



APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2014 – unaudited**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
<i>In thousands of RM</i>	Current Quarter Ended 31-Dec-14	Corresponding Quarter Ended 31-Dec-13	Cumulative Year To Date 31-Dec-14	Corresponding Year To Date 31-Dec-13
Revenue	287,843	306,375	1,227,870	1,259,020
Results from operating activities	33,748	41,129	135,617	162,616
Finance costs	(668)	(74)	(1,326)	(339)
Finance income	2,484	2,820	9,791	10,311
Share of profit of equity-accounted investee, net of tax	84	(2,254)	1,203	9,416
Profit before tax	35,648	41,621	145,285	182,004
Income tax expense	(7,894)	(7,999)	(34,133)	(40,635)
Profit for the period	27,754	33,622	111,152	141,369
Other comprehensive (expenses)/income, net of tax				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	(50)	1,635	-	1,635
Revaluation of property, plant and equipment	92,395	-	92,395	-
Items that are or may be reclassified				
Foreign currency translation differences for foreign operations	4,921	(150)	2,539	(4,478)
Share of foreign currency translation differences of equity-accounted investee	1,008	1,085	(122)	(830)
Other comprehensive (expenses)/income for the period, net of tax	98,274	2,570	94,812	(3,673)
Total comprehensive income for the period	126,028	36,192	205,964	137,696
Profit attributable to :				
Owners of the Company	24,690	29,495	98,403	128,290
Non- controlling interests	3,064	4,127	12,749	13,079
Profit for the period	27,754	33,622	111,152	141,369
Total comprehensive income attributable to :				
Owners of the Company	122,964	32,065	193,215	124,617
Non- controlling interests	3,064	4,127	12,749	13,079
Total comprehensive income for the period	126,028	36,192	205,964	137,696
Earnings per share				
Basic (sen)	12.62	15.07	50.29	65.56
Diluted (sen)	N/A	N/A	N/A	N/A

The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

<i>In thousands of RM</i>	(Unaudited) As at <u>31-Dec-14</u>	(Restated) As at <u>31-Dec-13</u>	(Restated) As at <u>1-Jan-13</u>
Assets			
Property, plant & equipment	393,260	234,123	212,477
Prepaid lease payments	14,869	14,586	15,286
Investment property	97,351	91,917	87,799
Investment in an associate	8,864	8,455	-
Investment in joint ventures	34,524	32,651	30,956
Intangible asset	11,632	873	474
Deferred tax assets	14,731	15,683	12,801
Total non-current assets	575,231	398,288	359,793
Inventories	209,096	229,062	167,627
Trade and other receivables, including derivatives	361,530	355,661	238,575
Other investments	78,506	-	-
Cash and cash equivalents	279,384	306,416	424,909
Total current assets	928,516	891,139	831,111
Total assets	1,503,747	1,289,427	1,190,904
Equity			
Share capital	201,600	201,600	201,600
Reserves	954,774	799,718	766,097
Treasury shares	(12,818)	(12,806)	(12,796)
Total equity attributable to owners of the Company	1,143,556	988,512	954,901
Non-controlling interests	32,949	26,200	20,821
Total equity	1,176,505	1,014,712	975,722
Liabilities			
Deferred tax liabilities	28,245	5,551	4,884
Employee benefits	11,448	10,301	13,187
Total non-current liabilities	39,693	15,852	18,071
Trade and other payables, including derivatives	248,112	239,399	172,973
Short term borrowings	37,029	12,847	20,570
Taxation	2,408	6,617	3,568
Total current liabilities	287,549	258,863	197,111
Total liabilities	327,242	274,715	215,182
Total equity and liabilities	1,503,747	1,289,427	1,190,904
Net asset per share attributable to owners of the Company (RM)	5.84	5.05	4.88

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2014 - unaudited**

<i>In thousands of RM</i>	<----- Attributable to the owners of the Company ----->								
	<----- Non-Distributable ----->					Distributable			
	Share capital	Treasury shares	Translation reserve	Revaluation reserve	Share premium	Retained profits	Total	Non- controlling interests	Total equity
(Restated)									
At 1-Jan-13	201,600	(12,796)	(6,834)	-	17,898	687,776	887,644	20,821	908,465
Revaluation of investment properties	-	-	-	-	-	67,257	67,257	-	67,257
	201,600	(12,796)	(6,834)	-	17,898	755,033	954,901	20,821	975,722
Remeasurement of defined benefit liabilities	-	-	-	-	-	1,635	1,635	-	1,635
Foreign currency translation difference for foreign operation	-	-	(5,308)	-	-	-	(5,308)	-	(5,308)
Profit for the period	-	-	-	-	-	128,290	128,290	13,079	141,369
Total comprehensive income for the period	-	-	(5,308)	-	-	129,925	124,617	13,079	137,696
Own shares acquired	-	(10)	-	-	-	-	(10)	-	(10)
Total distribution to owners	-	(10)	-	-	-	-	(10)	-	(10)
Dividend paid	-	-	-	-	-	(90,996)	(90,996)	(7,700)	(98,696)
At 31-Dec-2013	201,600	(12,806)	(12,142)	-	17,898	793,962	988,512	26,200	1,014,712
(Restated)									
At 1-Jan-14	201,600	(12,806)	(12,142)	-	17,898	793,962	988,512	26,200	1,014,712
Revaluation of property, plant and equipment	-	-	-	92,395	-	-	92,395	-	92,395
Foreign currency translation difference for foreign operation	-	-	2,417	-	-	-	2,417	-	2,417
Profit for the period	-	-	-	-	-	98,403	98,403	12,749	111,152
Total comprehensive income for the period	-	-	2,417	92,395	-	98,403	193,215	12,749	205,964
Own shares acquired	-	(12)	-	-	-	-	(12)	-	(12)
Total distribution to owners	-	(12)	-	-	-	-	(12)	-	(12)
Dividend paid	-	-	-	-	-	(38,159)	(38,159)	(6,000)	(44,159)
At 31-Dec-2014	201,600	(12,818)	(9,725)	92,395	17,898	854,206	1,143,556	32,949	1,176,505

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2014 – unaudited

<i>In thousands of RM</i>	Current Year to Date 31-Dec-14	(Restated) Corresponding Year to Date 31-Dec-13
Cash flows from operating activities		
Profit before tax and non-controlling interests	145,285	182,004
Adjustments for non-cash items	34,036	22,550
Changes in working capital	27,088	(122,270)
Cash generated from operations	206,409	82,284
Interest/Tax/Employee benefits/provision	(46,830)	(36,964)
Net cash generated from operating activities	159,579	45,320
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	2,015	648
Dividend received from jointly-controlled entity	600	-
Dilution of interest in a jointly-controlled entity	315	-
Acquisition of property, plant and equipment	(78,778)	(48,968)
Acquisition of other investments	(78,506)	-
Acquisition of subsidiary, net of cash and cash equivalents	-	(2,150)
Lease payment for leasehold land	-	(932)
Additions of intangible assets	(11,110)	(811)
Subscription of shares in joint ventures	(2,122)	(4,117)
Net cash used in investing activities	(167,586)	(56,330)
Cash flows from financing activities		
Dividends paid to owners of the company	(38,159)	(90,996)
Dividends paid to non-controlling interests	(6,000)	(7,700)
Net payment of bankers' acceptances	(541)	-
Net Drawdown of trade loan	9,723	6,189
Net Drawdown / (Repayment) of short-term borrowings	15,000	(13,912)
Purchase of treasury shares	(12)	(10)
Net cash used in financing activities	(19,989)	(106,429)
Net decrease in cash and cash equivalents	(27,996)	(117,439)
Effect of exchange rate fluctuations on cash held	964	(1,054)
Cash and cash equivalents at 1 January	306,416	424,909
Cash and cash equivalents at the end of period	279,384	306,416

Cash and cash equivalents

Cash and cash equivalents at the end of financial period comprise the following:

<i>In thousands of RM</i>	As at 31-Dec-14	As at 31-Dec-13
Cash and bank balances	54,366	18,686
Deposits placed with licensed banks	225,018	287,730
	279,384	306,416

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

This condensed consolidated interim financial statement (Condensed Report) has been prepared in accordance with MFRS134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This condensed report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached to the condensed report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 December 2013.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except the adoption of the following Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRSs and IC Interpretations:

(a) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10 Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12 Disclosure of Interests in Other Entities: Investment Entities
- Amendments to MFRS 127 Separate Financial Statement (2011): Investment Entities
- Amendments to MFRS 132 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139 Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

(b) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

(d) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

(e) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*

The Group will adopt the above mentioned accounting standards, amendments and interpretation when they become effective in the respective financial periods.

(f) Change of accounting policy

The Group has changed its accounting policy with respect to accounting for land and buildings (under property, plant and equipment) which are subsequently measured at revalued amount and less accumulated depreciation and any accumulated impairment losses. The change in accounting policy will be applied prospectively from 31 December 2014 onwards (Refer to Note A10).

The Group also changed its accounting policy with respect to accounting for investment property. Investment properties are initially measured at cost and subsequently at fair value. The change in accounting policy will be applied retrospectively (Refer to Note A10).

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The impact arising from the change of accounting policies is summarized as below:

(i) Condensed consolidated statement of financial position

<u>As at 1 January 2013</u>	As previously reported RM'000	Effect of adoption of revaluation model RM'000	Restated RM'000
Investment properties	17,002	70,797	87,799
Reserves	698,840	67,257	766,097
Deferred tax liabilities	1,344	3,540	4,884
<hr/>			
<u>As at 31 December 2013</u>			
Investment properties	16,617	75,300	91,917
Reserves	727,960	71,758	799,718
Deferred tax liabilities	2,010	3,541	5,551
<hr/>			

(ii) Condensed consolidated income statement

<u>Period ended 31 December 2013</u>	As previously reported RM'000	Effect of adoption of revaluation model RM'000	Restated RM'000
Results from operating activities	158,114	4,502	162,616
Profit before taxation	177,502	4,502	182,004
Tax expense	(40,634)	(1)	(40,635)
Profit for the period	136,868	4,501	141,369
Profit for the period attributable to :			
Owners of the Company	123,789	4,501	128,290
<hr/>			

(iii) Condensed consolidated statement of cash flows

<u>Period ended 31 December 2013</u>	As previously reported RM'000	Effect of adoption of revaluation model RM'000	Restated RM'000
Profit before taxation	177,502	4,502	182,004
Non-cash and non-operating items	27,052	(4,502)	22,550

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A3. AUDIT QUALIFICATIONS

There were no audit qualifications in the annual financial statements for the year ended 31 December 2013.

A4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The operations of the Group were not affected by any seasonal or cyclical factors, other than the general economic environment in which the Group operates.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cash flows for the period.

A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial year.

A7. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases, resale or repayment of debts and equity securities in the current interim period and financial year to date, other than the following repurchase of shares by the Company:

In thousands of RM

<u>Month</u>	<u>No. of shares repurchased</u>	<u>Total consideration</u>
Feb-14	1,000	6
Aug-14	1,000	6
<u>Total</u>	<u>2,000</u>	<u>12</u>

A8. DIVIDENDS PAID

No dividends were paid during the quarter ended 31 December 2014.

A9. SEGMENTAL INFORMATION

The Group's operating structure comprises the following strategic business divisions, each offering different groups of products or activities as described below:

- *Suspension Division, Malaysia:* comprises business in products such as leaf springs, parabolic springs, coil springs, shock absorbers, Gas Springs, U-bolts and metal parts.
- *Interior & Plastics Division, Malaysia:* comprises business in products such as plastics parts, interiors, seatings for motor vehicles, buses, auditoriums and cinemas.
- *Electrical & Heat Exchange Division, Malaysia:* comprises business in products such as air-conditioning systems, radiators, starter motors, alternators, wiper system, distributors and other electrical parts.

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. SEGMENTAL INFORMATION (CONTINUED)

- *Marketing Division, Malaysia:* main activity is that of trading and distribution of automotive components/parts manufactured by the Group for the replacement and export market.
- *Others, Malaysia:* comprises mainly operations related to the rental of investment properties in Malaysia, provision of management services for companies within the Group and provision of engineering and research services.
- *Operations Outside Malaysia:* comprises businesses in Indonesia, Vietnam and Australia.

Performance of these operating segments is measured primarily on the gross sales and the profit before tax. The results by segments for the quarter are as follows:

In thousands of RM	INDIVIDUAL QUARTER			
			(Restated)	
	31-Dec-14		31-Dec-13	
	Segment Revenue	Profit/(loss) before tax	Segment Revenue	Profit before tax
Operations within Malaysia				
Suspension	61,708	5,747	63,155	3,915
Interior & Plastics	198,528	20,382	279,339	29,464
Electricals & Heat Exchange	37,899	8,521	62,808	3,874
Marketing	56,605	1,866	48,715	2,352
Others	13,977	597	7,328	3,981
Operations outside Malaysia	24,444	(620)	11,042	(1,480)
	393,161	36,493	472,387	42,106
Eliminations	(105,318)	(845)	(166,012)	(485)
	287,843	35,648	306,375	41,621

In thousands of RM	CUMULATIVE QUARTER			
			(Restated)	
	31-Dec-14		31-Dec-13	
	Segment Revenue	Profit/(loss) before tax	Segment Revenue	Profit before tax
Operations within Malaysia				
Suspension	245,726	21,739	240,475	11,539
Interior & Plastics	848,579	89,812	988,109	128,899
Electricals & Heat Exchange	203,831	25,225	253,516	18,291
Marketing	202,285	8,096	201,338	12,197
Others	37,719	(2,268)	30,096	1,881
Operations outside Malaysia	74,501	2,971	39,523	9,766
	1,612,641	145,575	1,753,057	182,573
Eliminations	(384,771)	(290)	(494,037)	(569)
	1,227,870	145,285	1,259,020	182,004

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT ROPERTIES

Pursuant to the change of accounting policy for land and buildings, the Group's land and buildings are subsequently measured at revalued amount less accumulated depreciation and any accumulated impairment losses. The revaluation surplus (net of deferred tax) of RM92.4 million has been incorporated into the consolidated financial statements for the year ended 31 December 2014 and is recognised in the revaluation reserve.

Pursuant to the change of accounting policy for investment properties, the Group's investment properties are subsequently measured at revalued amount less accumulated depreciation and any accumulated impairment losses. The fair value gain (net of deferred tax) of RM77.9 million has been incorporated into the consolidated financial statements for the year ended 31 December 2014, of which RM6.2 million is recognised in the current year profit or loss (31 December 2013 – RM4.5 million).

The valuation was carried out by independent firm of professional valuers, using open market value with existing use basis.

A11. RELATED PARTY DISCLOSURES

The following are significant related party transactions:-

<i>In thousands of RM</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31-Dec-14	Corresponding Quarter Ended 31-Dec-13	Cumulative Year To Date 31-Dec-14	Corresponding Year To Date 31-Dec-13
<u>With TCMH Group</u>				
Sales of goods	29,448	22,116	114,613	111,280
Rental income	584	637	2,806	1,824
Insurance agency services	(101)	(979)	(2,239)	(2,903)
Rental expense	(2)	(3)	(10)	(11)
Purchase of goods and services	(2,789)	(1,373)	(9,529)	(7,497)

The above transactions had been entered into in the ordinary course of business on normal commercial terms with Tan Chong Motor Holdings Berhad and its subsidiaries ("TCMH Group").

<i>In thousands of RM</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31-Dec-14	Corresponding Quarter Ended 31-Dec-13	Cumulative Year To Date 31-Dec-14	Corresponding Year To Date 31-Dec-13
<u>With WTCH Group</u>				
Sales of goods	-	10	3	27
Purchase of goods and services	(861)	(716)	(3,090)	(3,319)
Rental income	18	-	68	-

The above transactions had been entered into the ordinary course of business on normal commercial terms with Warisan TC Holdings Berhad and its subsidiaries ("WTCH Group").

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A11. RELATED PARTY DISCLOSURES (CONTINUED)

<i>In thousands of RM</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Corresponding	Cumulative	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
<u>With TCIL Group</u>	<u>31-Dec-14</u>	<u>31-Dec-13</u>	<u>31-Dec-14</u>	<u>31-Dec-13</u>
Sales of goods	4,418	6,825	66,937	73,837
Provision of consultancy services	(175)	373	123	1,095

The above transactions had been entered into in the ordinary course of business on normal commercial terms with Tan Chong International Limited and its subsidiaries (“TCIL Group”).

A12. MATERIAL SUBSEQUENT EVENT

There has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.

A13. CHANGES IN COMPOSITION OF THE GROUP

During the quarter under review, the Group has incorporated the following wholly-owned subsidiaries in the Republic of Indonesia:-

No.	Name of Subsidiary	Date of approval from Ministry of Law and Human Rights of the Republic of Indonesia	Intended Principal Activities
1.	PT. APM Automotive Indonesia	7 November 2014	To carry out the business on management consultancy activities, property holding and property leasing.
2.	PT. APM Leaf Springs Indonesia	5 December 2014	Manufacturing and sale of leaf springs
3.	PT. APM Shock Absorbers Indonesia	5 December 2014	Manufacturing and sale of shock absorbers

Save for the above, there were no other changes in the composition of the Group.

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or contingent liability as at 31 December 2014.

A.15 CAPITAL COMMITMENTS

<i>In thousands of RM</i>	31-Dec-14	31-Dec-13
Authorized but not contracted for	48,621	36,701
Contracted but not provided for	36,457	10,809
Total	85,078	47,510

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

B1 OPERATING SEGMENTS REVIEW

Analysis Of Performance Of All Operating Segments

4Q14 vs. 4Q13

The Group achieved a revenue of RM287.8 million for the current quarter, representing a drop of 6% over prior year corresponding quarter of RM306.4 million, mainly caused by a lower off-take from OEM customers. Total Production Volume (TIP) in current quarter declined by 11% to 144,251 units from 161,539 units in the same quarter last year. [Source: Malaysian Automotive Association].

Group's profit before tax was recorded at RM35.6 million as compared with RM41.6 million (restated) in the fourth quarter of last year due to higher operating costs and margins squeeze.

Year-to-date 2014 vs Year-to-date 2013

On a whole year basis, the Group's revenue of RM1,227.9 million decreased slightly by 2.5% from RM1,259.0 million last year. Consistent with the lower revenue, higher operating costs and squeezed in margins, profit before tax for the year decreased by 20.2% to RM145.3 million.

Segmentation Review

Suspension Division

The Suspension Division's revenue registered a slight reduction of 2.3% to RM61.7 million in 4Q14 compared to RM63.2 million in 4Q13 on the back of lower OEM demand. Profit before tax for 4Q14 on the other hand increased to RM5.7 million from RM3.9 million, a year ago. The increase was mainly due to lower provision for product warranty claims in the same quarter this year.

The Suspension Division's revenue grew by 2.2% to RM245.7 million year-on-year compared to RM240.5 million last year on the back of higher exports and replacement market. Profit before tax was RM21.7 million. This is an increase of 88.4% compared to RM11.5 million a year ago for the reason mentioned earlier.

Interior & Plastics Division

Interior and Plastics Division's revenue fell by 28.9% to RM198.5 million from RM279.3 million same period last year. Likewise, profit before tax reduced to RM20.4 million, a decrease of 30.8% compared to RM29.5 million for previous year same quarter. The reduction in both top and bottom-line was in tandem with lower demand from OEM customers and delay in launching of new vehicle models by OEM.

Year to date 2014, Interior and Plastics Division posted RM848.6 million in revenue against RM988.1 million in 2013. Profit before tax reduced by 30.3% from RM128.9 million to RM89.8 million compared to the previous year. The lower profit before tax was attributed to pricing pressure from existing OEMs, premium freight incurred for the start-up of new OEM business and increase in components outsourcing costs.

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B1 OPERATING SEGMENTS REVIEW (CONTINUED)

Electrical & Heat Exchange Division

Compared to corresponding same quarter last year, Electrical & Heat Exchange division revenue decreased by 39.7% to RM37.9 million. This was mainly due to lower demand from OEM customers. The bottom-line, however, increased to RM8.5 million compared to RM3.9 million in the same quarter last year mainly due to reversal of provision in the current quarter.

Despite the revenue for the year decreasing to RM203.8 million from RM253.5 million in the previous year, profit before tax increased by 37.9% to RM25.2 million. The improved margin was due to favorable trading environment and additional localization efforts.

Marketing Division

The Marketing division's revenue rose 16.2% to RM56.6 million from RM48.7 million same quarter last year. The increase in revenues is mainly attributed to year-end incentives and aggressive campaigns that drove the sales. Further, export sales to Russia improved in the last quarter of 2014.

The better profit from the improved sales was however negated by higher incentives costs and intense competition on the global front. Consequently, the profit before tax decreased by 20.7% to RM1.9 million from RM2.4 million in the same quarter last year.

The segmental revenue remained rather flat on year-on-year, registering RM202.3 million compared to RM201.3 million last year. Consistent with the above, profit before tax for the year was lower by 33.6% to RM8.1 million from RM12.2 million last year.

Others Division, Malaysia

This segment comprises operations relating to the rental of properties in Malaysia, provision of management services and engineering and research services for companies within the Group. The revenue streams were mainly rental and services fee charged within the Group and formed part of inter-segment elimination for the total Group's results (as depicted in Note A9).

For the current quarter of 2014, the segmental profit of RM0.6 million is inclusive of fair value gain on investment properties of RM6.1 million (2013: RM4.4 million) resulting from change of accounting policy for investment properties as stated in Note A10.

For 2014, the Others Division recorded a loss of RM2.3 million compared to profit of RM1.9 million (restated) in the previous year.

Operations Outside Malaysia

Operations outside Malaysia saw impressive revenue growth of 121.4% for the fourth quarter of 2014 at RM24.4 million compared to RM11.0 million recorded in corresponding quarter last year. The increase was mainly contributed by consolidating the full quarter revenue of RM10.4 million (around 3.6% of the Group's total revenue for the current quarter) from the acquisition of coach seat business in Australia from McConnell Seats Australia Pty Ltd on 1 August 2014.

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B1 OPERATING SEGMENTS REVIEW (CONTINUED)

Operations Outside Malaysia (continued)

In tandem with the higher revenue, the segmental loss reduced by 58.1% compared to RM1.5 million in the same quarter of the previous year.

Revenue for the year 2014 increased to RM74.5 million from RM39.5 million in the previous year due to higher off-take from OEMs, export market penetration and contribution from Australia coach seats sales. Nevertheless, profit before tax was RM3.0 million from RM9.8 million previously due to one off RM10 million gain (net of tax proceeds from divestment of shares in one of the Indonesia joint venture, namely PT Armada Johnson Controls) recorded last year. Adjusted for the exceptional gain, the operations outside Malaysia has turned around from a loss of RM0.2 million to a profit of RM3 million.

B2 MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER

There was no material change to the Group's performance comparing to third quarter of 2014. The Group's revenue was flattish at RM287.8 million compared to RM291.9 million recorded in preceding quarter. The Group's current quarter profit before tax of RM35.7 million was higher by 2.6% compared to preceding quarter of RM34.7 million mainly due to fair value adjustment on investment properties of RM6.2 million recorded in the current quarter (as depicted in Note A10).

B3 COMMENTARY ON PROSPECTS AND TARGETS

As we enter into 2015, the Group faces a challenging operating environment on several fronts, namely a weaker Ringgit resulting in higher imported raw material costs, marginal growth of 2% in total industry volume and higher operating costs from regional expansion.

The Group will continue to focus on operational efficiency and control costs to strengthen its competitiveness. Research and development remains one of our key strategies in pursuit of growth.

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B4 INCOME TAX EXPENSE

(RM'000)	INDIVIDUAL QUARTER (Restated)		CUMULATIVE QUARTER (Restated)	
	Current Quarter Ended	Corresponding Quarter Ended	Cumulative Year To Date	Corresponding Year To Date
	<u>31-Dec-14</u>	<u>31-Dec-13</u>	<u>31-Dec-14</u>	<u>31-Dec-13</u>
<u>Current tax</u>				
- Current year	(6,280)	(8,007)	(33,351)	(43,573)
- Prior year	424	(26)	(567)	367
<u>Deferred tax</u>				
- Current year	(3,090)	(1,136)	(92)	1,000
- Prior year	923	1,178	(47)	1,761
Withholding Tax	129	(8)	(76)	(190)
	<u>(7,894)</u>	<u>(7,999)</u>	<u>(34,133)</u>	<u>(40,635)</u>

The Group's effective tax rate is lower than the statutory tax rate due mainly to the availability of tax incentives.

B5 CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the reporting date.

B6 FINANCIAL INSTRUMENTS AND REALISED AND UNREALISED PROFITS

a) Derivatives

The outstanding forward foreign currency contracts entered as at 31 December 2014 are as follows:

Type of Derivatives	Notional Amount RM'000	Net Fair Value Assets / (Liabilities) RM'000	Maturity
Forward foreign exchange contracts	45,504	826	Less than 1 year

Derivative financial instruments entered into by the Group are similar to those disclosed in the consolidated annual financial statements as at and for the year ended 31 December 2013. There is no change to the Group's financial risk management policies in managing these derivative financial instruments and its related accounting policies.

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B6 FINANCIAL INSTRUMENTS AND REALISED AND UNREALISED PROFITS (CONTINUED)

b) RETAINED EARNINGS

(RM'000)	(Restated)	
	As At	As At
	31-Dec-14	31-Dec-13
Total retained profits/(accumulated losses) of the company and its subsidiaries		
- realised profit	794,254	758,234
- unrealised losses	9,683	(9,767)
	<u>803,937</u>	<u>748,467</u>
Total share of retained profits of associate:		
- realised profit	8,487	8,260
Total share of retained profits of joint ventures		
- realised profit	24,133	21,834
	<u>836,557</u>	<u>778,561</u>
Consolidation adjustments	17,649	15,401
Total group retained profits as per consolidated accounts	<u>854,206</u>	<u>793,962</u>

B7 BORROWINGS AND DEBT SECURITIES

Group borrowings as at the end of reporting period are as follow:

<i>In thousands of RM</i>	31-Dec-14
Unsecured - Trade loan	22,029
- Short term borrowings	15,000
	<u>37,029</u>
Amount due within the next 12 months	<u>37,029</u>
	<u>37,029</u>

Group borrowings breakdown by currencies.

<i>In thousands of RM</i>		31-Dec-14
<u>Functional</u> <u>Currency</u>	<u>Denominated</u> <u>In</u>	
RM	RM	15,000
USD	USD	22,029
		<u>37,029</u>

B8 CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group as at the reporting date.

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B9. PROPOSED DIVIDEND

Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the Board recommends a final single-tier dividend of 12% for the year ended 31 December 2014 (2013 – 12%). The net amount payable is RM23.5 million (2013 – RM23.5 million).

The entitlement and payment dates for the final dividend will be announced at a later date.

B10 EARNINGS PER SHARE

The calculation of basic earnings per share for the period is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the periods as follows:

	Individual Quarter		Cumulative Quarter	
	(Restated)		(Restated)	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
Profit attributable to the owners of the Company (RM'000)	24,690	29,495	98,403	128,290
Weighted average number of ordinary shares in issue ('000)	195,685	195,687	195,685	195,687
Basic EPS (sen)	12.62	15.07	50.29	65.56

B11 NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

Profit before tax is arrived at after (charging)/crediting the following items:

<i>In thousands of RM</i>	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	Current	Corresponding	Cumulative	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
(a) Interest income	2,484	2,820	9,791	10,311
(b) Other income including investment income	221	(1,685)	4,502	3,359
(c) Interest expense	(668)	(74)	(1,326)	(339)
(d) Depreciation and Amortization	(8,330)	(6,321)	(31,681)	(26,888)
(e) Reversal/(Provision for) and (write off) receivables	(360)	(589)	428	(243)
(f) Reversal/(Provision for) and (write off) inventories	120	1,244	(923)	1,439
(g) Gain or (loss) on disposal of property, plant and equipment	745	75	1,029	134
(h) Foreign exchange gain or (loss)	427	1,467	1,223	4,937
(i) Gain or (loss) on derivative	584	(160)	232	49
(i) Fair value adjustment on investment properties	6,184	4,503	6,184	4,503

BY ORDER OF THE BOARD

LEE KWEE CHENG
 ANG LAY BEE
 QUAH KHIAN KHOON

Company Secretaries
 Kuala Lumpur
 27 February 2015