	-	-

3. Investments in subsidiaries

	Company	
	2000	1999
	RM000	RM000
Unquoted shares, at cost	223,105	222,430
Less: Provision for diminution in value	(1,039)	-
	222,066	222,430

Details of the subsidiaries and their principal activities are stated in Note 25.

Notes to the accounts

31 December 2000 (cont'd)

4. Investments in associates

	Group	
	2000	1999
	RM000	RM000
Unquoted shares, at cost	1,589	1,589
Share of post-acquisition reserves	2,745	2,338
	4,334	3,927
Group's share of net assets	4,334	3,927

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

Name of company	Principal activities	Group interest	
		2000	1999
		%	%
APM-Coachair Sdn. Bhd.	Manufacture of coach air-conditioners	50	50
APM Irwin Seating Sdn. Bhd.	Manufacture of auditorium seats	50	50
Auto Culture Supplies Sdn. Bhd.	Manufacture of seat covers	45	45
APM Components America Inc.	Distribution of furniture components	50	50
APM Holdings Inc.	Investment holding	50	50

APM Components America Inc. and APM Holdings Inc. are companies incorporated in Canada. The other associated companies are incorporated in Malaysia.

Notes to the accounts

31 December 2000 (cont'd)

5. Intangible assets

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<i>Deferred expenditure</i>				
Opening balance	959	959	956	956
Written off to income statements	(5)	-	(2)	-
Written off to share premium reserve	(954)	-	(954)	-
Closing balance	-	959	-	956
<i>Goodwill</i>				
Opening balance	354	492	-	-
Written off to income statements	(354)	(138)	-	-
Closing balance	-	354	-	-
	-	1,313	-	956

6. Inventories

	Group	
	2000 RM'000	1999 RM'000
Raw materials	56,792	57,579
Work-in-progress	10,833	12,546
Finished goods and trading inventories	58,022	45,483
Spare parts and others	9,786	17,592
	135,433	133,200
Less: Provision for slow moving inventories	-	(22,397)
	135,433	110,803

The following inventories are carried at net realisable value as at 31 December 2000:

	RM'000
Raw materials	11,345
Work-in-progress	1,287
Finished goods and trading inventories	30,207
Spare parts and others	2,438
	45,277

Notes to the accounts

31 December 2000 (cont'd)

7. Trade and other receivables

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Trade receivables	129,406	119,310	-	-
Less: Provision for doubtful debts	(6,343)	(5,843)	-	-
	123,063	113,467	-	-
Subsidiaries	-	-	18,609	24,322
Associates	1,067	1,551	9	-
Other receivables deposits and prepayments	6,635	7,966	-	-
	130,765	122,984	18,618	24,322

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

8. Cash and cash equivalents

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	7,127	7,600	156	2
Deposits	35,935	11,444	3,434	1,200
	43,062	19,044	3,590	1,202
Deposits are placed with:				
Licensed banks	24,701	11,444	-	1,200
Finance companies	11,234	-	3,434	-
	35,935	11,444	3,434	1,200

Notes to the accounts

31 December 2000 (cont'd)

9. Trade and other payables

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Trade payables	44,861	65,667	-	-
Subsidiaries	-	-	16,485	27,410
Associates	-	-	28	-
Other payables and accruals	43,506	49,147	477	1,056
	88,367	114,814	16,990	28,466

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

10. Hire purchase payables

	Group	
	2000	1999
	RM'000	RM'000
Hire purchase payables	169	362
Less: Interest in suspense	8	63
	177	425
Payable within one year	72	131
Payable after one year	105	294
	177	425

11. Borrowings (unsecured)

	Group	
	2000	1999
	RM'000	RM'000
Current		
Bills payable	36,799	2,767
Overdrafts	20,591	2,921
Revolving credit	5,000	2,379
	62,390	8,067

The borrowings of the Group are subject to interest at 3% to 8% (1999 - 5% to 13%) per annum.

Notes to the accounts

31 December 2000 (cont'd)

12. Share capital

	Group and Company	
	2000	1999
	RM'000	RM'000
Authorised:		
Ordinary shares of RM0.50 each		
Balance at 1 January	-	100
Consolidation into ordinary shares of RM1.00 each	-	(100)
Balance at 31 December	-	-
Ordinary shares of RM1.00 each		
Balance at 1 January	300,000	-
Consolidation into ordinary shares of RM1.00 each	-	100
Created during the year - 299,900,000 new ordinary shares	-	299,900
Balance at 31 December	300,000	300,000
Issued and fully paid:		
Ordinary shares of RM0.50 each		
Balance at 1 January	-	*
Consolidation of two (2) subscribers' shares of RM0.50 each to one (1) share of RM1.00 each	-	*
Balance at 31 December	-	-
Ordinary shares of RM1.00 each		
Balance at 1 January	201,600	-
Consolidation of two (2) subscribers' shares of RM0.50 each to one (1) share of RM1.00 each	-	**
Issued during the year - 201,599,999 new ordinary shares	-	201,600
Balance at 31 December	201,600	201,600

* Share capital of RM1.00 which comprises two (2) ordinary shares of RM0.50 each.

** Share capital of RM1.00 which comprises one (1) ordinary share of RM1.00 each.

Notes to the accounts

31 December 2000 (cont'd)

13. Reserves

Group	Non distributable			Distributable		Total RM'000
	Share premium RM'000	Revaluation reserve RM'000	Exchange adjustment RM'000	Merger reserve RM'000	Retained profits RM'000	
At 1 January 1999	-	5,447	(124)	-	178,791	184,114
Foreign exchange differences arising from translation	-	-	94	-	-	94
Issue of shares	18,852	-	-	(41,664)	-	(22,812)
	18,852	-	94	(41,664)	-	(22,718)
Net profit after tax for the year	-	-	-	-	34,505	34,505
Dividends	-	-	-	-	(151,048)	(151,048)
At 31 December 1999	18,852	5,447	(30)	(41,664)	62,248	44,853
Foreign exchange differences arising from translation	-	-	(184)	-	-	(184)
Deferred expenditure written off	(954)	-	-	-	-	(954)
Additional expenses	-	-	-	(675)	-	(675)
	(954)	-	(184)	(675)	-	(1,813)
Net profit after tax for the year	-	-	-	-	41,673	41,673
Dividends	-	-	-	-	(7,258)	(7,258)
At 31 December 2000	17,898	5,447	(214)	(42,339)	96,663	77,455

	Note	Retained profits RM'000	Share premium RM'000	Total RM'000
Company				
At 1 January 1999		-	-	-
Net profit for the year		6,992	-	6,992
Dividends	22	(6,048)	-	(6,048)
Premium on share, issued during the year		-	18,852	18,852
At 31 December 1999 and 1 January 2000		944	18,852	19,796
Deferred expenditure written off		-	(954)	(954)
Net profit for the year		13,809	-	13,809
Dividends	22	(7,258)	-	(7,258)
At 31 December 2000		7,495	17,898	25,393

Notes to the accounts

31 December 2000 (cont'd)

13. Reserves (continued)

Subject to agreement by Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all its retained profits at 31 December 2000 if paid out as dividends.

14. Deferred grant income

	Group	
	2000 RM'000	1999 RM'000
Opening balance	3,162	2,202
Received during the year	157	960
	3,319	3,162
Accumulated amortisation	(1,371)	(866)
	1,948	2,296

15. Deferred taxation

	Group	
	2000 RM'000	1999 RM'000
At 1 January	812	782
Transferred from income statement	-	30
At 31 December	812	812

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	
	2000 RM'000	1999 RM'000
Unutilised fax losses	353	359
Other timing differences	8,298	8,098
	8,651	8,457

Notes to the accounts

31 December 2000 (cont'd)

16. Operating profit

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Sale of goods	619,821	423,189	-	-
- Services rendered	-	-	268	11
- Dividend income	-	-	23,442	7,000
	619,821	423,189	23,710	7,011
Cost of sales				
- Sale of goods	507,460	344,872	-	-
Gross profit	112,361	78,317	23,710	7,011
Distribution costs	(23,967)	(18,714)	-	-
Administration expenses	(31,191)	(32,166)	(3,355)	(19)
Other operating expenses	(2,532)	(222)	-	-
Other operating income	1,636	2,524	-	-
Operating profit	56,307	29,739	20,355	6,992

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Operating profit is arrived after crediting:				
Interest income	(694)	(1,994)	-	-
Provision for doubtful debts written back	(582)	-	-	-
Bad debts recovered	-	(1,207)	-	-
Gain on disposal of property, plants & equipment	(333)	(25)	-	-
Provision for slow moving inventories written back	-	(309)	-	-
Foreign exchange gain				
- realised	(317)	(1)	-	-
- unrealised	(154)	-	-	-
Rental income of buildings	-	(89)	-	-
Dividend receivable from subsidiaries	-	-	(23,442)	(7,000)
Amortisation of grant income	(505)	(202)	-	-

Notes to the accounts

31 December 2000 (cont'd)

16. Operating profit (cont'd)

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
and after charging:				
Auditors remuneration - current year	144	127	15	-
- prior year	2	-	-	-
Depreciation of property, plant and equipment	17,851	16,034	28	-
Director's remuneration:				
- fees	108	52	108	4
- emoluments	1,256	702	810	-
- benefits in kind	46	29	30	-
Amortisation of goodwill	-	100	-	-
Deferred expenditure written off	5	-	2	-
Goodwill written off	354	-	-	-
Provision for doubtful debts	733	783	-	-
Provision for sales promotion	243	330	-	-
Provision for royalties	1,429	706	-	-
Provision for retirement benefits	1,904	941	10	-
Rental of premises	1,765	4,275	-	-
Provision for slow moving inventories	-	5,312	-	-
Provision for diminution in value	-	-	1,039	-

17. Employees information

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Staff costs	69,631	60,016	1,192	-

The number of employees of the Group (including Directors) and of the Company (including Directors) at the end of the year was 2,820 (1999 - 2,555) and 12 (1999 - Nil) respectively.

Notes to the accounts

31 December 2000 (cont'd)

18. Financing costs

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Bills	1,381	79	-	-
Related parties - TCMH Group	298	554	3	-
Others	706	411	13	-
	2,385	1,044	16	-

19. Interest income

Interest income comprises interest from deposits and amounts only by related parties.

20. Tax expense

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Current tax expense - Malaysia	13,418	-	6,564	-
- foreign	11	20	-	-
Overprovision in prior years	(78)	(3,316)	-	-
	13,351	(3,296)	6,564	-
Deferred tax expense (Note 15)	-	30	-	-
	13,351	(3,266)	6,564	-
Tax expense on share of profits of associates	309	-	-	-
	13,660	(3,266)	6,564	-

Notes to the accounts

31 December 2000 (cont'd)

20. Tax expense (cont'd)

The Group's effective tax rate is lower than the prima facie tax rate mainly due to the claim of reinvestment allowance.

The Company's effective tax rate is higher than the prima facie tax rate mainly due to certain expenses not deductible for tax purposes.

No tax expense was provided on the operating profit of the Group and of the Company in the prior year in view of the tax waiver for 1999 pursuant to the Income Tax Act, 1999.

21. Earnings per share - Group

The calculation of earnings per share is based on the net profit attributable to shareholders of RM41,674,000 (1999 - RM34,505,000) and the number of ordinary shares in issue during the year of 201,600,000 (1999 - 201,600,000).

22. Dividends

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Interim: 5% less tax at 28% (1999 - 3% tax exempt)	7,258	6,048	7,258	6,048
Dividend paid by subsidiaries to former holding company	-	145,000	-	-
	7,258	151,048	7,258	6,048

Proposed final dividend for the financial year ended 31 December 2000

The Directors have recommended a final dividend of 4%, tax exempt totaling RM8,064,000 in respect of the year ended 31 December 2000, 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 2000.

Dividend per share

Ordinary dividend

The calculation of dividend per share is based on the ordinary dividend for the financial year ended 31 December 2000 and the number of ordinary shares in issue during the year of 201.6 million (1999 - 201.6 million).

Notes to the accounts

31 December 2000 (cont'd)

22. Dividends (cont'd)

	2000 RM000	1999 RM000	2000 sen per share	1999 sen per share
Ordinary dividend paid	7,258	6,048	5	3
Proposed final dividend	8,064	-	4	-
Ordinary dividend including proposed final dividend	15,322	6,048	9	3

23. 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 spare parts for motor vehicles and operating principally in Malaysia.

24. Related parties

Identity of related parties

The Group and the Company have a controlling party relationship with its subsidiaries, substantial shareholders of the Company and TCMH and WTCH Groups.

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

Notes to the accounts

31 December 2000 (cont'd)

24. Related parties (cont'd)

Transactions with TCMH and WTCB Groups

Significant transactions with TCMH and WTCB Groups other than those disclosed elsewhere in the financial statements are as follows:-

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
With TCMH Group				
Purchases	3,235	816	134	-
Interest expense payable	298	554	13	-
Rental expense payable	862	908	-	-
Management fees payable	85	12	85	-
Commission on policies purchased payable	685	127	685	-
Gross dividends payables	-	91,667	-	-
Sales	67,523	38,022	-	-
Interest income receivable	38	1,493	-	-
With WTCB Group				
Purchases	882	1,413	-	-
Rental expense payable	-	3,079	-	-
Sales	106	93	-	-

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

Other related party transactions

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

	Company	
	2000 RM'000	1999 RM'000
Subsidiaries		
Management fees receivable	268	11
Interest income receivable	4	-
Gross dividends receivable	23,442	7,000

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

Notes to the accounts

31 December 2000 (cont'd)

25. 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	
		2000 %	1999 %
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	100	100
APM Plastics Sdn. Bhd.	Manufacture of PVC body side moulding and plastic parts	100	100
APM Shock Absorbers Sdn. Bhd.	Manufacture of shock absorbers and related components	100	100
APM Springs Sdn. Bhd.	Manufacture of tapered leaf springs	100	100
APM Trim Parts Sdn. Bhd.	Manufacture of vehicle interior linings	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	100	100
Auto Parts Marketing Sdn. Bhd.	Distribution of automotive parts and accessories	100	100
KAB Otomotif Sdn. Bhd.	Property holding	100	100

Notes to the accounts

31 December 2000 (cont'd)

25. Subsidiaries (cont'd)

Name of Company	Principal activities	Group interest	
		2000 %	1999 %
Perusahaan Tilam Kereta Sdn. Bhd.	Property holding	100	100
Radiators Australia (2000) Pty. Ltd +	Distribution and assembly of automotive radiators	100	100
APM Auto Mechanisms Sdn. Bhd.	Property holding	100	100
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
Diversified Furniture Systems Sdn. Bhd. ++	Dormant	100	-

Radiators Australia (2000) Pty Ltd is a company incorporated in Australia. The other subsidiary companies are incorporated in Malaysia.

+ Audited by overseas KPMG Firm

++ Incorporated on 1 August 2000.

26. Comparative figures

Following the adoption of MASB Standards in the preparation of this set of financial statements, 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.

Shareholders' statistics as at 30 March 2001

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

TWENTY 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. Mayban Nominees (Tempatan) Sdn Bhd Tan Chong Consolidated Sdn Bhd	6,750,000	3.3482
5. Cartaban Nominees (Asing) Sdn Bhd Daiwa Securities SMBC Co. Ltd. for Nissan Motor Co. Ltd.	5,599,998	2.7778
6. Employees Provident Fund Board	5,102,400	2.5310
7. Malaysian Assurance Alliance Berhad	3,638,000	1.8046
8. Lembaga Tabung Haji	3,610,350	1.7908
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)	2,873,000	1.4251
11. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Ahmad bin Abdullah	2,514,000	1.2470
12. Hong Leong Assurance Berhad as Beneficial Owner (Life Division)	2,500,000	1.2401
13. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Azman bin Badrillah	2,500,000	1.2401
14. HSBC Nominees (Asing) Sdn Bhd DG Bank Lux for Uni EM Fernost Treuhandkonto, Luxembourg	2,087,600	1.0355
15. Hong Leong Assurance Berhad as Beneficial Owner (General Division)	2,000,000	0.9921
16. Bank Kerjasama Rakyat Malaysia Berhad Pledged Securities Account for Yayasan Islam Perlis	1,994,000	0.9891
17. Universal Trustee (Malaysia) Berhad Mayban Unit Trust Fund	1,801,000	0.8934
18. MCIS Insurance Berhad	1,427,000	0.7078
19. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chong Consolidated Sdn Bhd	1,350,000	0.6696
20. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust	1,220,000	0.6052
	134,827,347	66.8786

Shareholders' statistics

as at 30 March 2001 (cont'd)

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares held	%
1 - 499	8,445	45.6462	2,048,647	1.0162
500 - 5,000	8,595	46.4569	14,175,509	7.0315
5,001 - 10,000	745	4.0268	5,774,283	2.8642
10,001 - 100,000	609	3.2917	16,033,507	7.9531
100,001 - 1,000,000	84	0.4540	25,294,307	12.5468
Above 1,000,000	23	0.1243	138,273,747	68.5882
	18,501	100.0000	201,600,000	100.0000

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. Nissan Motor Co Limited	5,599,998	2.7778
4. Skim Amanah Saham Bumiputra	10,000,000	4.9603
5. Employees Provident Fund Board	5,102,400	2.5310

* 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)
Lot 1 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office & warehouse	40,545	Leasehold/ 21.06.2092	11,851	3
Lot 3 Jalan 6/3 Seri Kembangan Industrial Estate 43300 Serdang, Selangor	Factory, office & warehouse	42,046	Leasehold/ 21.06.2092	11,020	6
Lot 600 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	40,354	Leasehold/ 19.10.2076	28,779	14
Lot 601 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	20,234	Leasehold/ 19.10.2076	7,576	22
Lot 1621 Jalan Raja Lumu Kawasan Perindustrian Pandamaran 42000 Port Klang, Selangor	Factory, office & warehouse	22,573	Leasehold/ 6.4.2079	13,997	4
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	362	4



APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)
(Incorporated in Malaysia)

FORM OF PROXY

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 Fourth Annual General Meeting of the Company to be held at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia, on Thursday, 24 May 2001 at 11.00 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	Encik Ahmad bin Abdullah		
Resolution 5	Encik Azman bin Badrillah		
Resolution 6	Dato' Kamaruddin @ Abas bin Nordin		
Resolution 7	Auditors		
Resolution 8	Director's Fee		
Resolution 9	Amendment of Article 78		

(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:

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. To be valid, 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

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