



APM AUTOMOTIVE HOLDINGS BERHAD

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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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 30 SEPTEMBER 2024 – unaudited**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Quarter Ended 30-Sep-24	Corresponding Quarter Ended 30-Sep-23	Change	Cumulative Year to Date 30-Sep-24	Cumulative Year to Date 30-Sep-23	Change
<i>In thousands of RM</i>						
Revenue	545,194	518,449	5.2%	1,489,230	1,455,951	2.3%
Profit from operating activities	36,381	39,666	-8.3%	90,577	70,243	29%
Finance costs	(4,666)	(2,354)	-98.2%	(10,715)	(6,776)	-58%
Finance income	4,732	2,819	67.9%	12,077	7,687	57%
Share of the profit of equity-accounted associates and joint ventures, net of tax	1,676	2,248	-25.4%	6,949	2,513	177%
Profit before tax	38,123	42,379	-10.0%	98,888	73,667	34%
Income tax expense	(11,704)	(7,866)	-48.8%	(27,776)	(17,673)	-57%
Profit for the period	26,419	34,513	-23.5%	71,112	55,994	27%
Other comprehensive income, net of tax						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liability	-	23	-100.0%	9	23	-61%
Items that will be reclassified subsequently to profit or loss						
Foreign currency translation differences for consolidated subsidiaries	(28,631)	(5,725)	-400.1%	(34,876)	8,821	-495%
Foreign currency translation differences for equity-accounted associates and joint ventures	(6,042)	2,165	-379.1%	(10,713)	6,312	-270%
Other comprehensive (expense)/income for the period, net of tax	(34,673)	(3,537)	-880.3%	(45,580)	15,156	-401%
Total comprehensive (loss)/income for the period	(8,254)	30,976	-126.6%	25,532	71,150	-64%
Profit attributable to :						
Owners of the Company	18,668	25,905	-27.9%	48,667	38,377	27%
Non-controlling interests	7,751	8,608	-10.0%	22,445	17,617	27%
Profit for the period	26,419	34,513	-23.5%	71,112	55,994	27%
Total comprehensive (loss)/income attributable to :						
Owners of the Company	(15,940)	22,284	-171.5%	3,204	53,449	-94%
Non-controlling interests	7,686	8,692	-11.6%	22,328	17,701	26%
Total comprehensive (loss)/income for the period	(8,254)	30,976	-126.6%	25,532	71,150	-64%
Earnings per ordinary share						
Basic (sen)	9.55	13.25	-27.9%	24.89	19.63	27%

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 2023 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 30 SEPTEMBER 2024 – unaudited**

<i>In thousands of RM</i>	As at 30-Sep-24	As at 31-Dec-23 (Audited)
Assets		
Property, plant and equipment	680,995	716,247
Investment properties	106,978	106,760
Investments in associates	37,801	33,547
Investments in joint ventures	97,092	106,208
Intangible assets	17,812	20,840
Other investment	3,986	3,986
Deferred tax assets	32,583	27,618
Total non-current assets	977,247	1,015,206
Inventories	299,629	372,478
Trade and other receivables, including derivatives	360,357	271,959
Current tax assets	3,334	2,790
Assets held for sale	13,835	-
Other investments	135,287	4,390
Cash and cash equivalents	496,971	478,689
Total current assets	1,309,413	1,130,306
Total assets	2,286,660	2,145,512
Equity		
Share capital	219,498	219,498
Reserves	1,205,720	1,224,020
Treasury shares	(13,506)	(13,506)
Total equity attributable to owners of the Company	1,411,712	1,430,012
Non-controlling interests	72,030	73,704
Total equity	1,483,742	1,503,716
Liabilities		
Employee benefits	37,502	35,775
Lease liabilities	15,932	16,300
Deferred tax liabilities	76,987	82,388
Loans and borrowings	200,000	50,000
Total non-current liabilities	330,421	184,463
Trade and other payables, including derivatives	325,992	375,844
Lease liabilities	3,411	3,965
Loans and borrowings	119,555	68,814
Current tax liabilities	23,539	8,710
Total current liabilities	472,497	457,333
Total liabilities	802,918	641,796
Total equity and liabilities	2,286,660	2,145,512
Net assets per share attributable to owners of the Company* (RM)	7.22	7.31

**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 2023 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 30 SEPTEMBER 2024 – unaudited**

	<----- Attributable to the owners of the Company ----->					Total	Non-controlling interests	Total equity
	<----- Non-Distributable ----->		Distributable					
<i>In thousands of RM</i>	Share capital	Treasury shares	Revaluation reserve	Translation reserve	Retained earnings			
At 1-Jan-2023	219,498	(13,506)	176,525	(6,741)	912,088	1,287,864	65,126	1,352,990
Foreign currency translation differences for consolidated subsidiaries	-	-	-	8,821	-	8,821	-	8,821
Foreign currency translation differences for equity-accounted associates and joint ventures	-	-	-	6,228	-	6,228	84	6,312
Transfer of revaluation surplus on properties	-	-	(6,450)	-	6,450	-	-	-
Total other comprehensive income for the period	-	-	(6,450)	15,049	6,473	15,072	84	15,156
Profit for the period	-	-	-	-	38,377	38,377	17,617	55,994
Total comprehensive income for the period	-	-	(6,450)	15,049	44,850	53,449	17,701	71,150
Dividends to owners of the company	-	-	-	-	(13,685)	(13,685)	-	(13,685)
Dividends to non-controlling interests	-	-	-	-	-	-	(18,022)	(18,022)
Total transactions with owners of the company	-	-	-	-	(13,685)	(13,685)	(18,022)	(31,707)
At 30-Sep-23	219,498	(13,506)	170,075	8,308	943,253	1,327,628	64,805	1,392,433
At 1-Jan-2024	219,498	(13,506)	250,490	13,687	959,843	1,430,012	73,704	1,503,716
Foreign currency translation differences for consolidated subsidiaries	-	-	-	(34,876)	-	(34,876)	-	(34,876)
Foreign currency translation differences for equity-accounted associates and joint ventures	-	-	-	(10,596)	-	(10,596)	(117)	(10,713)
Remeasurement of defined benefit liabilities	-	-	-	-	9	9	-	9
Transfer of revaluation surplus on properties	-	-	(12,257)	-	12,257	-	-	-
Total other comprehensive income for the period	-	-	(12,257)	(45,472)	12,266	(45,463)	(117)	(45,580)
Profit for the period	-	-	-	-	48,667	48,667	22,445	71,112
Total comprehensive income for the period	-	-	(12,257)	(45,472)	60,933	3,204	22,328	25,532
Dividends to owners of the company	-	-	-	-	(21,504)	(21,504)	-	(21,504)
Dividends to non-controlling interests	-	-	-	-	-	-	(24,002)	(24,002)
Total transactions with owners of the Group	-	-	-	-	(21,504)	(21,504)	(24,002)	(45,506)
At 30-Sep-24	219,498	(13,506)	238,233	(31,785)	999,272	1,411,712	72,030	1,483,742

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 2023 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 30 SEPTEMBER 2024 – unaudited**

<i>In thousands of RM</i>	For the 9 months year ended 30-Sep-24	For the 9 months year ended 30-Sep-23
Cash flows from operating activities		
Profit before tax and non-controlling interests	98,888	73,667
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	50,496	44,247
Amortisation of intangible assets	1,498	1,169
Share of the profit of equity-accounted associates and joint ventures, net of tax	(6,949)	(2,513)
Others	4,500	1,519
Operating profit before working capital changes	148,433	118,089
Changes in working capital		
Deposits and prepayments	(46,481)	(1,443)
Inventories	73,165	29,692
Trade and other payables, including derivatives	(52,198)	(19,915)
Trade and other receivables, including derivatives	(41,346)	9,295
Cash generated from operations	81,573	135,718
Interest/Tax/Employee benefits/provision		
Employee benefits paid	(1,161)	(668)
Net interest received	1,362	911
Warranties paid	(1,512)	(1,612)
Net income tax paid	(23,498)	(13,415)
Net cash generated from operating activities	56,764	120,934
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	356	730
Dividend received from a joint venture	5,698	-
Acquisition of property, plant and equipment	(48,678)	(11,644)
Net increase in other investments	(130,000)	(3,986)
Additions of intangible assets	(883)	(520)
Investment in associates	(4,600)	(17,200)
Net cash used in investing activities	(178,107)	(32,620)
Cash flows from financing activities		
Dividends paid to non-controlling interests	(24,002)	(18,022)
Dividends paid to owners of the Company	(21,502)	(13,685)
Net drawdown of loans and borrowings	200,741	3,270
Payment of lease liabilities	(2,522)	(2,395)
Net cash generated from/(used in) financing activities	152,715	(30,832)
Net cash increase in cash and cash equivalents	31,372	57,482
Effect of exchange rate fluctuations	(13,090)	3,120
Cash and cash equivalents at 1 January	478,689	353,106
Cash and cash equivalents at the end of period	496,971	413,708
Cash and cash equivalents at the end of period comprise the following:		
Cash and bank balances	70,301	58,987
Deposits and corporate management account with licensed banks	426,670	354,721
	496,971	413,708

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023. 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 2023.

A2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Group have been prepared in accordance with MFRSs and International Financial Reporting Standards in Malaysia.

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 2024:

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*;
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*; and
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*.

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

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*.

MFRSs, Interpretations and amendments 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*

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

MFRSs, 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*

MFRSs, 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 2025 for those amendments that are effective for annual periods beginning on or after 1 January 2025;
- from the annual period beginning on 1 January 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 January 2027 for those amendments that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current and prior year financial statements of the Group.

A3. AUDIT QUALIFICATIONS

There were no audit qualifications in the annual financial statements of the Group for the year ended 31 December 2023.

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 30 September 2024.

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

On 30th April 2024, the Group had successfully completed the issuance of two tranches of RM100.0 million, each, in nominal value of Islamic Medium-Term Notes (“IMTN”) under IMTN Programme with a fixed tenure of 5-year and 7-year. The outstanding nominal value of IMTN stood at RM250.0 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

No dividends were paid during the quarter ended 30 September 2024.

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; developing Internet of Things ("IoT") telematics platform; 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, India, Canada, the United States of America, the Netherlands, Thailand, Myanmar and the United Kingdom.

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.

APM AUTOMOTIVE HOLDINGS BERHAD (Registration No. 199701009342 (424838-D))
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. SEGMENTAL INFORMATION (CONT'D)

In thousands of RM

INDIVIDUAL QUARTER

	30-Sep-24		Re-presented* 30-Sep-23	
	Segment Revenue	Profit/(loss) before tax	Segment Revenue	Profit/(loss) before tax
Suspension	59,743	80	63,258	910
Interior & Plastics	437,812	50,906	416,175	44,138
Electrical & Heat Exchange	33,841	(823)	35,544	(1,003)
Marketing	71,729	(6,883)	67,506	1,787
Non-reportable segment	12,429	(4,945)	11,913	(1,631)
Indonesia Operations	22,301	2,117	26,522	1,204
All Other Segments	40,601	(2,569)	39,081	(2,537)
	678,456	37,883	659,999	42,868
Eliminations	(133,262)	240	(141,550)	(489)
	545,194	38,123	518,449	42,379

In thousands of RM

CUMULATIVE QUARTER

	30-Sep-24		Re-presented* 30-Sep-23	
	Segment Revenue	Profit/(loss) before tax	Segment Revenue	Profit/(loss) before tax
Suspension	178,195	3,842	179,683	(666)
Interior & Plastics	1,161,466	117,980	1,139,680	82,831
Electrical & Heat Exchange	106,457	(1,313)	101,056	(4,070)
Marketing	210,771	(4,167)	207,778	8,426
Non-reportable segment	36,696	(12,000)	35,115	(5,645)
Indonesia Operations	64,830	2,202	67,462	(1,731)
All Other Segments	120,321	(8,918)	123,836	(4,375)
	1,878,736	97,626	1,854,610	74,770
Eliminations	(389,506)	1,262	(398,659)	(1,103)
	1,489,230	98,888	1,455,951	73,667

*Refer to Note A14.

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

The valuations of properties, right-of-use assets and investment properties were brought forward without amendment from the annual financial statements for the year ended 31 December 2023.

APM AUTOMOTIVE HOLDINGS BERHAD (Registration No. 199701009342 (424838-D))
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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:

In thousands of RM

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Corresponding	Cumulative	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
<u>With TCMH Group</u>	<u>30-Sep-24</u>	<u>30-Sep-23</u>	<u>30-Sep-24</u>	<u>30-Sep-23</u>
Sales	4,877	5,801	14,521	16,897
Provision of services	145	144	436	444
Purchases	(1,285)	(543)	(2,175)	(1,663)
Administrative and consultancy services	(559)	(288)	(1,055)	(697)
Insurance	(260)	(434)	(5,553)	(5,277)
Rental expenses	(92)	(3)	(400)	(8)
Rental income	467	411	1,321	1,311

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

In thousands of RM

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Corresponding	Cumulative	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
<u>With WTCH Group</u>	<u>30-Sep-24</u>	<u>30-Sep-23</u>	<u>30-Sep-24</u>	<u>30-Sep-23</u>
Sales	31,952	38	41,417	196
Purchases	(143)	(136)	(314)	(396)
Administrative and consultancy services	(258)	(224)	(1,223)	(1,008)
Rental income	115	129	381	387
Rental expenses	(368)	(356)	(1,086)	(1,006)

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

In thousands of RM

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Corresponding	Cumulative	Corresponding
	Quarter Ended	Quarter Ended	Year To Date	Year To Date
<u>With TCIL Group</u>	<u>30-Sep-24</u>	<u>30-Sep-23</u>	<u>30-Sep-24</u>	<u>30-Sep-23</u>
Sales	82	74	194	142
Rental expenses	(22)	(24)	(69)	(71)

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. RE-PRESENTATION OF THE COMPARATIVES

As disclosed previously, the Group has reassessed the segregation of its operating segments and reclassified the business involving casting, machining and assembly of aluminium parts and components from Non-reportable Segment to Electrical & Heat Exchange Division, due to the growth of the business and to streamline the reporting to Head of Division. The comparatives have been re-presented accordingly.

A15. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or contingent liabilities as at 30 September 2024.

A16. CAPITAL COMMITMENTS

In thousands of RM

	<u>30-Sep-24</u>	<u>30-Sep-23</u>
Contracted but not provided for	14,576	16,538

B1. OPERATING SEGMENTS REVIEW

Statement of Financial Position

The Group's financial standing remained robust with shareholders' fund of RM1.4 billion and a net cash position of RM312.7 million as at 30 September 2024 (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 2.47 times to 2.77 times mainly due to the increase in cash and cash equivalents following the IMTN issuance.

The net assets per share of the Group recorded a slight reduction from RM7.31 as of 31 December 2023 to RM7.22 as of 30 September 2024, mainly due to dividend payout to shareholders amounting to RM21.5 million in the previous quarter and the unfavourable effects of foreign currency translation for the Group's foreign subsidiaries and joint ventures. The Malaysian Ringgit had strengthened significantly against a host of currencies as at the end of the current quarter under review. Notwithstanding the above, the Group recorded a higher profit attributable to owners of the Company in the current financial period of RM48.6 million which mitigated the factors explained above.

Statement of Cash Flows and Capital Expenditure

For the current quarter ended 30 September 2024, the Group recorded a net increase in cash and cash equivalents of RM18.3 million from RM478.7 million as of 31 December 2023 to RM497.0 million as of 30 September 2024. The positive cash flow movement was attributed to the following factors:-

- i) Net cash generated from operating activities of RM56.8 million that was mainly driven by pre-tax profit of RM98.9 million and offset by unfavourable changes in working capital mainly due to down payments made to suppliers, whereby the goods were shipped out after the end of the current reporting period, and higher trade and other receivables balance in line with the higher revenue recorded during the quarter under review.
- ii) Net cash used in investing activities of RM178.1 million was mainly for the investments in unit trust of RM130.0 million, the acquisition of a land in Indonesia amounting to RM24.1 million, the purchase of tooling, machineries and equipment amounting to RM24.6 million and the Group's investment in an associate in Malaysia amounting to RM4.6 million, offset by dividend received from a joint venture amounting to RM5.7 million; and
- iii) Net cash generated from financing activities of RM152.7 million mainly due to the issuance of RM200.0 million of IMTN during the previous quarter, offset by the payment of the second interim dividend for the financial year ended 31 December 2023 totalling RM21.5 million and payment of dividend to non-controlling interests amounting to RM24.0 million.

As of 30 September 2024, the Group's capital commitment stood at RM14.6 million comprising primarily the Group's investment in tooling, machineries/equipment and development costs for the supply of parts for new vehicle models and the upgrading of production facilities. The capital commitment is funded internally and through bank borrowings.

B1. OPERATING SEGMENTS REVIEW (CONT'D)

Statement of Cash Flows and Capital Expenditure (cont'd)

The Group recognizes 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 Islamic Medium-Term Notes of up to RM1.25 billion in nominal value, as of the date of this report, can be utilized for future capital investment, if and when required.

Analysis of Performance of All Operating Segments

Q3'2024 vs. Q3'2023

For the current quarter ended 30 September 2024, the Group recorded revenue of RM545.2 million, an increase of 5.2% compared with revenue of RM518.4 million in the corresponding quarter ended 30 September 2023. The higher revenue in Q3'2024 was largely driven by the OEM segment, following the commencement of supply for certain new models launched in Malaysia since Q2'2024, coupled with the growth in export sales due to improved market conditions.

However, the Group's profit before tax ("PBT") reduced from RM42.4 million in the corresponding quarter ended 30 September 2023 to RM38.1 million in the current quarter ended 30 September 2024 mainly due to unrealized foreign exchange losses which arose from trade receivables balance denominated in foreign currencies, following the strengthening of Malaysian Ringgit in the current quarter ended 30 September 2024 as explained above.

Year-to-date 2024 ("YTD 2024") vs Year-to-date 2023 ("YTD 2023")

For the nine months ended 30 September 2024, the Group recorded higher revenue of RM1.49 billion, which represents an increase of RM33.3 million or 2.3% compared with revenue of RM1.46 billion in the same period of last year. The improved performance was mainly due to the same reasons explained above.

In line with higher revenue, the Group's PBT increased to RM98.9 million (YTD 2023: RM73.7 million) due to favourable sales mix; upward price adjustment received from certain customers; lower cost of production due to decrease in certain raw material and energy prices; and higher share of profits from the Group's equity accounted associates and joint ventures.

B1. OPERATING SEGMENTS REVIEW (CONT'D)

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

Suspension Division

For the current quarter ended 30 September 2024, the Suspension Division recorded a 5.6% decrease in revenue (Q3'2024: RM59.7 million; Q3'2023: RM63.3 million) mainly due to the softening of local REM market, mitigated by increased sales in export segment. In line with the lower revenue, coupled with unfavourable sales mix and foreign exchange losses, the Suspension division registered a lower PBT of RM0.1 million compared to PBT of RM0.9 million in the corresponding quarter of last year.

For the nine months ended 30 September 2024, the Suspension Division recorded revenue of RM178.2 million (-0.8% compared to the same period last year ('YoY')) and registered a PBT of RM3.8 million compared to a loss before tax ("LBT") of RM0.7 million in the corresponding period. The improved performance despite a flat revenue, was mainly attributable to higher margins from export sales and lower production costs due to the decrease in raw material and energy prices.

Interior & Plastics Division

For the current quarter ended 30 September 2024, the Interior & Plastics Division recorded an increase in revenue by 5.2% (Q3'2024: RM437.8 million; Q3'2023: RM416.2 million) mainly due to the commencement of supply for new OEM models since Q2'2024. In line with higher revenue, the PBT improved by 15.3% (Q3'2024: RM50.9 million; Q3'2023: RM44.1 million), and further contributed by favourable sales mix and lower cost of production which resulted from the decrease in certain raw material prices and improved operational efficiency.

For the nine months ended 30 September 2024, the Interior & Plastics Division recorded higher revenue of RM1.16 billion (+1.9%) as against RM1.14 billion recorded in the same period last year. PBT increased by 42.4% to RM118.0 million due to the same reasons explained in the paragraph above, including upward price adjustment received from certain customers and the recovery of development expenditures incurred for certain models.

Electrical & Heat Exchange Division

For the current quarter ended 30 September 2024, the Electrical & Heat Exchange Division registered a decrease in revenue by 4.8% (Q3'2024: RM33.8 million; Q3'2023: RM35.5 million) mainly due to a slowdown in call-ins from certain OEM customers. Despite the lower revenue, LBT of the Division decreased to RM0.8 million compared to LBT of RM1.0 million in the corresponding quarter of last year mainly due to upward price adjustment received from certain customers and foreign exchange gains arising from purchases of imported components.

For the nine months ended 30 September 2024, the Division recorded higher revenue of RM106.5 million (+5.3% YoY) due to higher call-ins from OEM customers. In line with the higher revenue and further contribution by upward price revisions received from certain customers and foreign exchange gains as explained above, the Division posted a lower LBT of RM1.3 million compared to LBT of RM4.1 million in the same period last year.

B1. OPERATING SEGMENTS REVIEW (CONT'D)

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

Marketing Division

For the current quarter ended 30 September 2024, the Marketing Division recorded an increase in revenue by 6.3% (Q3'2024: RM71.7 million; Q3'2023: RM67.5 million) mainly due to strong export sales to North America, Australia and Thailand, offset by a slowdown in demand from domestic REM customers. Despite recording higher revenue, the Marketing Division registered LBT of RM6.9 million compared to PBT of RM1.8 million in the corresponding quarter of last year, due to unrealised forex exchange losses which arose from trade receivables balance denominated in foreign currencies.

For the nine months ended 30 September 2024, the Marketing Division recorded revenue of RM210.8 million (+1.4% YoY) and LBT of RM4.2 million compared to PBT of RM8.4 million in the same period last year due to the same reasons explained in the paragraph above.

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 30 September 2024, this segment's revenue increased by 4.3% to RM12.4 million from RM11.9 million in Q3'2023, mainly due to higher inter-group billing of services. Despite the higher revenue, LBT for the segment widened to RM4.9 million compared to LBT RM1.6 million in the corresponding quarter of last year. The higher LBT was mainly due to higher finance cost following the issuance of RM200 million IMTN in Q2'2024.

For the nine months ended 30 September 2024, this segment's revenue increased by 4.5% to RM36.7 million from RM35.1 million in 2023, mainly due to higher inter-group billing of services. Despite the higher revenue, LBT for the segment widened to RM12.0 million compared to LBT RM5.6 million in the same period last year due to the same reason explained in the paragraph above, coupled with impairment charge for certain research and development expenditures.

B1. OPERATING SEGMENTS REVIEW (CONT'D)

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

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 associate in Indonesia.

For the current quarter ended 30 September 2024, the Indonesia Operations recorded revenue of RM22.3 million, a decrease of 15.9% compared to RM26.5 million in the same quarter last year. The decrease in revenue was mainly due to a slowdown in domestic REM market, impacted by the country's sluggish economic growth.

Despite the decrease in revenue, the Indonesia Operations recorded higher PBT of RM2.1 million compared to PBT of RM1.2 million in the corresponding quarter of last year. The improved performance was contributed by higher gross margins arising from favourable sales mix and lower material costs. In addition, the Indonesia Operations recorded a write-back in provision for doubtful debts following settlement with certain customer.

For the nine months ended 30 September 2024, Indonesia operations recorded revenue of RM64.8 million (-3.9% YoY), dragged by a slowdown in the REM market for commercial vehicles, albeit mitigated by higher export sales. Despite the lower revenue, PBT for Indonesia operations came in at RM2.2 million compared to LBT of RM1.7 million in the same period last year mainly due to the same reasons explained in the paragraph above, and further boosted by the higher share of profit from the Group's joint ventures.

All Other Segments

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

For the current quarter ended 30 September 2024, Operations Outside of Malaysia recorded revenue of RM40.6 million (+3.9% compared to the same period last year), mainly due to the improved market conditions for bus and train seats in Australia operations. Despite the higher revenue, this segment recorded a flat LBT of RM2.5 million mainly due to the escalating operating cost in Australia.

For the nine months ended 30 September 2024, this Segment recorded a decrease in revenue to RM120.3 million (-2.8% YoY) mainly due to the slowdown in Vietnam automotive industry which affected the OEM demand for both commercial and passenger vehicles. In line with the lower revenue, coupled with the escalating operating cost in Australia operations and provision made for slow moving inventories in certain operations, this segment registered higher LBT of RM8.9 million compared to LBT of RM4.4 million in the previous corresponding period.

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

<i>In Thousands of RM</i>	Segment Revenue				Segment Profit/(Loss) Before Tax			
	30-Sep-24	30-Jun-24	Changes		30-Sep-24	30-Jun-24	Changes	
			Amount	%			Amount	%
Suspension	59,743	59,999	(256)	-0.4%	80	2,123	(2,043)	-96.2%
Interior & Plastics	437,812	344,441	93,371	27.1%	50,906	32,403	18,503	57.1%
Electricals & Heat Exchange	33,841	35,280	(1,439)	-4.1%	(823)	(873)	50	5.7%
Marketing	71,729	70,371	1,358	1.9%	(6,883)	885	(7,768)	-877.7%
Non-reportable segment	12,429	12,136	293	2.4%	(4,945)	(5,049)	104	2.1%
Indonesia Operations	22,301	20,610	1,691	8.2%	2,117	(975)	3,092	317.1%
All Other Segments	40,601	40,349	252	0.6%	(2,569)	(3,936)	1,367	34.7%
	678,456	583,186	95,270	16.3%	37,883	24,578	13,305	54.1%
Eliminations	(133,262)	(129,537)	(3,725)	-2.9%	240	424	(184)	-43.4%
	545,194	453,649	91,545	20.2%	38,123	25,002	13,121	52.5%

The Group's revenue increased quarter-on-quarter ("QoQ") by 20.2% in Q3'2024 from RM453.6 million in Q2'2024 to RM545.2 million, mainly due to the prolonged festive holidays in Q2'2024 which resulted in shorter operating period for Malaysia and Indonesia. In addition, the commencement of supply for new OEM models since Q2'2024 further boosted the revenue for the current quarter under review.

Consequently, the Group's PBT for the quarter under review was higher at RM38.1 million (+52.5% QoQ) mainly due to the following reasons:

- a) Interior & Plastics division, which recorded higher PBT of RM50.9 million (+57.1% QoQ) mainly due to favourable sales mix and the commencement of supply for new OEM models;
- b) Indonesia operations, which recorded a higher PBT of RM2.1 million during the current quarter compared to LBT of RM0.9 million in the preceding quarter of Q2'2024 mainly due to write-back of provision for doubtful debts as explained above and higher share of profit from joint ventures and associates;
Offset by:
- c) Marketing division recorded LBT of RM6.9 million (Q2'2024: PBT RM0.9 million), mainly due to the unrealised foreign exchange losses which arose from trade receivables balances denominated in foreign currencies; and
- d) PBT for Suspension division, which decreased by RM2.0 million mainly due to unfavourable sales mix and foreign exchange losses.

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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 the United States of America (U.S.), the Netherlands, Australia, Thailand, Vietnam, the Republic of Indonesia and the United Kingdom.

The total industry volume ("TIV") in Malaysia recorded 594,037 vehicles sold in the first nine months of 2024. This represents a 3.9% increase compared to the same period in 2023. The encouraging TIV was primarily due to the strong showing by the national car makers, supported by the resilient domestic economy, stable interest rate and new model launches. Based on the trajectory, the TIV for 2024 is expected to achieve the revised forecast of 765,000 units set by the Malaysian Automotive Association ("MAA").

The Group's domestic REM segment is experiencing a slowdown in demand which is exacerbated by stiff competition from imported goods/products. Separately, the Group's export segment continues to show a strong performance due to improved market conditions, following the subdued demand in 2023. However, the risk of currency fluctuation (i.e. Ringgit strengthening) could impact the competitiveness and profitability of the Group's export segment. Additionally, the ongoing tension in the Middle East remains a risk to supply chain stability, which, if escalated, could further derail the revenue and margins of the Group's export segment.

Elsewhere, the automotive industry in neighboring countries within ASEAN is also experiencing a slowdown, especially in Vietnam, Indonesia and Thailand where the Group operates. The markets had been in decline after an initial rebound from the Covid pandemic, further compounded by sluggish economic growth and inflationary pressure which is dampening consumer demand for large purchases.

Geopolitical tensions remain high and further escalation may result in renewed financial market stress and major disruptions to the global economy. Against this backdrop, the Group will continue to exercise prudence and caution in its approach towards business considering the prevailing uncertainties surrounding its operating environment. Looking ahead, the Group will continue to focus on its 5-year strategic plan for business sustainability, while creating value for shareholders.

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B4. INCOME TAX EXPENSE

<i>In thousands of RM</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Sep-24	Corresponding Quarter Ended 30-Sep-23	Cumulative Year To Date 30-Sep-24	Corresponding Year To Date 30-Sep-23
<u>Current tax</u>				
- Current year	16,023	10,150	39,053	23,401
- Prior year	(560)	(1,212)	(1,067)	(1,212)
<u>Deferred tax</u>				
- Current year	(3,711)	267	(10,055)	(3,552)
- Prior year	(121)	(1,349)	(935)	(1,001)
Withholding Tax	73	10	780	37
	<u>11,704</u>	<u>7,866</u>	<u>27,776</u>	<u>17,673</u>

The Group's effective tax rate for the financial period ended 30 September 2024 is higher than the statutory tax rate largely due to current period losses of certain subsidiaries for which no deferred tax asset was recognized.

B5. CORPORATE PROPOSAL

There was no corporate proposal announced but not completed as at 12 November 2024.

B6. TRADE RECEIVABLES

<i>In thousands of RM</i>	Gross	Impairment	Net
<u>30-Sep-24</u>			
Not past due	263,056	(16)	263,040
Past due 1 - 90 days	17,701	(1,207)	16,494
Past due 91 - 180 days	1,757	(407)	1,350
	<u>282,514</u>	<u>(1,630)</u>	<u>280,884</u>
<u>Credit impaired</u>			
Past due more than 180 days	991	(991)	-
Individually impaired	3,516	(3,516)	-
	<u>287,021</u>	<u>(6,137)</u>	<u>280,884</u>
<u>31-Dec-23</u>			
Not past due	222,168	(60)	222,108
Past due 1 - 90 days	14,070	(480)	13,590
Past due 91 - 180 days	873	(284)	589
	<u>237,111</u>	<u>(824)</u>	<u>236,287</u>
<u>Credit impaired</u>			
Past due more than 180 days	1,196	(1,196)	-
Individually impaired	4,780	(4,780)	-
	<u>243,087</u>	<u>(6,800)</u>	<u>236,287</u>

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 at 30 September 2024 are as follows:

In thousands of RM

Type Derivatives	Nominal Amount	Net Fair Value Assets / (Liabilities)	Maturity
Forward foreign exchange contracts	6,124	114	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 2023. 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>		30-Sep-24	31-Dec-23
Unsecured	- Foreign currency borrowings	41,846	52,303
	- Local currency borrowings	277,709	66,511
		<u>319,555</u>	<u>118,814</u>
Amount due within the next 12 months		119,555	68,814
Amount due between one to five years		100,000	50,000
Amount due more than five years		100,000	-

In thousands of RM

Functional Currency	Denominated In	30-Sep-24	31-Dec-23
RM	RM	277,709	66,511
EUR	EUR	484	591
AUD	AUD	19,924	19,624
IDR	IDR	21,267	28,176
IDR	USD	171	3,912
		<u>319,555</u>	<u>118,814</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 and the Islamic Medium-Term Notes (“IMTN”) issued on 15 August 2022 with a maturity date on 15 August 2025, while the borrowings due between 1 to 7 years consist of the IMTN issued in financial period 2024. Both these borrowings are utilized 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 3.84% to 9.90% (2023: 3.77% to 9.90%) 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 30 September 2024.

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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
Profit attributable to the owners of the Company (RM'000)	18,668	25,905	48,667	38,377
Weighted average number of ordinary shares in issue ('000)	195,494	195,494	195,494	195,494
Basic EPS (sen)	9.55	13.25	24.89	19.63

The total number of ordinary shares issued by the Company, net of treasury shares as at 30 September 2024 was 195,494,300 (30 September 2023: 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>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Quarter Ended 30-Sep-24	(Unaudited) Corresponding Quarter Ended 30-Sep-23	(Unaudited) Cumulative Year To Date 30-Sep-24	(Unaudited) Corresponding Year To Date 30-Sep-23
(a) Interest income	(4,732)	(2,819)	(12,077)	(7,687)
(b) Interest expense	4,666	2,354	10,715	6,776
(c) Depreciation and Amortization	16,986	15,062	51,994	45,416
(d) Net impairment gain on trade receivables	(56)	(293)	(650)	(862)
(e) (Write back)/provision for slow moving stock	(179)	(805)	372	(2,277)
(f) Net (gain)/loss on disposal of property, plant and equipment	(127)	17	(266)	(130)
(g) Net foreign exchange loss/(gain)	6,300	(938)	2,913	(4,018)
(h) Net loss on derivatives	1,154	960	1,483	1,752

BY ORDER OF THE BOARD

SOO SHIOW FANG
 Company Secretary
 Kuala Lumpur
 Dated: 19 November 2024