2001, reached its peak in September and moderated in the fourth quarter. Improvements in both exports and imports supported other indicators so that, by the end of 2001, the economy was in the early stages of recovery.

Economic conditions improved further in the first quarter of 2002. The Malaysian economy expanded by 1.1% in the first quarter (fourth quarter 2001: -0.5%)[28]. This recovery was mainly driven by strong consumption spending and supported by the external demand following the general overall recovery in the global economy. Public consumption, which accounts for almost half of GDP, increased by 2.5%, reflecting the cumulative effects of expansionary monetary and fiscal policies as well as the recovery in exports. Public consumption continued to register a strong increase of 13.4%, reflecting the implementation of the fiscal stimulus during the quarter, including the 10% salary adjustment for civil servants and the higher expenditure on supplies and services.

Exports increased by 4% in March 2002, the first positive growth in a year. Recovery in the electronics industry has moderated the decline in the exports industry for the first quarter. Similarly, imports also recorded, for the first time since March 2001, a positive increase of 0.5%, mainly to meet the higher demand of intermediate inputs for manufactured goods.

The services sector proved to be the main driver for growth with a 4.6% increase charted, with the main contributing factors being sustained private consumption and increasingly improved consumer sentiment. Strong growth was recorded in the finance, insurance, real estate and business services sub-sector by 8.8% (fourth quarter 2001: 12.5%) reflected by higher bank lending activity as well as higher insurance premium collections and the increased activity and stronger performance in the stock market. In line with the higher demand from the manufacturing sector, further expansion was also seen in the utilities sub-sector. The overall increase in economic activity has resulted in further growth in the wholesale and retail trade, restaurants and hotels sub-sector. Growth was also higher in the construction industry at 2.9%, supported by the fiscal stimulus programme and the low interest rate environment.

In 2001, as an added shield to the September 11, 2001 terrorist attacks, the Government announced an additional RM4.3 billion stimulus package to boost the economy. This stimulus package serves as a measure used to prop up the economy,

[28] BNM Report "Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2002", issued 22 May 2002.

following the RM3 billion supplementary budget in March 2001 and the RM28 billion spending package from the 2001 Budget.

Further to the above fiscal measures, Bank Negara Malaysia also announced the reduction of its 3-month "intervention" rate by 50 basis points[29], and also allowed banks to reduce savings deposit rates by up to 0.25% points. Malaysia's foreign exchange reserves also remained strong, rising by RM538 million, ending 2001 with total reserves of RM117.2 billion[30].

Malaysia began 2002 with optimism as the world economy recovered, led by the U.S. on account of better demand for housing, motor vehicles, increased public expenditure on defence and turnaround in demand for electronics[31]. These expectations of a strong recovery for the year were, however, marred by a series of uncertainties, particularly a weak second quarter performance, reflecting a slower U.S. GDP growth and lower corporate earnings. Billion-dollar corporate scandals involving gross mismanagement and fraudulent accounting practices in the US, coupled with rising Middle East tensions, had also adversely affected equity prices and depressed investor and consumer confidence.

Nonetheless, the continuation of an easy monetary policy and swift government regulatory measures to improve corporate governance and accountability, however, helped arrest further declines in sentiments. Elsewhere, the Euro area's moderate expansion and Japan's recovery from recession are envisaged to remain on track, despite increasing risks.

Brighter external prospects due to the economic recovery of the U.S. and a rebound in global electronics demand, especially from the East Asian countries, have hastened Malaysia's export recovery, beginning early 2002. Exports have somewhat broadened beyond the electronics sector, aided by the softening of the U.S. dollar against regional currencies to which the Ringgit is pegged.

These positive signs coupled with the government's expansionary economic policies are expected to push the country's growth up to 4%-5% in 2002[32]. The services and manufacturing sectors being the major contributors to growth for the year.

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[29] Basis points refer to hundredths of a percentage point. This intervention rate is used by banks to calculate their base-lending rate.
[30] The Edge, January 14, 2002.
[31] Economic Report 2002/2003
[32] Economic Report 2002/2003

With the mild recovery intact in 2002 and expected to gain momentum in 2003, the world economy is projected to register output growth of 3.7% with trade expanding at 6.6%[33]. The Malaysian economy, with stronger macroeconomic fundamentals already in place and complemented by the more resilient corporate and financial sectors, is poised to benefit from the improving global economic environment projected for 2003. Output expansion is anticipated in all sectors of the economy, with GDP growth anticipated at 6.0%-6.5% for 2003, arising from a broader based economy with growth emanating from a more pronounced role of a revitalised and dynamic private sector.

For 2003, the manufacturing sector is expected to continue its expansion to record 8.5% increase in output and contribute 2.6% to GDP growth while the services sector, with a projected increase of 5.9% remains the major contributor to growth with 3.3%. The construction sector is forecasted to expand by 4.5% while the agriculture and mining sectors are envisaged to improve by 3.4% and 2.5% respectively.

Economic growth is anticipated to be largely domestic-led and private sector driven, particularly in new niche areas of services including tourism, transport, education, health and also agriculture. This is aimed at reducing the country's over-dependence on manufacturing as well as the external sector. Given the positive impact of the filtering-through fiscal stimulus measures and the recovery in external demand, the private sector has begun to resume its role to generate economic growth, though not as dynamically as it did before the 1997 financial crisis. This is reflected in the positive turnaround in overall private expenditure, which is expanding by 5.1% in real terms (2001: -3.0%). The private sector contribution to GDP is envisaged to register a favourable 3% (2001: -1.8%) which is much higher that the estimated contribution by the public sector of 1.3%. Public sector expenditure is expected to increase, though moderately, by 4.3%, after expanding by 15.9% in 2001 as a result of the expansionary budget stance. With added measures in the 2003 Budget directed towards further stimulating economic activity in 2003, both private sector investment and consumption are envisaged to rebound by 16.5% and 9.9% respectively. This is spurred by improvements in external demand for electronics exports as well as higher palm oil and rubber prices.

On a longer term, the 8MP expect that from 2001 – 2005, growth will be led by the manufacturing and services sectors. Value added manufacturing would take the lead growing at an average of 8.9% from 2001 onwards. Growth in the agriculture, forestry

[33] Economic Report 2002/2003

and fishing sectors is anticipated to receive an additional boost growing at 1.8% in 2001 and 1.1% in 2002[34]. The production of crude palm oil is expected to register a decline of 3.4% while production of rubber is increase marginally by 0.5%. More emphasis will be placed on this industry in the 8MP, with a projected growth of 3% per annum.

Inflation as measured by the CPI is expected to average at 3% from 2001 – 2005, starting with 1.4% in 2001 and a projection of 1.9% for 2002[35]. This comes after a volatile 5 year period which saw the CPI move from 2.7% in 1997 to 5.3% in 1998, subsequently decreasing to 2.8% in 1999 and 1.6% in 2000.

In the longer term, this is expected to have an overall positive impact on employment, maintaining the unemployment rate at about 3.5% from 2002 onwards (2001: 3.6%; 2000: 3.1%; 1999: 3%). There will be a surge in job opportunities in the ICT sector although the manufacturing, construction and retail sectors still continues to be significant employment generators. It is estimated that in 2002, the total workforce will increase by a further 4% to 9.8 million persons.

Malaysia is projecting to grow at an average of 7.5% per annum during the 8MP period (2001 – 2005) with low inflation and price stability. The private sector is envisaged to lead this growth with the public sector continuing its role in stimulating the economy. The economy will become less reliant on labour, in the country's efforts to develop a knowledge-based economy. Private investments are forecasted to grow at 19% annually and public investments at 1.1% (8MP). Supported by strong domestic demand and strong recovery in private investments, private consumption is expected to grow at 7.4% while public consumption is expected to grow at 7.7% per annum (8MP). It is expected that the per capita income will increase from RM13,411 in 2000[36] to RM17,779 in 2005, increasing private consumption per capita from RM6,198 in 2000 to RM9,073 in 2005.

The Malaysian Government's basis for growth in the 8MP period takes into account the challenges arising from a more liberal global economy and the impact of technological advancements. As such, greater efforts will be made to ensure the sustainability and resilience of the economy in the long term to achieve the country's Vision 2020 target.

[34] Economic Report 2002/2003
[35] Economic Report 2002/2003
[36] For 2001, per capita income was recorded at RM13,333 and 2002 projections are RM13,962, which is a 4.7% increase from 2001.

Economic stability and the government's continued support in expanding the manufacturing sector, particularly export based manufacturing augurs well for **APP**, as this will make **APP** a stable supplier to overseas companies. Overall, progressive country leads to increase development, disposable income and expansion, which will help companies like **APP**, expand their market share both locally as well as abroad.

4.1 Industry Linkages

4.1.1 The Retail Industry

4.1.1.1 Global Perspective

At the dawn of the new millennium, the retail industry has become more vibrant than before. It has begun to move into a new phase of maturity, with economic, technological and demographic developments changing the way business is done in the industry.

For most of the developed countries however, retail continues to experience single digit growth, as a share of the overall economic output, fast being replaces by the purchase of services. **The exception to the rule being the Lawn & Garden sub-sector which has been experiencing strong growth.** For these countries, retailers are mainly concerned with expanding into other countries to increase market share and earnings. On the positive side, rising incomes and the lowering of trading barriers have facilitated this expansion process, giving consumers today a wide variety of choices while shopping.

Demographic changes also impact the retailing industry, with world population expected to reach 7.1 billion in 2014. While growth patterns in various parts of the world differ, by 2015, it is estimated that there will be more consumers of 65 years and above in developed countries with the exact opposite occurring in developing countries. This larger population with higher discretionary income levels will spur consumer spending in the areas of healthcare and leisure. For example, taking up serious gardening as a hobby.

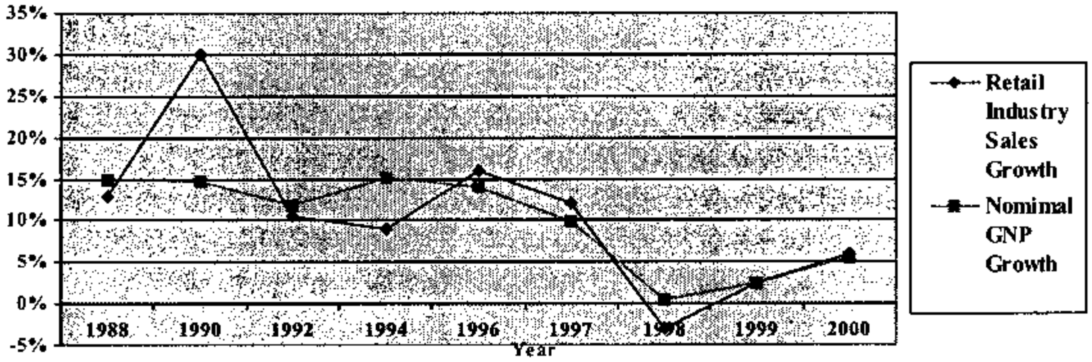
Generally, retailers are moving towards enhancing their international operations to achieve greater efficiencies of scale. The average European retailer now operates in 6.9 countries, while the U.S. retailer in 2.8 countries and the average Asian/Australian retailer in 3.6 countries. Store formats have also undergone some revamping, with hypermarkets emerging as one of the fastest growing store types. Similar trends are expected on the homefront.

4.1.1.2 Malaysian Retailing Scene

As **APP** has the intention of opening the **Group**'s own L&G centers throughout Malaysia, a brief discussion of the general retailing trends are warranted.

The retailing industry is classified as a form of distributive trade by the Malaysian government. By definition, this includes all activities involved in the selling of goods to the ultimate customer for personal and /or household consumption.

Chart 3 Growth of Retail Industry Sales vis-à-vis Nominal GNP Growth



The retailing industry plays a major role in the shaping of the Malaysian socio-economic landscape and does depend largely on the fluctuations of the overall GNP per capita (level of disposable income) and the general health of the economy.

From 1996 – 2000, the average growth for this sector was 4.2%. This takes into account the sharp decline in 1998 due to poor consumer spending. Causes identified for this negative growth include the sharp decline in share prices resulting in negative wealth and uncertainty in employment. In the subsequent year, recovery was brought on by several expansionary measures implemented by the Malaysian government, including lower interest rates and relaxed credit terms for hire purchase and credit cards.

During the same period, RM679.5 million worth of allocations were made to this sector in the Seventh Malaysian Plan ("7MP") to develop this sector. Of this amount,

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29% was allocated to funding of businesses, 3% to upgrading of existing businesses, 64% to assist in the purchase of new business premises and 4% to training and consulting. Eventually, only RM494.6 million of this allocation was utilised. In the Eighth Malaysian Plan ("8MP"), a total of RM763.2 million has been allocated to this sector for expansion purposes.

Other major influences within this industry sector that enable retailers to achieve sustainable growth include – customer demographics / purchasing power, a strong financial base (break-even usually occurs in the 2^{nd} or 3^{rd} year of operations), location, good market positioning / image and technology.

While the Government has put several positive economic measures in place, the results will not be so quickly realised by the retail industry. This is further verified by the still bearish Malaysian Institute of Economic Research ("MIER") Consumer Confidence Index. (see Chart 4)

Chart 4 MIER Consumer Sentiment Index 1994 – 2002

Major contributing factors to this weak consumer spending include uncertainties in employment leading to uncertainties in their financial positions. With the Malaysian population becoming more discerning, retailers will also need to focus on customer service, value-for-money merchandise and other pull-factors to improve sales.

Currently, the Malaysian home improvement retail industry is still extremely under-developed, with consumers still preferring to purchase from 'mom & pop' type stores due to the large price differentiation. As for the Lawn and Garden ("L&G") sub-sector, it is extremely fragmented with many small players and no clearly identifiable dominant player in the market. **APP** plans to introduce a unique L&G center to begin to educate the local consumers on the benefits of taking up this interest. This is viewed as a long-term investment for the **Group**.

4.1.2 Property Market Overview

The end results of the construction and building materials industry is discussed as these industries invariably play an important role in pump-priming the overall economy and generating demand for household products and lawn pottery.

Heterogeneous would be the right word to describe the Malaysian property market. It would be extremely difficult to ascertain a standard unit of property, which could be tracked by price and quantity over time. Many factors affect the prices of property, location being the most widespread. Other more recent emerging factors include design, new concepts like the Purpose-Built Office Blocks ("PBOBs") with intelligent features and mega-sized shopping complexes. A lot of development has also moved from the traffic congested city center to the suburbs, further spurring the development of self-contained townships. Categories of property sub-sectors include residential, industrial and commercial.

4.1.2.1 Property Cycle

This industry is a cyclical one where supply is lumpy vs. demand which usually grows quite smoothly. There tends to be a period of shortages and a period of oversupply. In Malaysia, the last peak was recorded in 1983/1984 and the trough in 1987/1988, lasting a span of 3 – 4 years. The most recent uptrend lasted much longer, sustained by the superbull run, lasting for 9 years from 1988 – 1997. Benchmarked against the US property market, the local cycle appears much shorter due to different rates of demand.[37] Other local factors that influenced the industry cycle were limited amount of top class buildings in prime locations and large exodus of occupants from less prime to prime during the boom.

[37] Malaysia = 10%, US = 3%, Dynaquest Sdn Bhd

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4.1.2.2 Industry growth

The cyclical nature of the industry dictates that longer-term movements are scrutinised in order to ascertain the growth potential of the industry. In addition, real estate investments are generally deemed to be longer-term investments.

The sudden contraction of the economy due to the Asian crisis caused the property market to plunge. Generally, prices and rentals fell by at least 35%[38] during the 1997/98 crisis. Efforts were made by the government to quickly revive the industry via the loosening of monetary and fiscal policies. According to the Ministry of Finance, in its mid-year Malaysian property market review of 2000, the overall property market in the first six months of 2000 has shown signs of consolidation.

Furthermore, with the announcement of additional EPF withdrawals for purchase of second homes, increase in housing loans for civil servants in the 2001 Budget, and the Government's push to revive abandoned projects; the property market should see favourable uptrends in the coming quarters. Another encouraging incentive is the reduction of stamp duties payable for high-end properties.

While many expected the impact of the recent terrorist attacks to have a huge impact on economies around the world, the local property market has only felt the impact in the industrial property sector. This can be further substantiated by the RM150 million worth of sales transactions recorded in a day, at the recent launch of new bungalow (considered high-end) lots developed by Country Heights Holdings Berhad[39]. Many in the country view property purchases as long term investments and are not impacted by the September 11, 2001 incident which is viewed only to have a short-term impact.

4.1.2.3 Industry Structure

It is impossible to have a dominant or large provider of real estate. This is because the industry is far too big for any one player to claim dominance. A simple example would be the total area of PBOBs in Kuala Lumpur alone is about 52.9 million square feet[40] at the end of June 1999. If the average replacement cost for PBOBs was calculated at RM500 per square feet, it would mean that in Kuala Lumpur alone, total stock of PBOBs is worth RM26 billion. Another reason for consideration is the fact

[38] Dynaquest Sdn Bhd
[39] The Edge, October 8-14, 2001
[40] Property Market Report Jan-June 1999

that the supply of land is inelastic and often, parcels of land in choice locations are difficult to acquire. Each piece of real estate is in essence unique, and this is true for all types of real estate, whether residential or commercial.

4.1.2.3.1 Residential Property Sub-Sector

The construction of residential property remains the most active sub-sector with 800,000 units being planned under the Seventh Malaysia Plan (7MP, 1996 – 2000). At the end of 2000, 107.4% of this target had been fulfilled[41]. In 2000, the Ministry of Housing and Local Government approved the constructions of additional 110,644 units in the first half of the year. Of these, 25.8% were low-cost housing, 38.7% were medium-cost housing, while 35.5% were higher end houses.

Viewed in the context of the property market, the housing sub-sector is experiencing a phase of consolidation. The Malaysia House Price Index ("IHRM") further substantiates this since the rate of increase has slowed down when comparing first half of 1999 with first half of 2000. However, the rate of increase for the first half of 2000 is still 3.2% higher than that of the second half of 1999, which was 10.8%. Semi-detached houses showed the highest rate of increase at 15.8% compared with the corresponding period of 1999, followed by detached houses with 14.8%, terraced houses at 14.1% and high-rise units at 11.2%.

In terms of geographical performance, Selangor recorded the highest increase with 23.1% followed by Pahang – 11.6%, Kuala Lumpur – 9.3% and Penang 9%.

The constructions of low- and medium-cost houses continue to be supported through the Government's housing programmes. Various funds have been set-up for these projects including the Fund for Hard Core Poor, Fund to Accelerate the Construction of Low-cost Housing and the Revolving Fund for Low-cost Housing. Syarikat Perumahan Negara Berhad ("SPNB") will inject into the market about 37,000 low cost houses under the integrated Rakyat Housing Programme, this is in line with the government's objective of making Kuala Lumpur squatter free in 2 years.

This is good news for the **APP** as this translates into tremendous market potential for the **Group**'s products (pottery and L&G ceramics) and future local retailing plans.

[41] Eight Malaysian Plan (2001- 2005)

4.1.2.3.2 Industrial Sub-sector

Most of the construction activities in industrial sites were located in Selangor, Johor and Melaka. There was a decline in the number of transactions by 18.6% comparing January-June of 2000 and July –December 1999. However, total transaction value increased by 7.9% to RM2,257 million for the period under comparison.

4.1.2.3.3 Commercial Sub-sector

The total number of transactions in the commercial sector for Jan-June 2000 was 7,978, compared to July-Dec 1999 (8,168), recording a decrease of 2.3%. Compared to Jan-June 1999 (7,734), this is an increase of 3.2%. Total values of transactions on the other hand, recorded a decline of 19.4% from the preceding six-month period but posted and increase of 4.4% against the corresponding period in 1999.[42]

The glut in office and commercial space still poses a problem to this sub-sector, as the overhang acts as a drag on growth in this sector. A total of 10.9 million square meters of office space stocks were available during the first half of 2000. The average occupancy rate in 2000 increased to 73% by June compared with 70.9% at the end of 1999.

The commercial sub-sector covers shop houses, Purpose Built Office Blocks ("PBOBs"), Shopping Complexes and others. While the growth trends for these categories generally are similar, each category has some peculiarities, which are worth a mention.

Again, increased occupancy rates in this sub-sector would translate into vast market opportunities for **APP** in the areas of non-structural office ware ceramic products.

Real estate in the hospitality industry center's around the construction of hotels and recreational facilities. In the first half of 2000 the existing supply of hotel rooms stood at 124,871 rooms, while the number of hotels stood at 1,817 hotels. Five and Four-star hotels made up only 9% of the total with 164 hotels, while the balance were three-star and budget hotels. An addition of 22,000[43] rooms has been added in 2000. The Government's efforts to boost the tourism industry by allowing civil servants 2 Saturdays off and other campaigns to attract foreign tourists will see an increase in

[42] Property Market Report, 2000.
[43] Hotel Stock Report, First Quarter 2001, Ministry of Finance.

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demand for hotel space in the year 2001[44]. Hotel occupancy rates have been on an uptrend with 54% recorded for the first half of 2000 compared to 49.2% for the same half year in 1999.

APP has been a supplier of local ceramic products to the hospitality industry since the 1980's[45]. This business is expected to continue under the Marketing division, however, this does not form part of the **Group**'s short-term expansion plans.

4.2 Future Outlook

4.2.1 Current Export Markets' Growth Strategies

4.2.1.1 Europe

Europe has always been **APP**'s traditional market, and in 2001, it contributed to about 39% of total ceramic exports from Malaysia to the 14 European countries[46] that **APP** conducts business with. In this area, **APP** expects a growth rate of 10-15% per annum. Apart from increasing its customer base, other channel expansion plans include setting up an e-showroom for product presentations and new product previews.

4.2.1.2 North America

For the next 3-5 years, **APP** will concentrate on maintaining its current market share in other areas and expand into Northern Canada and U.S. The management team at **APP** plans to target these markets backed **by the growth in the U.S. and Canada home and garden retailing sector despite the doubtful overall economic directions.** This is because post-September 11, 2001, none of **APP**'s U.S. customers cancelled their orders. However, similar to Europe, the smaller L&G businesses are expected to contribute more significantly to **APP**'s orders than the larger retail entities.

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[44] Development allocations for the Tourism industry under the 8MP has increased to RM1,009 million, compared to RM605.5 million in the 7MP.
[45] 12% of annual local turnover in 2000.
[46] Austria, Belgium, Czech Republic, Denmark, United Kingdom, Finland, France, Germany, Italy, Netherlands, Norway, Poland, Sweden and Switzerland.

Given the current fragile economic recovery, the U.S. Federal Reserve's decision to slash interest rates to 1.25% and the fiscal stimulus introduced earlier post September 11 to help sustaining the economy growth, the US market still remains attractive to **APP**. However, the current approach is to grow at a slower and more cautious pace.

4.2.1.3 Japan

APP's next target is to penetrate deeper into the Japanese pottery market. **APP** is expecting an increase of pottery sales from this country in the next 3-5 years. The management team believes that the opportunities in Japan are vast, seeing that the total population of Japan is approximately half of the total population in US. It is also expected that the opportunities in the Japanese market will be spurred by the growing affluent younger generation that are more exposed to Western cultures.

APP will increase their participation in future Japanese trade shows, as well as work closely with their Japanese agent (Alts Co. Ltd) to increase Japanese sales.

4.2.2 Future Export Markets' Growth Strategies

Other expansion plans include adding new distributors / wholesalers in New Zealand, Western Australia, Scandinavia, East Europe and South Africa. On a longer-term basis, **APP** plans to expand into Latin America, Korea and other Asian countries. The management would ultimately like to have a foothold in every country that purchases decorative lawn and garden items. Again, it must be stressed that investments into businesses in these countries will only be made when the market is ready. This can be ascertained through test shipments and market surveys. For example, **APP** has already made trial shipments to South America for this purpose.

Another risk mitigating expansion strategy is to expand into new countries via **APP**'s existing retail customers. The 1999 Home Improvement Retailers survey highlighted that many of **APP**'s existing customers[47], are in the process of expanding into other countries. This move will prove beneficial to **APP** as it will provide **APP** with new market channels and increased earnings potential.

[47] Silvan Kaeden, Leroy Merlin, Bauhaus, OBI, Praktiker, Home Depot. – 1999.

4.2.2.1 Malaysian Market's Growth Strategies

In terms of local diversification plans, the management team has plans in opening the country's first Professional Home & Garden Center soon. After years of being on the supply side cooperating and growing with the international L&G pioneers, **APP** has the ambition to bring their concepts into the local communities. **The Group** believes that this promotes healthy living and provides Malaysians the opportunity to connect with nature in today's modern society where many live in "urban jungles" devoid of greenery. Already discussions have begun with a Danish operator that has been successful in their home country, on this plan.

4.3 Conclusion

With positive recovery of the global economy projected for 2002, global growth for 2003 as a whole is expected, when the effects of the interest rate cuts, tax cuts, other fiscal stimulus packages and corporate reforms announced earlier begin to take effect.

As it seeks to strengthen itself against the "competition"[48] **the Group** have used the following diversification strategies –

- Horizontal diversification. Diversify into complementary products and services. This allows **the Group** to "do more" for each customer by providing them with a full range of ceramic products.
- Vertical diversification, completing the production value chain. **APP** may eventually market a range of products and place more emphasis on OBM manufacturing.
- Geographical diversification. **The Group**'s ambition is to have a presence in every country in the world, where there is a market for decorative ceramic products.

In addition, **APP** is using technology to expand their marketing channel. For example, in 1 –2 years, **APP** plans to officially launch their B2B portal that will enable full e-commerce capabilities up to the stage of purchase order issuance. Physical payments

[48] Mainly from overseas countries, with lower cost of production or higher quality raw materials like China.

of Letter of Credits and Bank Transfers will still be conducted in the traditional manner.

APP's reputation as one of the country's leading decorative lawn and garden ceramics company places them one-step ahead of the competition. The **Group** pioneered the industry and is a key contributor to the trade balance of the country. However, **APP** is not complacent and still continues to market their products aggressively.

Overall, it will be the **Group**'s strong commitment to innovation, developing their people and productivity / efficiency improvements that will back them in facing the challenges ahead. With this winning formula in place, the **APP Group** is poised to enjoy the rewards of a bright and prosperous future.

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