



# **APM AUTOMOTIVE HOLDINGS BERHAD**

Registration No. 199701009342 (424838-D)

*(Incorporated in Malaysia)*

## **INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2026**

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**APM AUTOMOTIVE HOLDINGS BERHAD**

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2026 – unaudited**

<i>In thousands of RM</i>	<b>INDIVIDUAL QUARTER</b>		
	<b>Current Quarter Ended 31-Mar-2026</b>	<b>Corresponding Quarter Ended 31-Mar-2025</b>	<b>Change</b>
<b>Revenue</b>	397,243	499,727	-20.5%
<b>Profit from operating activities</b>	18,131	31,565	-42.6%
<b>Finance costs</b>	(3,280)	(4,580)	28.4%
<b>Finance income</b>	4,389	4,491	-2.3%
<b>Share of profit of equity-accounted associates and joint ventures, net of tax</b>	2,719	2,576	5.6%
<b>Profit before tax</b>	21,959	34,052	-35.5%
<b>Income tax expense</b>	(6,609)	(8,663)	23.7%
<b>Profit for the period</b>	15,350	25,389	-39.5%
<b>Other comprehensive expense, net of tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit liability	1	-	N/A
<b>Items that will be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for consolidated subsidiaries	(3,827)	(5,036)	24.0%
Foreign currency translation differences for equity-accounted associates and joint ventures	(1,816)	(2,568)	29.3%
<b>Other comprehensive expense for the period, net of tax</b>	(5,642)	(7,604)	25.8%
<b>Total comprehensive income for the period</b>	9,708	17,785	-45.4%
<b>Profit attributable to:</b>			
Owners of the Company	10,218	18,603	-45.1%
Non-controlling interests	5,132	6,786	-24.4%
<b>Profit for the period</b>	15,350	25,389	-39.5%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	4,758	11,008	-56.8%
Non-controlling interests	4,950	6,777	-27.0%
<b>Total comprehensive income for the period</b>	9,708	17,785	-45.4%
<b>Earnings per ordinary share</b>			
Basic (sen)	5.23	9.52	-45.1%

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to these interim financial statements.*

**APM AUTOMOTIVE HOLDINGS BERHAD**

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2026 – unaudited**

<i>In thousands of RM</i>	<b>As at 31-Mar-2026</b>	<b>As at 31-Dec-2025 (Audited)</b>
<b>Assets</b>		
Property, plant and equipment	652,143	642,030
Investment properties	115,390	115,390
Investments in associates	39,626	38,345
Investments in joint ventures	92,608	92,985
Other investments	3,986	3,986
Intangible assets	19,002	19,015
Deferred tax assets	53,709	52,116
<b>Total non-current assets</b>	<b>976,464</b>	<b>963,867</b>
Inventories	301,783	302,964
Other investments	112,370	140,674
Current tax assets	2,480	4,168
Trade and other receivables, including derivatives	348,046	355,530
Cash and cash equivalents	517,728	583,993
<b>Total current assets</b>	<b>1,282,407</b>	<b>1,387,329</b>
<b>Total assets</b>	<b>2,258,871</b>	<b>2,351,196</b>
<b>Equity</b>		
Share capital	219,498	219,498
Reserves	1,188,834	1,209,490
Treasury shares	(13,506)	(13,506)
<b>Equity attributable to owners of the Company</b>	<b>1,394,826</b>	<b>1,415,482</b>
Non-controlling interests	85,597	85,396
<b>Total equity</b>	<b>1,480,423</b>	<b>1,500,878</b>
<b>Liabilities</b>		
Employee benefits	46,035	45,516
Lease liabilities	17,475	16,310
Loans and borrowings	200,000	200,000
Deferred tax liabilities	68,828	69,907
<b>Total non-current liabilities</b>	<b>332,338</b>	<b>331,733</b>
Loans and borrowings	37,779	33,884
Lease liabilities	4,698	4,703
Trade and other payables, including derivatives	389,076	465,910
Current tax liabilities	14,557	14,088
<b>Total current liabilities</b>	<b>446,110</b>	<b>518,585</b>
<b>Total liabilities</b>	<b>778,448</b>	<b>850,318</b>
<b>Total equity and liabilities</b>	<b>2,258,871</b>	<b>2,351,196</b>
Net assets per share attributable to owners of the Company* (RM)	7.13	7.24

*\*Net assets per share is calculated based on total share capital in issue less treasury shares of 6,105,700.*

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to these interim financial statements.*

**APM AUTOMOTIVE HOLDINGS BERHAD**

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2026 – unaudited**

	<----- Attributable to the owners of the Company ----->						Non- controlling interests	Total equity
	<----- Non-Distributable ----->			Distributable				
<i>In thousands of RM</i>	Share capital	Treasury shares	Revaluation reserve	Translation reserve	Retained earnings	Total		
<b>At 1-Jan-2025</b>	219,498	(13,506)	227,502	(21,308)	1,027,386	1,439,572	76,071	1,515,643
Foreign currency translation differences for consolidated subsidiaries	-	-	-	(5,057)	-	(5,057)	21	(5,036)
Foreign currency translation differences for equity-accounted associates and joint ventures	-	-	-	(2,538)	-	(2,538)	(30)	(2,568)
Transfer of revaluation surplus on properties and right-of-use assets	-	-	(4,049)	-	4,049	-	-	-
<b>Total other comprehensive income for the period</b>	-	-	(4,049)	(7,595)	4,049	(7,595)	(9)	(7,604)
Profit for the period	-	-	-	-	18,603	18,603	6,786	25,389
<b>Total comprehensive income for the period</b>	-	-	(4,049)	(7,595)	22,652	11,008	6,777	17,785
Dividends to owners of the Company	-	-	-	-	(35,189)	(35,189)	-	(35,189)
Dividends to non-controlling interests	-	-	-	-	-	-	(9,999)	(9,999)
<b>Total transactions with owners of the Company</b>	-	-	-	-	(35,189)	(35,189)	(9,999)	(45,188)
<b>At 31-Mar-2025</b>	219,498	(13,506)	223,453	(28,903)	1,014,849	1,415,391	72,849	1,488,240
<b>At 1-Jan-2026</b>	219,498	(13,506)	211,672	(68,825)	1,066,643	1,415,482	85,396	1,500,878
Foreign currency translation differences for consolidated subsidiaries	-	-	-	(3,659)	-	(3,659)	(168)	(3,827)
Foreign currency translation differences for equity-accounted associates and joint ventures	-	-	-	(1,802)	-	(1,802)	(14)	(1,816)
Remeasurement of defined benefit liability	-	-	-	-	1	1	-	1
Transfer of revaluation surplus on properties and right-of-use assets	-	-	(3,918)	-	3,918	-	-	-
<b>Total other comprehensive income for the period</b>	-	-	(3,918)	(5,461)	3,919	(5,460)	(182)	(5,642)
Profit for the period	-	-	-	-	10,218	10,218	5,132	15,350
<b>Total comprehensive income for the period</b>	-	-	(3,918)	(5,461)	14,137	4,758	4,950	9,708
Subscription of shares by non-controlling interests	-	-	-	-	-	-	5,250	5,250
Dividends to owners of the Company	-	-	-	-	(25,414)	(25,414)	-	(25,414)
Dividends to non-controlling interests	-	-	-	-	-	-	(9,999)	(9,999)
<b>Total transactions with owners of the Company</b>	-	-	-	-	(25,414)	(25,414)	(4,749)	(30,163)
<b>At 31-Mar-2026</b>	219,498	(13,506)	207,754	(74,286)	1,055,366	1,394,826	85,597	1,480,423

*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 2025 and the accompanying explanatory notes attached to these interim financial statements.*

**APM AUTOMOTIVE HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 MARCH 2026 – unaudited**

<i>In thousands of RM</i>	<b>For the 3 months period ended 31-Mar-2026</b>	<b>For the 3 months period ended 31-Mar-2025</b>
<b>Cash flows from operating activities</b>		
Profit before tax and non-controlling interests	21,959	34,052
Adjustments for non-cash items:		
Amortisation of intangible assets	147	191
Depreciation of property, plant and equipment	16,137	16,667
Share of profit of equity-accounted associates and joint ventures, net of tax	(2,719)	(2,576)
Others	(1,288)	(1,816)
<b>Operating profit before changes in working capital</b>	<b>34,236</b>	<b>46,518</b>
Deposits and prepayments	(16,234)	(32,126)
Inventories	1,712	55,942
Trade and other payables, including derivatives	(76,784)	(37,643)
Trade and other receivables, including derivatives	23,717	11,290
<b>Cash (used in)/generated from operations</b>	<b>(33,353)</b>	<b>43,981</b>
Employee benefits paid	(712)	(678)
Net interest received/(paid)	1,109	(89)
Warranties paid	(476)	(406)
Net income tax paid	(7,127)	(13,730)
<b>Net cash (used in)/generated from operating activities</b>	<b>(40,559)</b>	<b>29,078</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(26,848)	(1,856)
Additions of intangible assets	(9)	(122)
Net decrease/(increase) in other investments	29,140	(5,015)
Proceeds from disposal of property, plant and equipment	135	1,081
<b>Net cash generated from/(used in) investing activities</b>	<b>2,418</b>	<b>(5,912)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(840)	(679)
Dividends paid to non-controlling interests	(9,999)	(9,999)
Dividends paid to owners of the Company	(25,414)	(35,189)
Net drawdown/(repayment) of loans and borrowings	3,895	(6,930)
Subscription of shares by non-controlling interests	5,250	-
<b>Net cash used in financing activities</b>	<b>(27,108)</b>	<b>(52,797)</b>
Net decrease in cash and cash equivalents	(65,249)	(29,631)
Effect of exchange rate fluctuations	(1,016)	(18)
Cash and cash equivalents at 1 January	583,993	528,419
<b>Cash and cash equivalents at the end of period</b>	<b>517,728</b>	<b>498,770</b>
Cash and cash equivalents at the end of period comprise the following:		
Deposits placed with licensed banks and financial institutions	377,976	392,585
Cash and bank balances	139,752	106,185
	<b>517,728</b>	<b>498,770</b>

*The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying explanatory notes attached to these interim financial statements.*

## **A1. BASIS OF PREPARATION**

These condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: 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 of the Group for the financial year ended 31 December 2025. The explanatory notes attached to the Condensed Report provide explanations 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 2025.

## **A2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Group have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”) and IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

During the financial year, the Group has adopted the following interpretations and amendments issued by the Malaysian Accounting Standards Board (“MASB”), which became effective for annual periods beginning on or after 1 January 2026:

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

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

The following are accounting standards, interpretations and amendments to the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

**A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed*

- 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*

The Group plans to apply the abovementioned accounting standards, amendments and interpretations from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to the Group.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impacts to the current period and prior period financial statements of the Group other than MFRS 18 which may impact the presentation of the statement of profit or loss and other comprehensive income in the period of initial application.

**A3. AUDIT QUALIFICATIONS**

There were no audit qualifications in the annual financial statements of the Group for the year ended 31 December 2025.

**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 had a material effect on the assets, liabilities, equity, net income or cash flows for the quarter ended 31 March 2026.

#### **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**

Under the Islamic Medium-Term Notes (“IMTN”) Programme of RM1.5 billion, the outstanding nominal value of IMTN stood at RM200.0 million at the end of the financial quarter.

Save for the above, there were no other issuances, repurchases, resale or repayment of debts and equity securities in the current interim period and financial year to-date.

#### **A8. DIVIDENDS PAID**

A second interim single tier dividend of 13.0 sen per ordinary share (2025: 18.0 sen) totalling RM25.4 million (2025: RM35.2 million) in respect of the financial year ended 31 December 2025 was paid on 31 March 2026.

#### **A9. SEGMENTAL INFORMATION**

The Group’s operating structure comprises the following strategic business divisions, with 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 plastic parts; interiors; and seatings for motor vehicles, buses, auditoriums, cinemas, and rails and light rails system;
- *Electrical & Heat Exchange Division, Malaysia*: comprises business in manufacturing products such as air-conditioning systems, radiators, starter motors, alternators, wiper system, distributors and other electrical parts; casting, machining and assembly of aluminum parts and components;
- *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;
- *Non-reportable segment, 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 automotive research and development services;
- *Indonesia operations*: comprises business in Indonesia; and
- *All other segments*: comprises businesses in Vietnam, Australia, the United States of America (“USA”), the Netherlands, Thailand, Myanmar and the United Kingdom.

**A9. SEGMENTAL INFORMATION (CONT'D)**

The manufacturing and distribution of automotive products within the Group are managed by four different operating segments within the Group. These operating segments are aggregated to form a reportable segment due to the similar nature and economic characteristics of the products. The nature, production process and methods of distribution of the products for these divisions are similar. The types of customers for the products are similar for both replacement markets (“REM”) and Original Equipment Manufacturer (“OEM”) markets.

Performance is measured based on segmental revenue and profit before tax, as included in the internal management reports that are reviewed by the Chief Operating Decision Makers. Segmental profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

*In thousands of RM*

**INDIVIDUAL QUARTER**

	<b>31-Mar-2026</b>		<b>31-Mar-2025</b>	
	<b>Segment Revenue</b>	<b>Profit/(Loss) Before Tax</b>	<b>Segment Revenue</b>	<b>Profit/(Loss) Before Tax</b>
Suspension	45,246	(22)	48,979	(1,086)
Interior & Plastics	307,930	22,205	393,736	33,750
Electrical & Heat Exchange	16,457	(1,596)	33,554	605
Marketing	55,747	408	68,087	1,346
Non-Reportable Segment	12,751	(1,851)	13,171	(983)
Indonesia Operations	20,100	435	23,004	1,926
All Other Segments	42,035	1,941	39,620	(1,193)
	500,266	21,520	620,151	34,365
Eliminations	(103,023)	439	(120,424)	(313)
	397,243	21,959	499,727	34,052

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS**

The valuations of properties and right-of-use assets were brought forward without amendment from the annual financial statements for the year ended 31 December 2025.

**A11. RELATED PARTY DISCLOSURES**

Significant transactions with Tan Chong Motor Holdings Berhad (“TCMH Group”), Warisan TC Holdings Berhad (“WTCH Group”) and Tan Chong International Limited (“TCIL Group”), companies in which a Director of the Company, namely Dato’ Tan Heng Chew, is deemed to have substantial interests are as follows:

<i>In thousands of RM</i>	<b>INDIVIDUAL QUARTER</b>	
	<b>Current</b>	<b>Corresponding</b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>
<b><u>With TCMH Group</u></b>	<b><u>31-Mar-2026</u></b>	<b><u>31-Mar-2025</u></b>
Sales	688	3,898
Provision of services	-	151
Purchases	(970)	(577)
Administrative and consultancy services	(192)	(186)
Insurance	-	(5,102)
Rental expenses	(161)	(132)
Rental income	549	532

The above transactions had been entered into in the ordinary course of business on normal commercial terms.

<i>In thousands of RM</i>	<b>INDIVIDUAL QUARTER</b>	
	<b>Current</b>	<b>Corresponding</b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>
<b><u>With WTCH Group</u></b>	<b><u>31-Mar-2026</u></b>	<b><u>31-Mar-2025</u></b>
Sales	14,253	4,021
Purchases	(9)	(47)
Administrative and consultancy services	-	(139)
Rental expenses	-	(396)
Rental income	83	83

The above transactions had been entered into in the ordinary course of business on normal commercial terms.

<i>In thousands of RM</i>	<b>INDIVIDUAL QUARTER</b>	
	<b>Current</b>	<b>Corresponding</b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>
<b><u>With TCIL Group</u></b>	<b><u>31-Mar-2026</u></b>	<b><u>31-Mar-2025</u></b>
Sales	22	50
Rental expenses	(4)	(15)

The above transactions had been entered into in the ordinary course of business on normal commercial terms.

**A12. MATERIAL SUBSEQUENT EVENT**

There were no material events subsequent to the end of the reporting period and up to the date of issuance of this report.

**A13. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the quarter under review.

**A14. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets or contingent liabilities as of 31 March 2026.

**A15. CAPITAL COMMITMENTS**

*In thousands of RM*

	<u>31-Mar-2026</u>	<u>31-Mar-2025</u>
Authorised but not contracted for	151,578	157,146
Contracted but not provided for	70,417	29,568
	<u>221,995</u>	<u>186,714</u>

## **B1. OPERATING SEGMENTS REVIEW**

### **Statement of Financial Position**

The Group's financial standing remained robust with shareholders' fund of RM1.5 billion and a net cash position of RM392.3 million as of 31 March 2026 (i.e. cash and cash equivalents plus other investments (current assets) and less bank borrowings). The Group's current ratio (i.e. Current Ratio = Current Assets/Current Liabilities) improved from 2.68 times to 2.87 times, primarily driven by a reduction in trade and other payables, which declined by RM76.8 million or 16.5% in Q1 2026 compared to 31 December 2025.

The Group's net assets per share decreased from RM7.24 as of 31 December 2025 to RM7.13 as of 31 March 2026. The reduction was mainly attributable to dividend payments amounting to RM25.4 million to shareholders and RM10.0 million to non-controlling interests during the quarter under review. Additionally, the strengthening of the Malaysian Ringgit resulted in unfavourable foreign currency translation effects on the Group's foreign subsidiaries, associates, and joint ventures, which further contributed to the reduction in the net assets per share.

### **Statement of Cash Flows and Capital Expenditure**

For the current quarter ended 31 March 2026, the Group recorded a net decrease in cash and cash equivalents of RM66.3 million, from RM584.0 million as of 31 December 2025 to RM517.7 million as of 31 March 2026. The negative cash flow movement was mainly attributed to the following factors:-

- i) Net cash used in operating activities of RM40.6 million, primarily attributable to the higher deposits and prepayments balance which resulted in negative changes of RM16.2 million and settlement of trade and other payables resulting in negative changes of RM76.8 million, which was partially mitigated by the pre-tax profit of RM22.0 million and a reduction in trade and other receivables resulting in positive cash flow of RM23.7 million;
- ii) Net cash generated from investing activities of RM2.4 million, mainly driven by the net redemption of unit trusts amounting to RM29.1 million, which was offset by the purchase of tooling, machineries and equipment as well as the construction of new production facilities amounting to RM26.8 million; and
- iii) Net cash used in financing activities of RM27.1 million, mainly due to dividend payments to owners of the Company totalling RM25.4 million and dividend payments to non-controlling interests totalling RM10.0 million.

As of 31 March 2026, the Group's capital commitments stood at RM222.0 million, comprising primarily investments in tooling, machineries and equipment, development costs for the supply of parts for new vehicle models, and the construction of new production facility. These capital commitments are funded internally and through bank borrowings.

The Group recognises that the retention of sufficient cash reserves is essential in the pursuit of growth and expansion. Thus, the Group's liquidity remains intact as the balance of IMTN of up to RM1.30 billion in nominal value, as of the date of this report, can be utilised for future capital investment, if and when required.

**B1. OPERATING SEGMENTS REVIEW (CONT'D)**

**Analysis of Performance of All Operating Segments**

**Q1'2026 vs Q1'2025**

For the current quarter ended 31 March 2026, the Group recorded revenue of RM397.2 million, representing a decline of 20.5% from RM499.7 million in the corresponding quarter ended 31 March 2025. The lower revenue was mainly attributable to the slowdown in demand from OEM segment, coupled with the softening of REM and export markets.

In line with the lower revenue and margin compression arising from intense market competition, the Group's profit before tax ("PBT") declined from RM34.1 million in the corresponding quarter ended 31 March 2025 to RM22.0 million in the current quarter. This was partially mitigated by the favourable foreign exchange movements and lower finance costs following the repayment of IMTN in Q3'2025.

**Suspension Division**

For the current quarter ended 31 March 2026, the Suspension Division recorded a 7.6% decline in revenue to RM45.2 million (Q1'2025: RM49.0 million), mainly due to the softening of local OEM market. Despite the lower revenue, the Division's loss before tax ("LBT") narrowed to RM0.1 million from RM1.1 million in the corresponding quarter last year, primarily due to lower production costs arising from improved operational efficiency.

**Interior & Plastics Division**

For the current quarter ended 31 March 2026, the Interior & Plastics Division recorded a 21.8% reduction in revenue to RM307.9 million (Q1'2025: RM393.7 million), mainly due to a slowdown in demand for certain OEM models. Correspondingly, the Division's PBT declined to RM22.2 million (Q1'2025: RM33.8 million).

**Electrical & Heat Exchange Division**

For the current quarter ended 31 March 2026, the Electrical & Heat Exchange Division recorded a 51.0% decrease in revenue to RM16.5 million (Q1'2025: RM33.6 million), primarily due to the end of production for an OEM model at the end of Q3'2025. In line with the lower revenue, the Division recorded a LBT of RM1.6 million compared to a PBT of RM0.6 million in the corresponding quarter last year.

**Marketing Division**

For the current quarter ended 31 March 2026, the Marketing Division recorded a 18.1% decrease in revenue to RM55.7 million (Q1'2025: RM68.1 million), mainly due to weaker demand from domestic REM market as well as softer export sales to Asia and Australia. In line with the lower revenue, the Division recorded a lower PBT of RM0.4 million compared to a PBT of RM1.3 million in the corresponding quarter last year.

**B1. OPERATING SEGMENTS REVIEW (CONT'D)**

**Analysis of Performance of All Operating Segments (cont'd)**

**Non-Reportable Segment, Malaysia**

This segment comprises mainly operations relating to revenue received from sources that include the rental of properties in Malaysia, provision of management services, and engineering and research services for companies within the Group. Revenue generated from these services and sources form part of the inter-segment elimination for the total Group's results (as depicted in Note A9). This Segment also comprises the Group's investment and participation in associate.

For the current quarter ended 31 March 2026, the Segment's revenue declined by 3.2% to RM12.8 million from RM13.2 million in Q1'2025, mainly due to lower inter-group billings for services. In line with the lower revenue and lower fair value gain from other investments, the Segment's LBT widened to RM1.9 million from RM1.0 million in the corresponding quarter last year.

**Indonesia Operations**

Indonesia Operations refer to the manufacturing and supply of suspension products such as coil springs, shock absorbers and leaf springs as well as the Group's investment and participation in joint ventures and associates in Indonesia.

For the current quarter ended 31 March 2026, Indonesia Operations recorded revenue of RM20.1 million, a reduction of 12.6% from RM23.0 million in the corresponding quarter last year, mainly due to the softening of REM market. In line with the lower revenue, Indonesia Operations recorded a lower PBT of RM0.4 million compared to a PBT of RM1.9 million in the same quarter last year. The stronger performance in the same quarter last year was mainly supported by the write-back of provisions for slow-moving inventories and a higher share of profit from the Group's joint ventures.

**All Other Segments**

This business segment refers to the Group's operations in Vietnam, Australia, USA, the Netherlands, Thailand, Myanmar and the United Kingdom ("Operations Outside Malaysia").

For the current quarter ended 31 March 2026, Operations Outside Malaysia recorded revenue of RM42.0 million, an increase of 6.1% from RM39.6 million in the corresponding quarter last year. The improvement was mainly attributable to higher call-ins from certain OEM customers in Vietnam operations and improved market conditions for bus and train seating products in Australia operations. In line with the higher revenue, the Segment recorded a PBT of RM1.9 million compared to a LBT of RM1.2 million in the corresponding quarter last year. The PBT for the quarter under review was also boosted by the favourable sales mix and higher share of profit from joint ventures.

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

In Thousands of RM	Segment Revenue				Segment Profit/(Loss) Before Tax			
	31-Mar-2026	31-Dec-2025	Changes		31-Mar-2026	31-Dec-2025	Changes	
			Amount	%			Amount	%
Suspension	45,246	48,369	(3,123)	-6.5%	(22)	(283)	261	92.2%
Interior & Plastics	307,930	415,117	(107,187)	-25.8%	22,205	47,887	(25,682)	-53.6%
Electrical & Heat Exchange	16,457	25,853	(9,396)	-36.3%	(1,596)	(2,857)	1,261	44.1%
Marketing	55,747	57,658	(1,911)	-3.3%	408	(1,959)	2,367	120.8%
Non-Reportable Segment	12,751	13,901	(1,150)	-8.3%	(1,851)	(1,570)	(281)	-17.9%
Indonesia Operations	20,100	17,362	2,738	15.8%	435	(1,066)	1,501	140.8%
All Other Segments	42,035	39,303	2,732	7.0%	1,941	666	1,275	191.4%
	500,266	617,563	(117,297)	-19.0%	21,520	40,818	(19,298)	-47.3%
Eliminations	(103,023)	(125,653)	22,630	18.0%	439	(124)	563	454.0%
	397,243	491,910	(94,667)	-19.2%	21,959	40,694	(18,735)	-46.0%

The Group's revenue declined by 19.2% quarter-on-quarter ("QoQ") to RM397.2 million in Q1'2026 from RM491.9 million in Q4'2025, mainly attributable to a slowdown in demand from certain OEM customers in Malaysia and softer REM sales in conjunction with Chinese New Year and Hari Raya festive holidays in the quarter under review.

Consequently, the Group's PBT for the quarter under review declined by 46.0% QoQ to RM22.0 million, primarily due to the following factors:

- a) In line with the lower revenue, the Interior & Plastics Division's PBT narrowed to RM22.2 million (Q4'2025: PBT of RM47.9 million). The higher PBT in Q4'2025 was also supported by a favourable sales mix, reversal of certain provisions, and the recovery of development expenditures for certain OEM models; and
- b) In line with the lower revenue, the Non-Reportable Segment recorded a lower PBT of RM1.9 million (Q4'2025: RM1.6 million), mainly attributable to higher unrealised gain on gold investment and higher share of profit from associate recorded in Q4'2025.

### **B3. COMMENTARY ON PROSPECTS, TARGETS, STRATEGIES AND RISKS**

APM is principally involved in the design, manufacturing, assembly and production of automotive and mobility components. The Group's main operations are located in Malaysia, but it is also present in various other jurisdictions, including USA, the Netherlands, Australia, Thailand, Vietnam, the Republic of Indonesia, Myanmar and the United Kingdom.

Following two consecutive years of record-breaking performance, Malaysia's automotive industry entered a phase of normalisation in the first quarter of 2026. Total industry volume ("TIV") for the quarter declined by approximately 3% year-on-year to about 182,000 units, reflecting moderating demand after a high base in 2025. The softer performance was mainly attributable to the absence of strong year-end promotional activities, easing order backlogs, and more cautious consumer sentiment amid rising living costs, compounded by seasonal disruptions during the festive period. Looking ahead to 2026, the Group expects the TIV to be moderate for the remainder of 2026, aligning with the MAA's forecast of a 3.8% decline to 790,000 units in 2026.

On the export front, the segment continued to face headwinds in Q1 2026 from tariff uncertainties, ongoing trade-related challenges in key markets, and the stronger Ringgit, which eroded pricing competitiveness and export profitability. The sustained appreciation of the Ringgit throughout 2025 and into early 2026 continued to impact margins in overseas markets.

In the domestic REM market, competitive pressure in the segment remained intense due to the continued influx of lower-cost imported products. This trend was further supported by the sustained strength of the Ringgit Malaysia, which improved import affordability and heightened pricing pressure on locally manufactured components. While competition from imports is expected to persist, the Group anticipates resilient aftermarket demand supported by ongoing vehicle maintenance needs, and the Group's expanding product diversification initiatives.

Overseas operations encountered similar tariff and trade pressures. In Indonesia, the market showed modest early recovery with wholesale sales reaching approximately 209,000–210,000 units in Q1 2026 (up about 1.7% year-on-year). This is consistent with the Association of Indonesia Automotive Industries (Gaikindo) full-year forecast of 850,000 units, representing a 5.8% rebound from 2025. The Group remains cautiously optimistic, supported by a diversified customer base, broad product portfolio, and component supply opportunities arising from new Chinese brand entrants and localisation initiatives.

The Group continues to closely monitor global economic uncertainties and evolving geopolitical tensions. To mitigate risks, the Group has strengthened its operational resilience through proactive initiatives including further supply chain diversification, rigorous cost management, and enhanced risk mitigation strategies.

Looking ahead, the Group remains focused on the execution of its revised five-year strategic plan, which is aimed at enhancing long-term business resilience and capturing growth opportunities. With a robust financial foundation and the ability to adapt to changing market conditions, the Group is confident in its capacity to navigate ongoing challenges and deliver sustainable value to shareholders.

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**B4. INCOME TAX EXPENSE**

<i>In thousands of RM</i>	<b>INDIVIDUAL QUARTER</b>	
	<b>Current Quarter Ended 31-Mar-2026</b>	<b>Corresponding Quarter Ended 31-Mar-2025</b>
<b><u>Current tax</u></b>		
- Current year	9,121	14,451
- Prior year	163	(62)
<b><u>Deferred tax</u></b>		
- Current year	(2,521)	(5,048)
- Prior year	(154)	(678)
	6,609	8,663

The Group's effective tax rate for the financial period ended 31 March 2026 is higher than the statutory tax rate largely due to the current year losses of certain subsidiaries for which no deferred tax asset was recognised.

**B5. CORPORATE PROPOSAL**

There was no corporate proposal announced but not completed as of 14 May 2026.

**B6. TRADE RECEIVABLES**

<i>In thousands of RM</i>	<b>Gross</b>	<b>Impairment</b>	<b>Net</b>
<b><u>31-Mar-2026</u></b>			
Not past due	202,907	(186)	202,721
Past due 1 - 90 days	19,393	(159)	19,234
Past due 91 - 180 days	11,891	(289)	11,602
Past due more than 180 days	21,238	-	21,238
	255,429	(634)	254,795
<b><u>Credit impaired</u></b>			
Past due more than 180 days	1,631	(1,631)	-
Individually impaired	2,370	(2,370)	-
	<b>259,430</b>	<b>(4,635)</b>	<b>254,795</b>
<b><u>31-Dec-2025</u></b>			
Not past due	214,888	(188)	214,700
Past due 1 - 90 days	23,926	(350)	23,576
Past due 91 - 180 days	9,621	(103)	9,518
Past due more than 180 days	30,215	-	30,215
	278,650	(641)	278,009
<b><u>Credit impaired</u></b>			
Past due more than 180 days	1,678	(1,678)	-
Individually impaired	2,417	(2,417)	-
	<b>282,745</b>	<b>(4,736)</b>	<b>278,009</b>

The trade receivables are given 30 to 90 days credit terms.

The Group has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Due to the nature of the industry, a significant portion of these receivables comprises regular customers who have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Significant past due receivables, if deemed as high risks, are monitored closely individually.

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**B7. FINANCIAL INSTRUMENTS AND REALISED AND UNREALISED PROFITS**

**Derivatives**

The outstanding forward foreign currency contracts entered as of 31 March 2026 are as follows:

*In thousands of RM*

Type Derivatives	Nominal Amount	Net Fair Value Assets / (Liabilities)	Maturity
Forward foreign exchange contracts	3,358	76	Less than 1 year

Derivative financial instruments entered by the Group are similar to those disclosed in the consolidated annual financial statements for the year ended 31 December 2025. There is no change to the Group's financial risk management policies in managing these derivative financial instruments and their related accounting policies.

**B8. BORROWINGS AND DEBT SECURITIES**

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

<i>In thousands of RM</i>		<b>31-Mar-2026</b>	<b>31-Dec-2025</b>
Unsecured	- Foreign currency borrowings	21,482	20,555
	- Local currency borrowings	216,297	213,329
		<u>237,779</u>	<u>233,884</u>
Amount due within the next 12 months		<u>37,779</u>	<u>33,884</u>
Amount due between one to five years		<u>100,000</u>	<u>100,000</u>
Amount due more than five years		<u>100,000</u>	<u>100,000</u>

*In thousands of RM*

Functional Currency	Denominated In	<b>31-Mar-2026</b>	<b>31-Dec-2025</b>
RM	RM	216,297	213,329
USD	EUR	95	97
AUD	AUD	19,357	19,018
IDR	IDR	2,030	1,440
		<u>237,779</u>	<u>233,884</u>

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**B8. BORROWINGS AND DEBT SECURITIES (CONT'D)**

The borrowings due within the next 12 months consist of bank trade facilities, while the borrowings due between 1 to 5 years and more than 5 years consist of the IMTN issued in the financial year 2024. Both these borrowings are utilised for working capital purposes.

Foreign currency loans were not hedged against Ringgit Malaysia as the drawdowns were done by overseas subsidiaries in their respective local currency.

The Group borrowings are subject to interest at rates ranging from 2.57% to 8.65% (2025: 2.57% to 8.65%) per annum.

**B9. CHANGES IN MATERIAL LITIGATION**

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

**B10. DIVIDEND**

No dividend has been proposed for the current quarter ended 31 March 2026.

**B11. 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:

	<b>INDIVIDUAL QUARTER</b>	
	<b>31-Mar-2026</b>	<b>31-Mar-2025</b>
Profit attributable to the owners of the Company (RM'000)	10,218	18,603
Weighted average number of ordinary shares in issue ('000)	195,494	195,494
<b>Basic EPS (sen)</b>	<b>5.23</b>	<b>9.52</b>

The total number of ordinary shares issued by the Company, net of treasury shares as of 31 March 2026 was 195,494,300 (31 March 2025: 195,494,300).

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**B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

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

<i>In thousands of RM</i>	<b>INDIVIDUAL QUARTER</b> <b>(Unaudited)</b> <b>Current</b> <b>Quarter Ended</b> <b>31-Mar-2026</b>	<b>(Unaudited)</b> <b>Corresponding</b> <b>Quarter Ended</b> <b>31-Mar-2025</b>
(a) Interest income	(4,389)	(4,491)
(b) Interest expense	3,280	4,580
(c) Depreciation and amortisation	16,284	16,858
(d) Net remeasurement of loss allowance on trade receivables	(51)	(279)
(e) Write-back for slow moving inventory	(829)	(840)
(f) Net gain on disposal of property, plant and equipment	(74)	(1,067)
(g) Net foreign exchange (gain)/loss	(1,219)	980
(h) Net gain on derivatives	(592)	(929)

**BY ORDER OF THE BOARD**

KHOO PENG PENG  
 SOO SHIOW FANG

Company Secretaries  
 Kuala Lumpur  
 Dated: 21 May 2026