APM Automotive Holdings Berhad

FY2016 Third-quarter financial results

Cautionary Statement with Respect to Forward-Looking Statements

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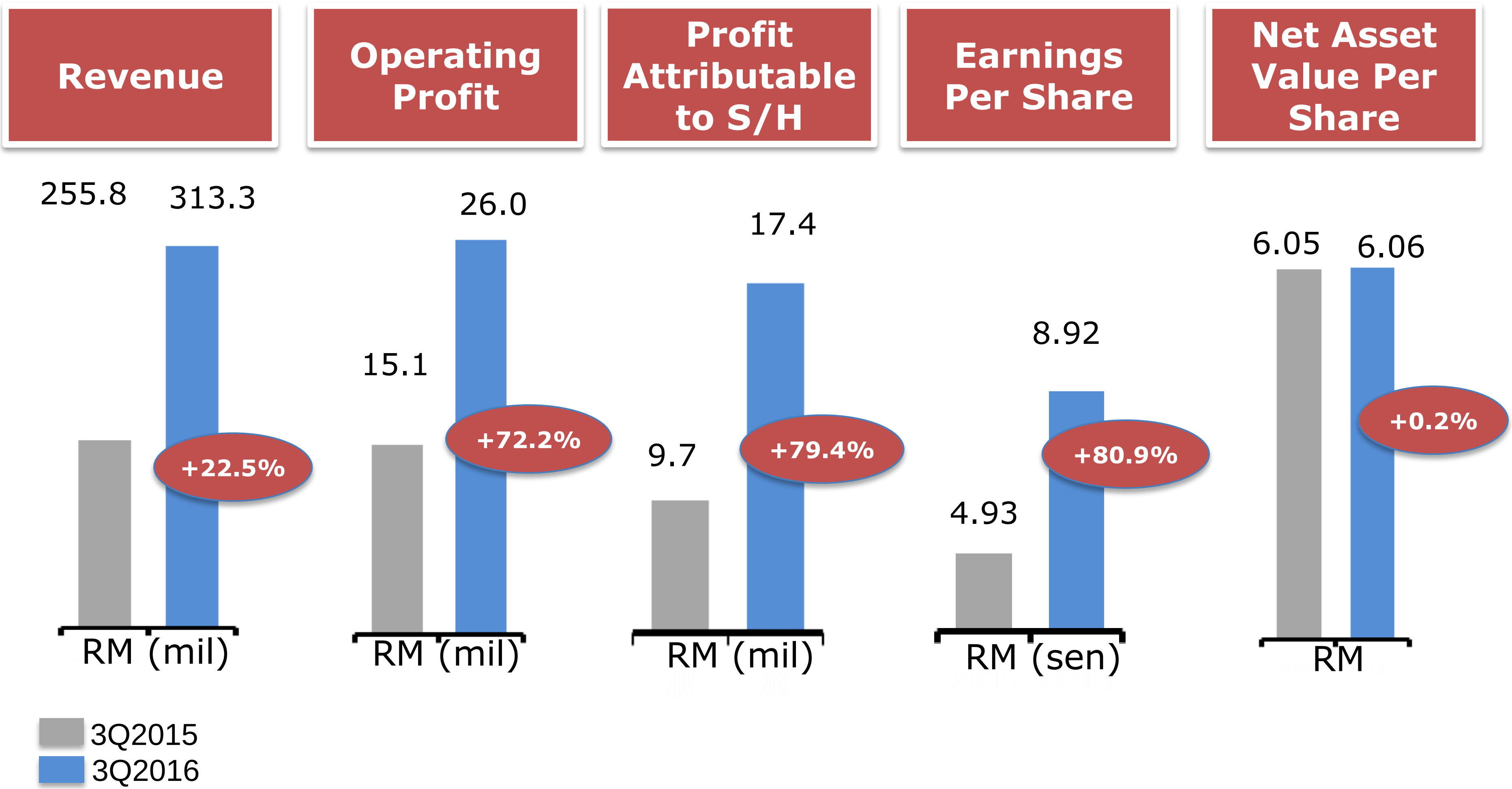
Statements or comments made during this presentation that are not historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to differ materially from that anticipated in these statements.

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



Growth in local sales due to increase demand from Perodua and Proton

3Q16 Operation & Financial Review

Business Update

3Q16 financial review

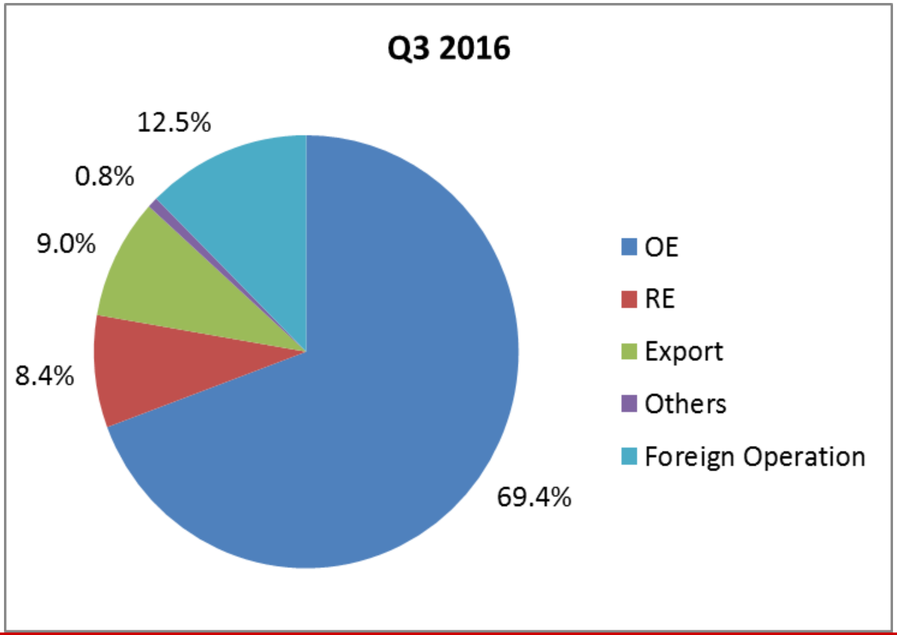
RM'000	3Q16	2Q16	3Q15	QoQ	YoY
Net revenues	313,289	306,493	255,840	2.2%	22.5%
Profit before tax	26,695	16,488	16,659	61.9%	60.2%
Net Income	21,320	8,570	11,428	148.8%	86 .6%
Profits Attributable to Shareholders	17,457	6,376	9,652	173.8%	79.4%
EPS (Sen)	8.92	3.26	4.93	173.6%	80.9%
Net assets per share	6.06	5.97	5.98	1.5%	0.2%
Return on equity (annualised)	5.89%	2.18%	3.30%		
Net Dividend per share (sen)	-	-	-		
Net Profit Margin	6.81%	2.80%	4.5%		

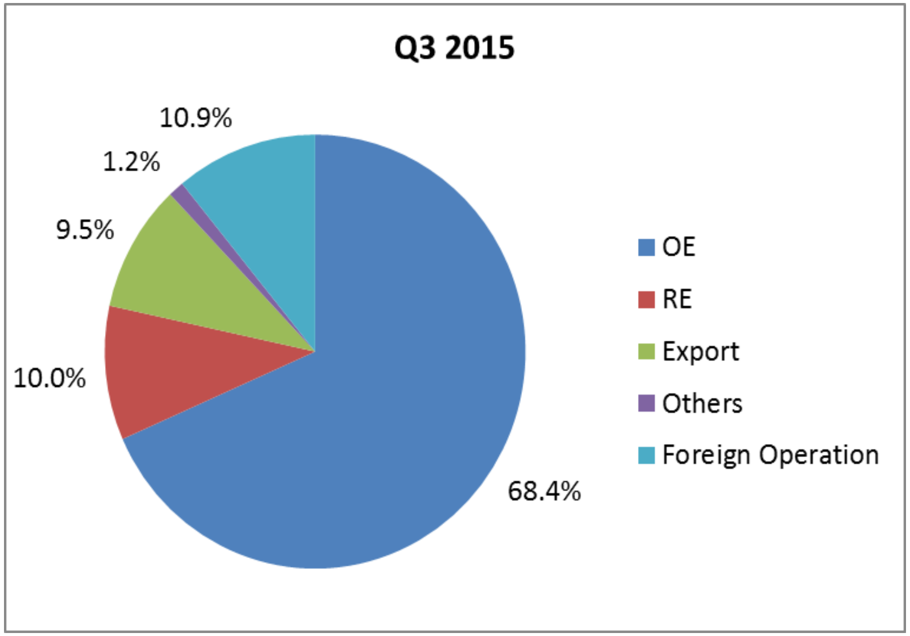
Higher profit (QoQ) due to increase in local sales demand

APM

Segmental sales

	Q3 2016	%	Q3 2015	%
OE	217,331	69.3%	174,944	68.4%
RE	26,177	8.4%	25,709	10.0%
Export	28,186	9.0%	24,273	9.5%
Others	2,373	0.8%	3,016	1.2%
Foreign Operation	39,222	12.5%	27,898	10.9%
TOTAL REVENUE	**313,289**	**100%**	**255,840**	**100%**





Increase in revenue due to increase in local sales

Segmental performance

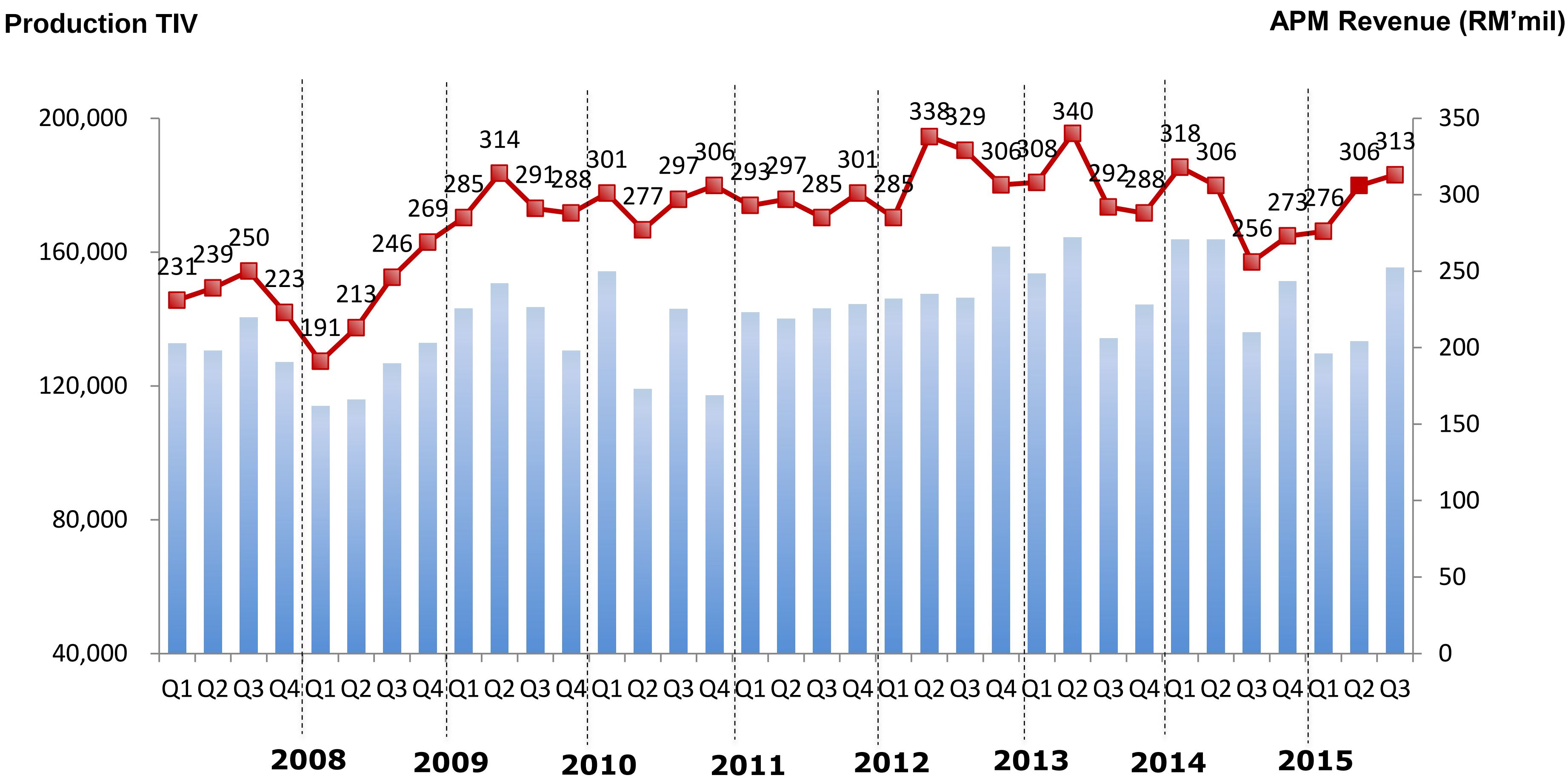
REVENUE (RM'000)	Q3 2016	Q3 2015	Change
Suspension	19,933	21,120	-5.6%
Interior & Plastics	166,337	121,052	37.4%
Electrical & Heat Exchange	34,359	36,581	-6.1%
Marketing	50,980	46,173	10.4%
Others	2,457	3014	-18.5%
Malaysia Operation	**274,065**	**227,940**	**20.2%**
Operations outside Malaysia	**39,224**	**27,900**	**40.6%**
TOTAL REVENUE	**313,289**	**255,840**	**22.5%**

Reduced dependence on Malaysia as Australia, Vietnam, Europe and USA continued to register strong growth

3Q16 Operation & Financial Review

Business Update

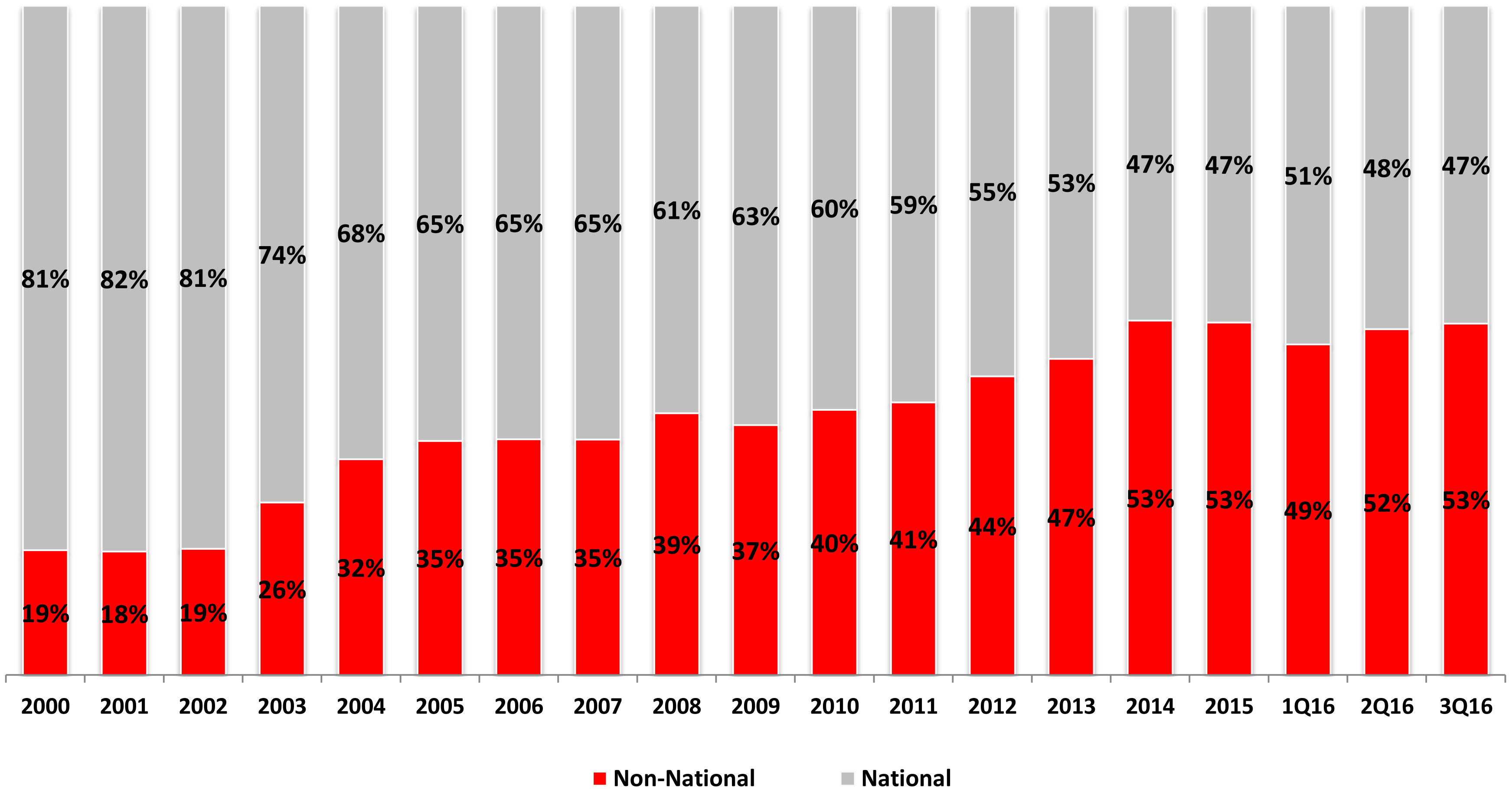
Production TIV finding a new level



Source: MAA (as for Production TIV)

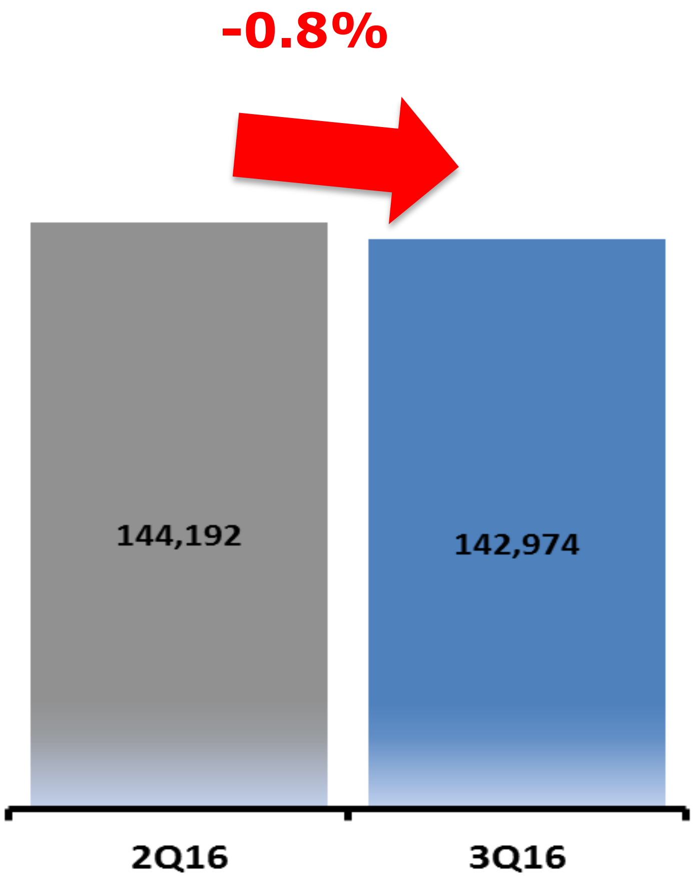
Revenues increase in line with production

National & Non-national Market Share



Non- National brands regain market share

3Q16 TIV



	Q-o-Q %
Perodua	6.63%
Proton	-12.96%

	Q-o-Q %
Toyota	1.40%
Nissan	**-10.84%**
Honda	13.08%
Mitsubishi	-13.76%
Isuzu	-10.11%
Mazda	-27.83%

	Q-o-Q %
Ford	-18.68%
VW	-66.76%
BMW	8.37%
Mercedes	-9.58%

TIV remain consistent after Raya sales in 2Q

FY16 business update

- 3Q16 TIV 143.0K; -0.8% QoQ. 9M16 TIV 418.4K; -13.8% YoY
- Mainly due to price hike and general reduced in demand due to economy uncertainty.
- Counter measures include:
  - Expansion of new business - new products / segment
  - Intensify the development of parts for replacement markets
  - Consolidate certain operations to reduce overhead costs
  - Expansion into new products via JV or acquisition of business
  - Study of other sources of supply to reduce material costs

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

Completed M&A Deals

Joint venture between APM AUTOMOTIVE INDOCHINA LTD ("AAIL"), an indirect wholly-owned subsidiary of APM AUTOMOTIVE HOLDINGS BERHAD and TACHI-S (THAILAND) CO., LTD. ("TACHI")

- APM via its indirect wholly-owned subsidiary, AAIL entered into a Joint Venture Agreement with TACHI, a wholly-owned subsidiary of TACHI-S Co. Ltd. to carry on the business of developing, manufacturing, assembling and sale of automotive seats in Vietnam for the original equipment manufacturers and such other business or businesses as the joint venture parties may deem beneficial to the main line of business including the manufacture by the joint venture company of such other new products and will also participate in the joint development of automotive seats for customers requiring seat design development.
- A new joint venture company will be incorporated in the Socialist Republic of Vietnam under the proposed name "APM TACHI-S SEATING SYSTEMS VIETNAM CO., LIMITED" with an investment capital and charter capital of USD2,500,000.00 respectively which will be contributed by both joint venture parties in cash based on the following ratio:

  (i) AAIL to contribute 49%, being a sum of USD1,225,000.00; and

  (ii) TACHI-S to contribute 51%, being a sum of USD1,275,000.00.
- This JV arrangement is in line with the expansion plan of APM Group to increase its market share in markets outside Malaysia and will enable both parties to leverage on each other's knowledge and experience to bring greater synergy in their expertise and know-how in the design, development, manufacture, assembly and sales of automotive seats.

Completed M&A Deals *(Cont'd)*

Joint Venture Between AUTO PARTS HOLDINGS SDN BHD ("APH"), a wholly-owned subsidiary of APM AUTOMOTIVE HOLDINGS BERHAD ("APM") and DELTA KOGYO CO., LTD ("DELTA").

- APM via its wholly-owned subsidiary, APH entered into a Joint Venture Agreement ("JVA") with DELTA, to carry on the business of developing, manufacturing, assembling and sale of automobile seating system for automobiles of Mazda Motor Corporation ("Mazda") including their Mazda CX-5 and generic models or any other car makers and other non-seat products as both APH and Delta may from time to time agree.
- A new joint venture company ("JV Co") will be incorporated in Malaysia under the proposed name "APM Delta Seating Systems Sdn Bhd". The JV Co will have an authorized capital of RM25,000,000.00 divided into 25,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of RM23,000,000.00 divided into 23,000,000 ordinary shares of RM1.00 each, will be subscribed by both parties in cash based on the following shareholding proportion:

  (i) APH to contribute 60%, being a sum of RM13,800,000.00 and

  (ii DELTA to contribute 40%, being a sum of RM9,200,000.00.
- The JV arrangement creates the opportunity for the JV Co to supply Complete Knock Down seats, seat frames and components into the ASEAN market. The automotive industry is poised to grow in the up-coming emerging markets in the ASEAN region. The Board believes that the timing of the JV is appropriate to capture the opportunities to expand our current seat business overseas.

Moving Forward

Geographical Diversification

Netherlands
Springs, absorbers and coil-overs

Bago
Interior & Plastics

Rayong
Plastics & Components

Binh Duong
Suspension & Seats

Kulim
Interior & Plastics (under construction)

Bkt Beruntung
Interior & Plastics

Tanjong Malim
Electrical & Heat Exchange

Port Klang
Suspension & Heat Exchange

North Coburg
Seats

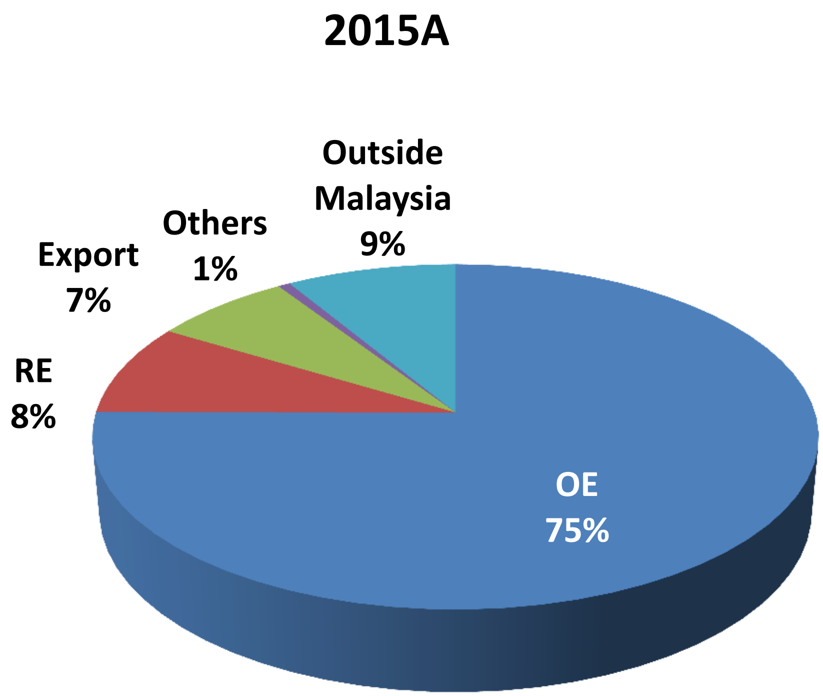
Karawang
Coil Spring
Leaf Spring (under construction)
Shock Absorber (under construction)

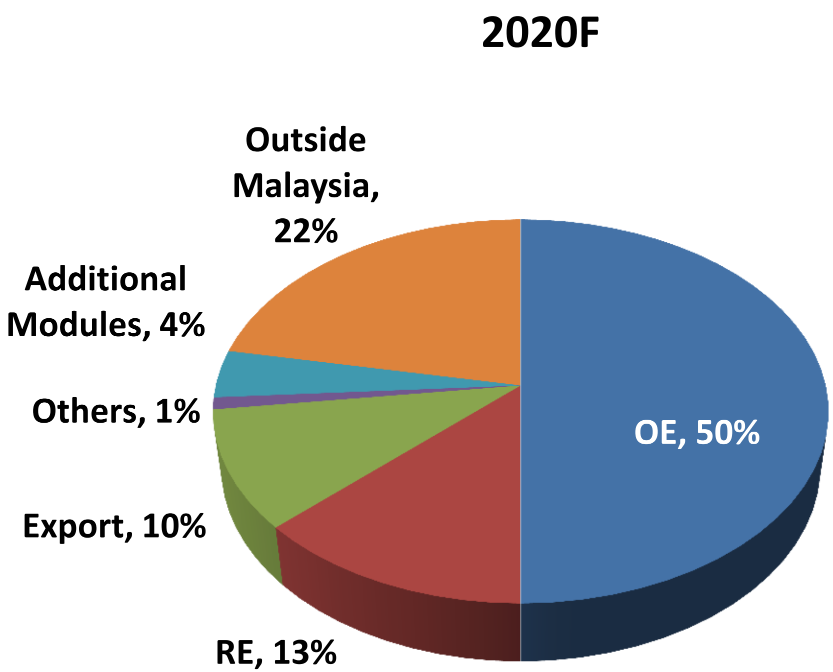
Cikampek
Seats

Lippo Cikarang
Interior & Plastics

Plant
Propose plant set up

Sales Guidance through Balance & Diversity



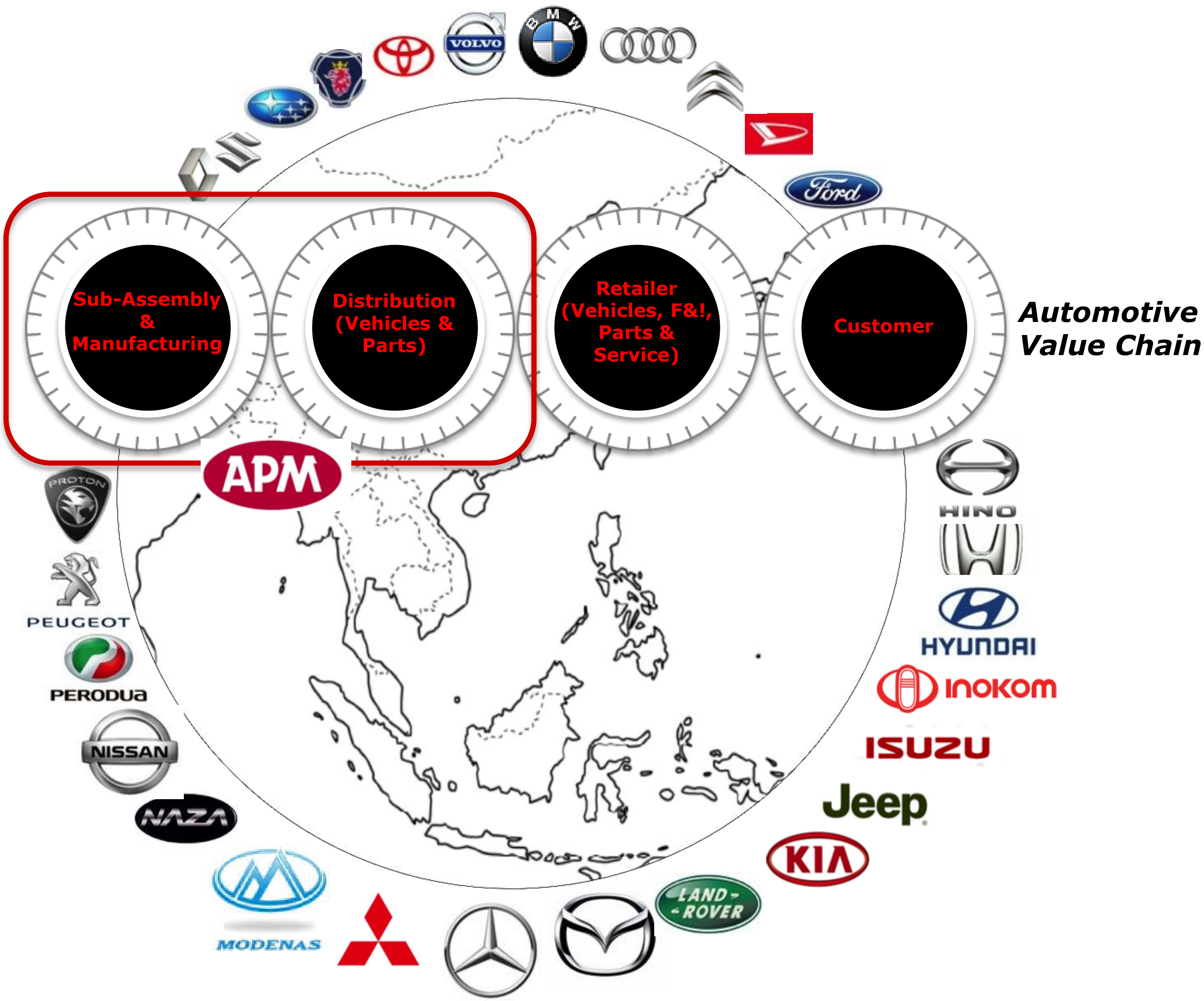


Turnover: RM 1.2b

Turnover: RM 2.0b

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

Integral Player within Local Automotive Eco-systems



Auto Cycle Investing

Global OEM	Localization Partner	Distributor	
❑ Brand owner ❑ Patent rights ❑ Product development ❑ Technology provider	❑ Manufacturing & assembly capability ❑ Parts supplier & integrator ❑ Ensure quality compliance ❑ Made to order. Guaranteed Off-taker	❑ Managing Principal Relationship ❑ Sourcing & Localization ❑ Quality assurance ❑ Managing sell-through process ❑ SSI ❑ Sales mgmt ❑ After-sales mgmt ❑ Inventory mgmt	Consumers
Cost Plus →	Cost Plus →		
High risk high return – product acceptance vs. model development cost	**High barriers to entry for CBU. Minimum local content. Optimal risk-adjusted returns.**	**Cyclical returns. Working capital risk. Margin volatility – boom-bust cycles (FX, Rates, GDP, π).**	

Thank You