



**APM Automotive Holdings
Berhad**

FY2014 second-quarter financial results

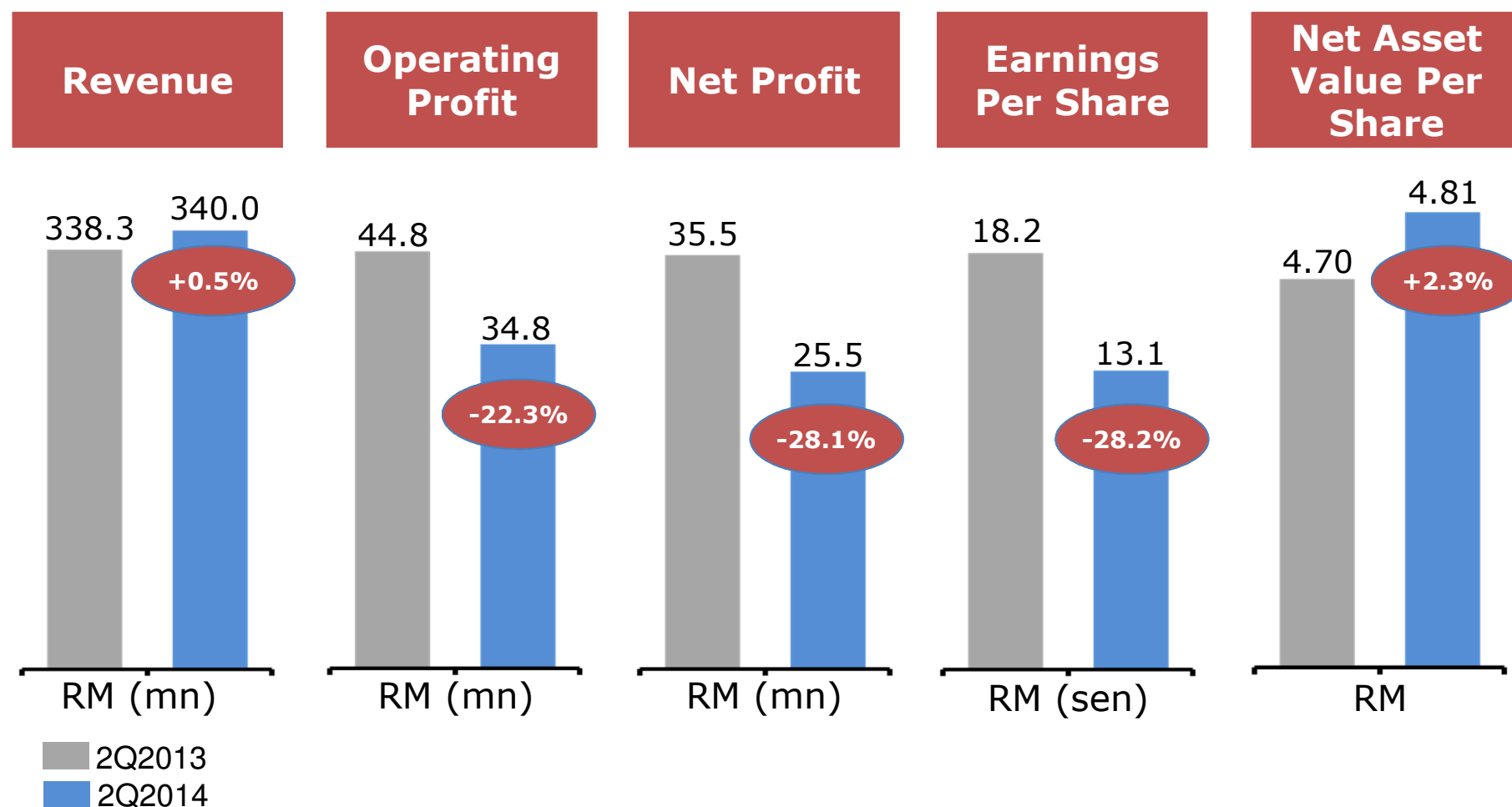
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These factors include (i) changes in economic conditions, currency exchange rates, the laws, regulations, government policies, or political instability in the market place, (ii) circumstances relating to our ability to introduce, in a timely manner, and achieve market acceptance of new products, and (iii) shortage of fuel or interruptions in transportation systems, labor strikes, work stoppages, or other interruptions to or difficulties in the employment of labor in the major markets where we purchase materials, components, and supplies for the production of our products or where our products are produced, distributed, or sold.

Key performance indicators

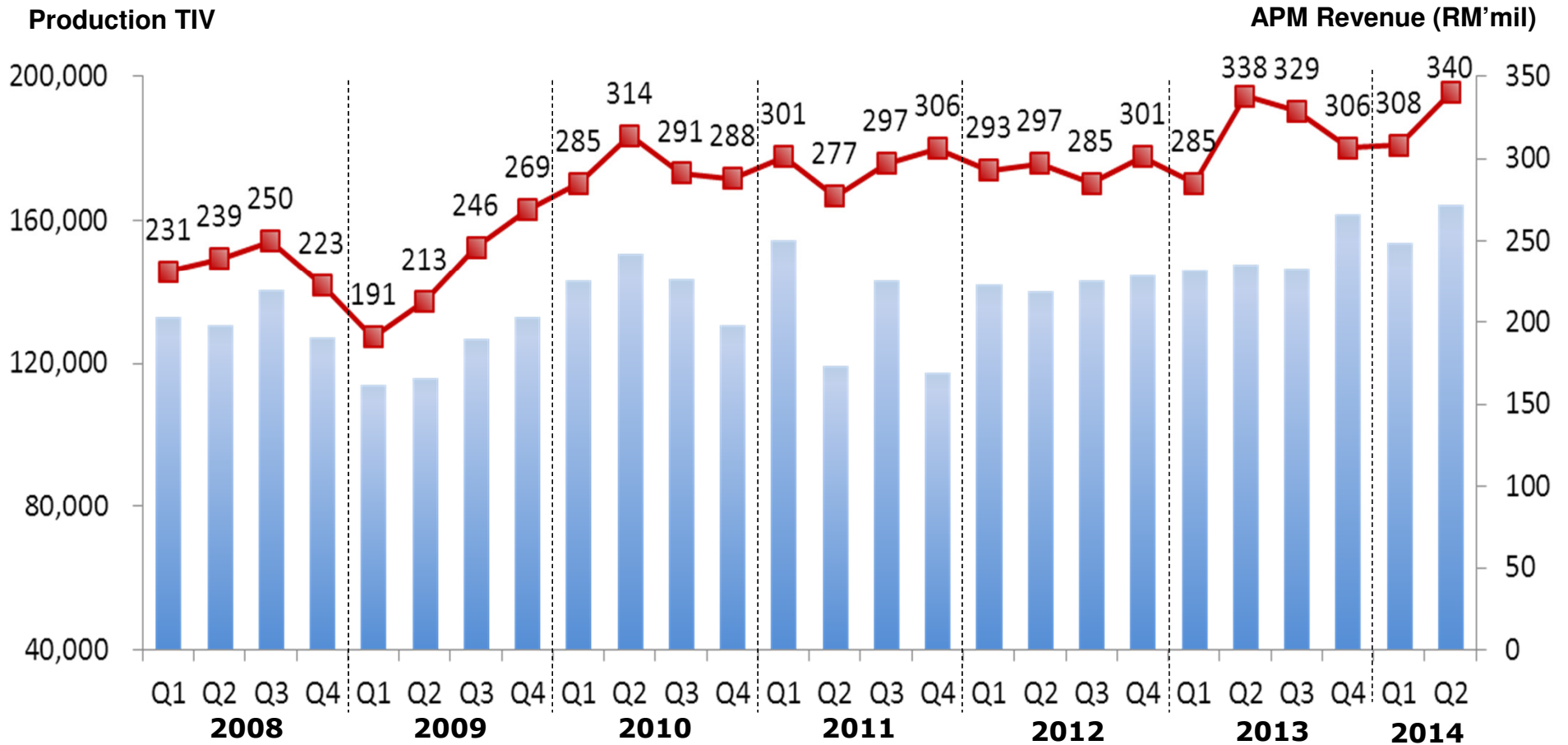


Pricing Pressure from OEMs, increase in raw material prices and hike in electricity cost.

Business Update

2Q14 Operation & Financial Review

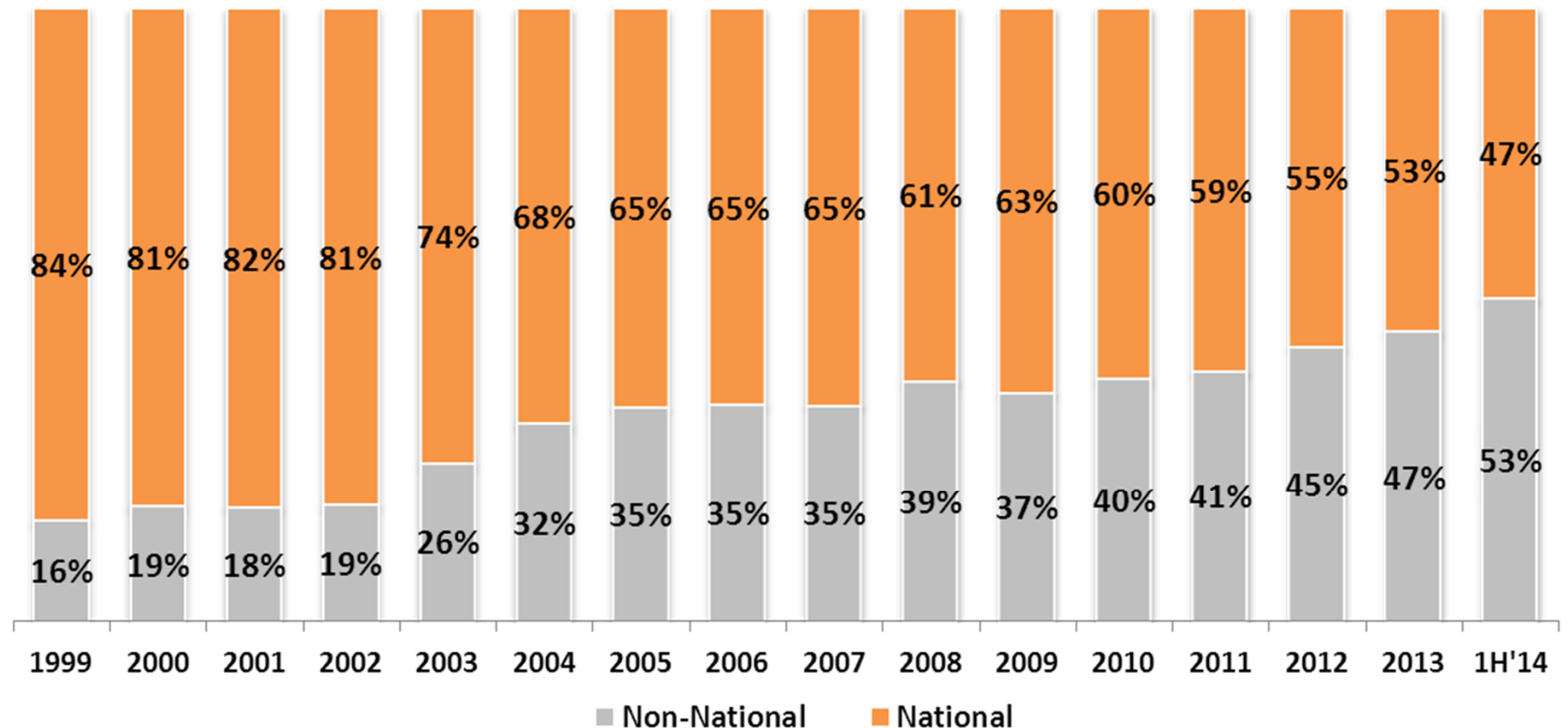
APM revenue grows faster than Production TIV



Source: MAA (as for Production TIV)

Higher demand for OEM parts resulted from new model launches.

National & Non-national Market Share



Source: MAA

Non-national brands' market share outpaced national in 1H14.

FY14 business update

- ❖ 2Q14 TIV 173.2K; +11.2% YoY. 6M14 TIV 333.1K; +6.3% YoY.
- ❖ High number of new model launches for 2014: estimated 60+ new models.
- ❖ Benefit from increased localization activities by non-national manufacturers.
- ❖ Continuously shifting towards higher value-added offerings, e.g. Modules and systems.
- ❖ On-site supplier to other auto plants and their assembly models.
- ❖ Pain moving down the supply chain, APM will continue to cost down.
- ❖ APM has a strong emphasis on technology for sustainable growth.
- ❖ Aim to build brand identity and develop product quality in order to expand regionally and globally.

M&A Opportunities

Strategic Purpose	Our Vision		Our Strategy	
Environment	Global Market Review	Asia Pacific Market Review	Malaysia Market Review	
Market Assessment	Economy & Environment	Tier 1 Competition	Local Supplier	Lessons Learned
Target Opportunities	Targeted Research			
Growth Opportunities	M&A Opportunities	Tier 1 Supplier	Tier 2 Supplier	
Risk Management	Due Diligence	IP Production	Legal & HR Partnerships	Detailed Planning
Implementation Plan	JV	Local Resources	Quotation & Proposals	Supplier/ Tool Resource

McConnell Acquisition

- ❖ Completed the acquisition from McConnell Seats Australia Pty Ltd on 1st Aug 14 for AU\$4.7million (RM14 million) cash.

Information of Target

- ✓ Products: bus/coach seats & rail seats
 - ✓ Acquired: logo, brand name, website, CRN and patents
 - ✓ Plant: total build up area is 5,470m²
 - ✓ Head of subsidiaries: James Lowe (GM) 4 years with the company (previously from Autoliv)
 - ✓ Total employees: 55 (with a few part timers to support production when orders are high)
- ❖ Create an opportunity for the APM Group to leverage on the existing products and customer base of McConnell Australia.
 - ❖ Further strengthen the APM Group's existing market presence in Australia.



Business Update

2Q14 Operation & Financial Review

2Q financial review

In RM thousands	2Q14	1Q14	2Q13	QoQ	YoY
Net revenues	340,001	308,124	338,283	+10.3%	+0.5%
Profit before tax	37,687	37,209	48,985	+1.3%	-23.1%
Net Income	28,972	28,759	38,123	+0.7%	-24.0%
Profits Attr. to SH	25,546	25,409	35,547	+0.5%	-28.1%
EPS (Sen)	13.05	12.98	18.17	+0.5%	-28.2%
Net assets per share	4.81	4.83	4.70	-0.4%	+2.3%
Return on equity (annualised)	10.7%	10.5%	15.5%		
Net Dividend per share (sen)	7.5	-	30.0*		
Net Profit Margin	8.5%	9.3%	11.3%		

*(7.5 sen interim + 22.5 sen special)

Margin squeeze by customers.

Segmental performance

REVENUE (RM'000)	2Q14	2Q13	Change (%)
Suspension	36,271	30,779	+17.8%
Interior & Plastics	189,726	188,363	+0.7%
Electrical & Heat Exchange	50,952	58,386	-12.7%
Marketing	51,775	54,525	-5.0%
Others	607	382	+58.9%
Malaysia Operation	329,331	332,435	-0.9%
Operations outside Malaysia	10,670	5,847	+82.5%
TOTAL REVENUE	340,001	338,282	+0.5%

Moving Forward Strategy

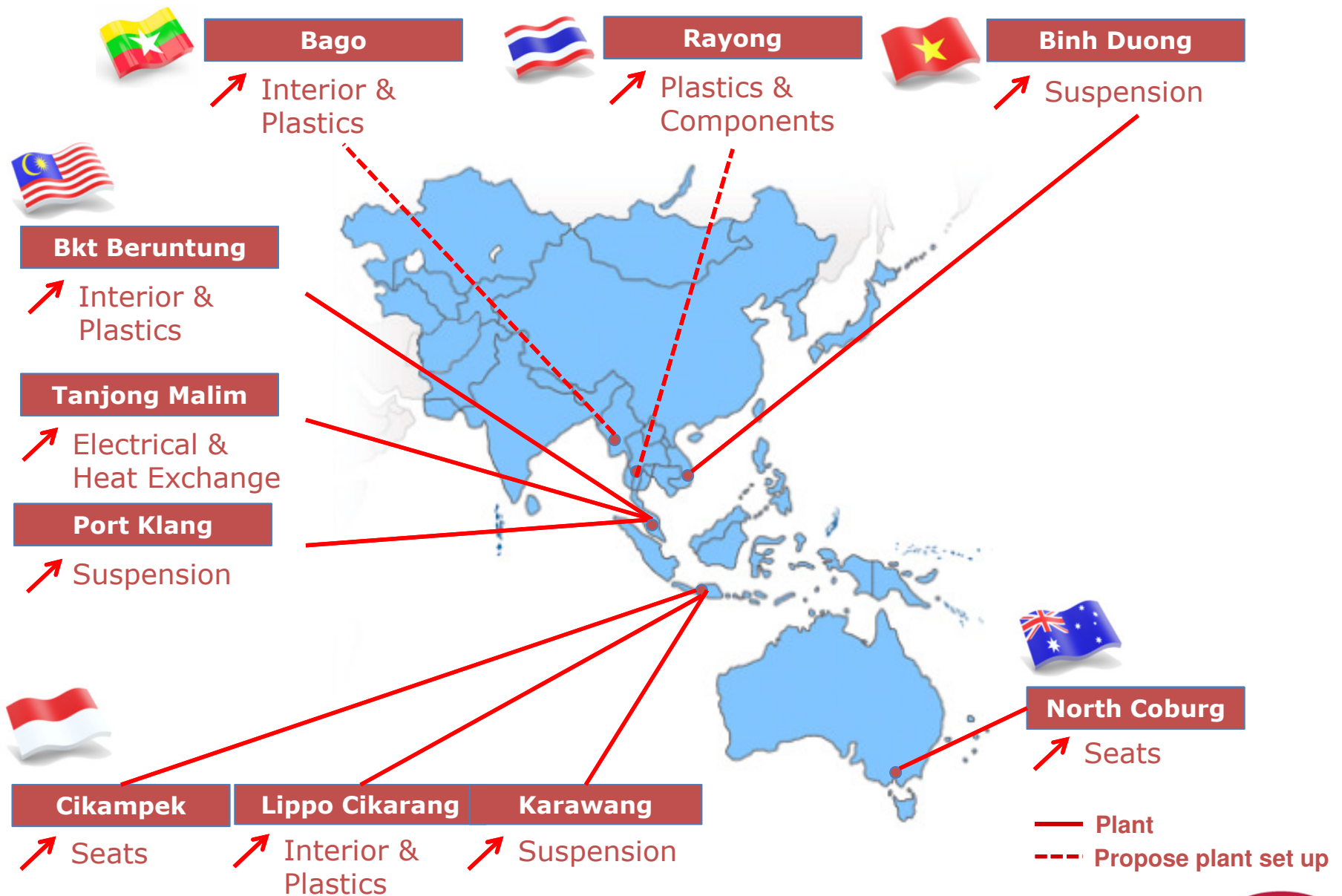
APM's Mid Term Strategy

- ❖ Back to basics - eliminating excess from the manufacturing process throughout the supply chain and trimming any fat from production to achieve low cost and high quality.
- ❖ Growing exports to US, Europe and within ASEAN. Scale in millions of components to be low cost.
- ❖ Defend existing Original Equipment ("OE") & Replacement Equipment ("RE") market share locally, whilst increasing overseas contributions to reduce dependency on domestic OE segment.
- ❖ OEM growth potential from new manufacturing licenses under NAP.
- ❖ Continue investments in the region
 - To add capacity and broaden range of generic suspension and interior products
 - Geographical Diversification (Indonesia, Thailand, Myanmar)
 - New Business (die making, tooling, stabilizer bar, safety systems)
- ❖ Strengthening in-house core engineering capability. Target 1.5-2% of revenue to be reinvested for APM Engineering Research.

Dawn of the independents

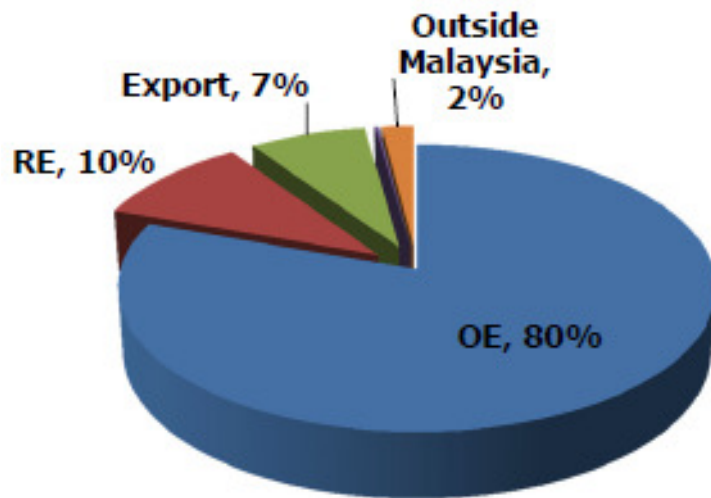
- ❖ Growing investigation of global auto parts makers in Asia for profiteering
- ❖ Opportunity for independent non-kereitsu companies like APM to break past the Japanese auto parts “cartel”.
- ❖ In the past small home grown SMEs could not compete globally because not “vertically” setup. Now, if good in one component, can be part of global supply chain - supplying that component at the best price in a given stage of production.

Geographical Diversification



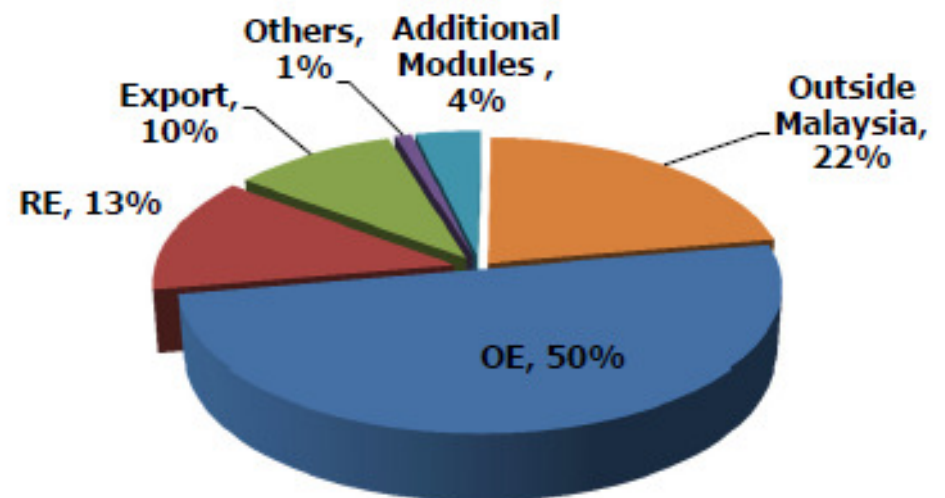
Sales Guidance through Balance & Diversity

2013A



Turnover: RM1.3b

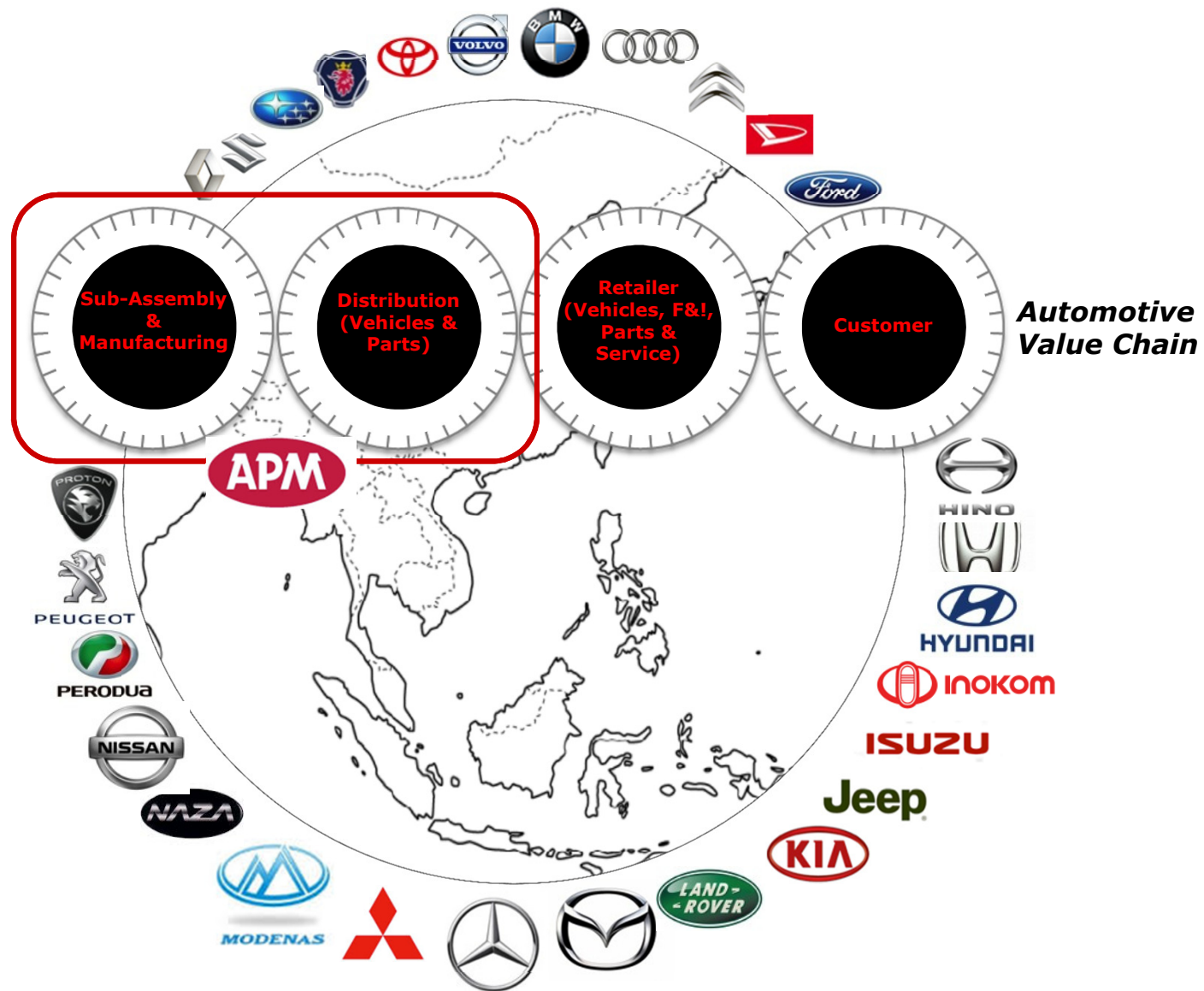
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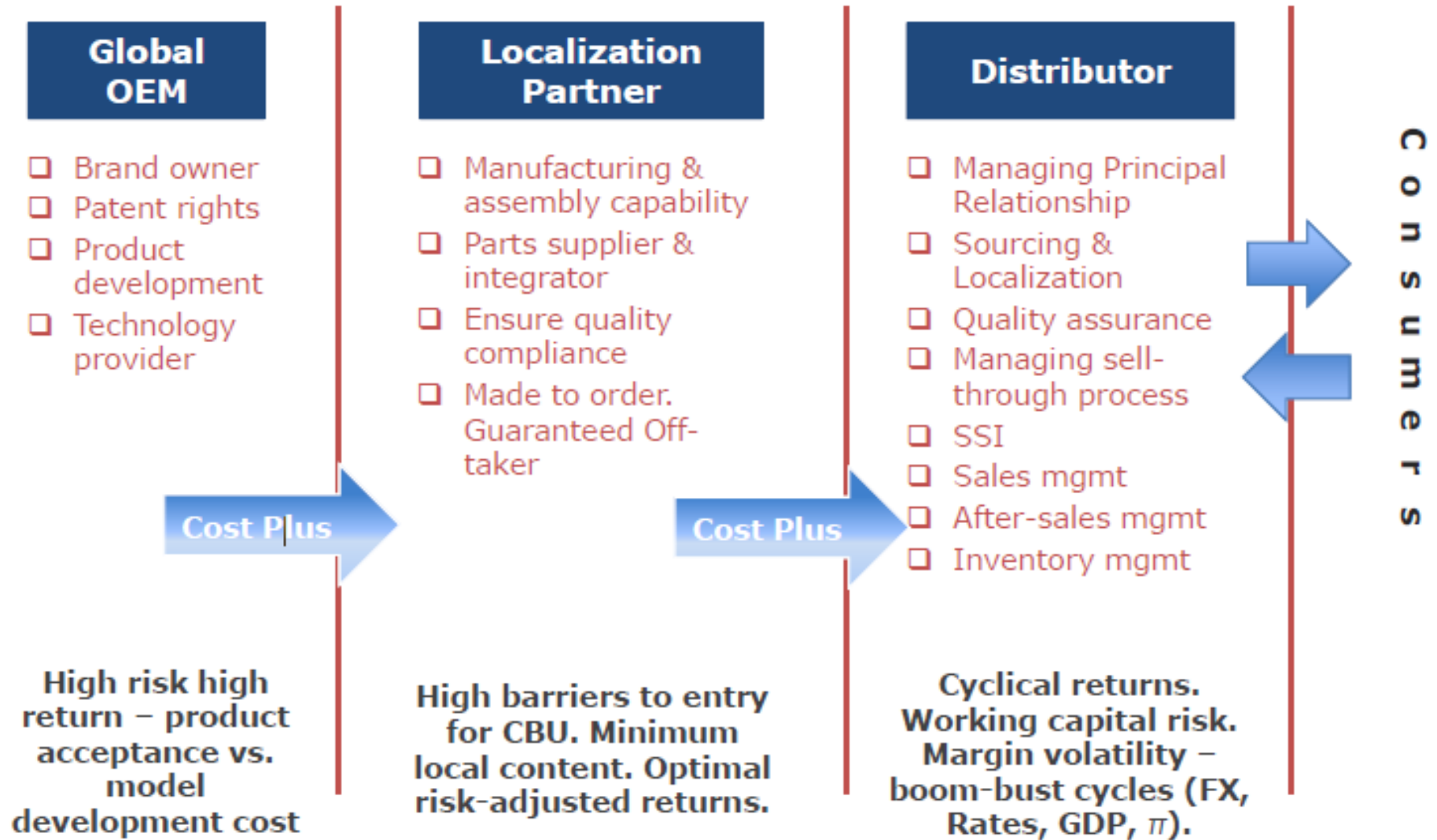
Turnover: RM2.0b

RM2b sales target (RM1b existing OE & RM1b exports, overseas & others)

Integral Player within Local Automotive Eco-systems



Auto Cycle Investing



Thank You