



**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 30 JUNE 2013 – unaudited**

<i>In thousands of RM</i>	INDIVIDUAL/CUMULATIVE QUARTER			(Restated)
	Current Quarter Ended 30-Jun-13	Corresponding Quarter Ended 30-Jun-12	Cumulative Year To Date 30-Jun-13	Corresponding Year To Date 30-Jun-12
<b>Revenue</b>	338,283	278,461	623,609	555,555
<b>Results from operating activities</b>	44,803	37,723	81,355	77,727
<b>Finance costs</b>	(60)	(17)	(187)	(166)
<b>Finance income</b>	2,844	2,855	5,713	5,572
<b>Share of profit of equity-accounted investee, net of tax</b>	1,398	1,744	1,625	2,682
<b>Profit before tax</b>	48,985	42,305	88,506	85,815
<b>Income tax expense</b>	(10,862)	(10,129)	(19,664)	(18,140)
<b>Profit for the period</b>	38,123	32,176	68,842	67,675
<b>Other comprehensive (expenses)/income, net of tax</b>				
Foreign currency translation differences for foreign operations	456	1,146	370	(81)
Share of foreign currency translation differences of equity-accounted investee	172	251	176	(723)
<b>Other comprehensive (expenses)/income for the period, net of tax</b>	628	1,397	546	(804)
<b>Total comprehensive income for the period</b>	38,751	33,573	69,388	66,871
<b>Profit attributable to :</b>				
Owners of the Company	35,547	29,517	63,024	62,088
Non-controlling interests	2,576	2,659	5,818	5,587
<b>Profit for the period</b>	38,123	32,176	68,842	67,675
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	36,175	30,914	63,570	61,385
Non-controlling interests	2,576	2,659	5,818	5,487
<b>Total comprehensive income for the period</b>	38,751	33,573	69,388	66,872
<b>Earnings per share</b>				
Basic (sen)	18.17	15.08	32.21	31.73
Diluted (sen)	N/A	N/A	N/A	N/A

*The above condensed consolidated statement of comprehensive income should be read conjunction with 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 30 JUNE 2013 – unaudited**

<i>In thousands of RM</i>	<b>As at</b>	<b>(Restated)</b>	<b>(Restated)</b>
	<b>30-Jun-13</b>	<b>As at</b>	<b>As at</b>
		<b>31-Dec-12</b>	<b>1-Jan-12</b>
<b>Assets</b>			
Property, plant & equipment	224,174	212,472	232,968
Prepaid lease payments	15,609	15,286	6,052
Investment property	16,991	17,002	1,177
Investment in associates	34,163	33,251	28,684
Development expenditure	335	474	799
Deferred tax assets	13,929	12,801	14,951
<b>Total non-current assets</b>	<b>305,201</b>	<b>291,286</b>	<b>284,631</b>
Inventories	185,494	167,457	156,110
Trade and other receivables, including derivatives	318,040	237,442	220,794
Assets held for sale	-	-	9,478
Cash and cash equivalents	346,707	421,740	385,531
<b>Total current assets</b>	<b>850,241</b>	<b>826,639</b>	<b>771,913</b>
<b>Total assets</b>	<b>1,155,442</b>	<b>1,117,925</b>	<b>1,056,544</b>
<b>Equity</b>			
Share capital	201,600	201,600	201,600
Reserves	730,121	698,840	640,949
Treasury shares	(12,801)	(12,796)	(12,786)
<b>Total equity attributable to owners of the Company</b>	<b>918,920</b>	<b>887,644</b>	<b>829,763</b>
<b>Non-controlling interests</b>	<b>17,410</b>	<b>19,291</b>	<b>25,298</b>
<b>Total equity</b>	<b>936,330</b>	<b>906,935</b>	<b>855,061</b>
<b>Liabilities</b>			
Deferred tax liabilities	1,639	1,344	2,765
Employee benefits	12,857	13,164	14,204
<b>Total non-current liabilities</b>	<b>14,496</b>	<b>14,508</b>	<b>16,969</b>
Trade and other payables, including derivatives	177,893	172,344	162,621
Short term borrowings	16,822	20,570	18,467
Taxation	9,901	3,568	3,426
<b>Total current liabilities</b>	<b>204,616</b>	<b>196,482</b>	<b>184,514</b>
<b>Total liabilities</b>	<b>219,112</b>	<b>210,990</b>	<b>201,483</b>
<b>Total equity and liabilities</b>	<b>1,155,442</b>	<b>1,117,925</b>	<b>1,056,544</b>

Net asset per share attributable to owners of the Company

(RM) 4.70 4.54 4.24

*The above condensed consolidated statement of financial position should be read in conjunction with 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 30 JUNE 2013 - unaudited**

<i>In thousands of RM</i>	<----- Non-Distributable ----->				Distributable	Total	Non- controlling interests	Total equity
	Share capital	Treasury shares	Trans- lation reserve	Capital reserve	Retained profits			
<b>At 1-Jan-12</b>	201,600	(12,786)	(943)	(24,441)	666,333	829,763	25,298	855,061
Foreign currency translation difference for foreign operation	-	-	(704)	-	-	(704)	(100)	(804)
Profit for the period (Restated)	-	-	-	-	62,088	62,088	5,587	67,675
<b>Total comprehensive income for the period</b>	-	-	(704)	-	62,088	61,384	5,487	66,871
Own shares acquired	-	(4)	-	-	-	(4)	-	(4)
Subscription of shares in a subsidiary by non- controlling interest (Restated)	-	-	-	-	-	-	-	-
<b>Total distribution to owners</b>	-	(4)	-	-	-	(4)	-	(4)
Dividend paid	-	-	-	-	(32,289)	(32,289)	-	(32,289)
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	(2,852)	(2,852)	(2,716)	(5,568)
<b>At 30-Jun-2012</b>	201,600	(12,790)	(1,647)	(24,441)	693,280	856,002	28,069	884,071
<b>At 1-Jan-13</b>	201,600	(12,796)	(6,834)	(24,441)	730,115	887,644	20,821	908,465
Effects of MFRS adoption and changes in accounting policies disclosed in Note 2.2	-	-	-	-	-	-	(1,530)	(1,530)
<b>At 1-Jan-13 (Restated)</b>	201,600	(12,796)	(6,834)	(24,441)	730,115	887,644	19,291	906,935
Foreign currency translation difference for foreign operation	-	-	546	-	-	546	-	546
Profit for the period	-	-	-	-	63,024	63,024	5,818	68,842
<b>Total comprehensive income for the period</b>	-	-	546	-	63,024	63,570	5,818	69,388
Own shares acquired	-	(5)	-	-	-	(5)	-	(5)
<b>Total distribution to owners</b>	-	(5)	-	-	-	(5)	-	(5)
Dividend paid	-	-	-	-	(32,289)	(32,289)	(7,699)	(39,988)
<b>At 30-Jun-2013</b>	201,600	(12,801)	(6,288)	(24,441)	760,850	918,920	17,410	936,330

*The above condensed consolidated statement of changes in equity should be read in conjunction with 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 CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2013 – unaudited**

	<b>Current Year to Date <u>30-Jun-13</u></b>	<b>(Restated) Corresponding Year To Date <u>30-Jun-12</u></b>
<i>In thousands of RM</i>		
<b>Cash flows from operating activities</b>		
Profit before tax and non-controlling interests	88,505	85,815
Adjustments for non-cash items	13,269	13,332
Changes in working capital	(91,410)	(40,211)
<b>Cash generated from operations</b>	<b>10,364</b>	<b>58,935</b>
Interest/Tax/Employee benefits/provision	(13,760)	(17,986)
<b>Net cash from operating activities</b>	<b>(3,396)</b>	<b>40,949</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	306	2,690
Dilution of interest in jointly-controlled entity-		-
Acquisition of property, plant and equipment	(24,855)	(5,343)
Increase in investment in jointly controlled entity	-	(90)
Lease payment for leasehold land	(156)	-
Additions of development expenditure	139	-
Capital contribution from non-controlling interest	-	600
<b>Net cash used in investing activities</b>	<b>(24,566)</b>	<b>(2,143)</b>
<b>Cash flows from financing activities</b>		
Acquisition of non-controlling interest	(2,157)	(5,568)
Dividends paid to owners of the company	(32,289)	(32,289)
Dividends paid to non-controlling interests	(7,699)	-
Dividened paid to owners of the company		-
Drawdown of long-term borrowings	-	-
(Repayment)/Drawdown of short-term borrowings	2,698	(762)
Drawdown/(repayment) of trade loan	(6,446)	2,535
Purchase of treasury shares	(5)	(4)
<b>Net cash used in financing activities</b>	<b>(45,898)</b>	<b>(36,088)</b>
Net increase in cash and cash equivalents	(73,860)	2,718
Effect of exchange rate fluctuations on cash held	(1,172)	(307)
Cash and cash equivalents at 1 January	421,740	385,531
<b>Cash and cash equivalents at the end of period</b>	<b>346,707</b>	<b>387,942</b>

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements*

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

**1. 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 also complies with IAS34: *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB).

This condensed report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. 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 2012.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013**

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint venture
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standard –Government Loans
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standard (Annual improvement 2009 -2011 Cycle)
Amendments to MFRS101	Presentation of Financial Statements (Annual improvement 2009 -2011 Cycle)
Amendments to MFRS 116	Property, Plant and equipment (Annual improvement 2009 -2011 Cycle)
Amendments to MFRS 132	Financial Instruments: Presentation (Annual improvement 2009 -2011 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance

Except as disclosed in Note 2.2, there are no material impacts of initial application of a standard, an amendment or an interpretation.

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

**2.2 Financial effects arising from the adoption of MFRS 10 Consolidated Financial Statements, MFRS 11 Joint Arrangements and MFRS 12 Disclosure of Interest in Other Entities**

The amendments to MFRS 10, Consolidated Financial Statements, MFRS 11, Joint Arrangements and MFRS 12, Disclosure of Interests in Other Entities are effective for annual periods beginning on or after 1 January 2013. In the adoption of these MFRSs, interests in some of the joint ventures are accounted for using the equity method.

When changing from proportionate consolidation to the equity method, the Group recognizes its investment in the joint ventures as at 1 January 2012. That initial investment is measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated. The financial effects arising from the adoption of MFRS 11 is disclosed in note 2.2(a) to 2.2(c).

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

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

**2.2 Financial effects arising from the adoption of MFRS 10 Consolidated Financial Statements, MFRS 11 Joint Arrangements and MFRS 12 Disclosure of Interest in Other Entities**

The amendments to MFRS 10, Consolidated Financial Statements, MFRS 11, Joint Arrangements and MFRS 12, Disclosure of Interests in Other Entities are effective for annual periods beginning on or after 1 January 2013. In the adoption of these MFRSs, interests in some of the joint ventures are accounted for using the equity method.

When changing from proportionate consolidation to the equity method, the Group recognizes its investment in the joint ventures as at 1 January 2012. That initial investment is measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated. The financial effects arising from the adoption of MFRS 11 is disclosed in note 2.2(a) to 2.2(c).

**(a) Condensed consolidated statements of financial position**

<i>In thousands of RM</i>	<b>As previously reported</b>	<b>Effect of adoption of MFRS 11</b>	<b>Restated</b>
<b><u>Period Ended 1 January 2012</u></b>			
Property, plant & equipment	246,021	(13,053)	232,968
Prepaid lease payments	7,649	(1,597)	6,052
Investment in jointly controlled entities	-	28,684	28,684
Deferred tax assets	15,586	(635)	14,951
Inventories	163,609	(7,499)	156,110
Trade and other receivables, including derivatives	236,024	(15,230)	220,794
Cash and cash equivalents	393,637	(8,106)	385,531
Non-controlling interests	25,298	-	25,298
Employee benefits	(14,761)	557	(14,204)
Trade and other payables, including derivatives	(175,728)	13,107	(162,621)
Short term borrowings	(21,677)	3,210	(18,467)
Taxation	(3,988)	562	(3,426)
<b><u>Period Ended 31 December 2012</u></b>			
Property, plant & equipment	228,698	(16,226)	212,472
Prepaid lease payments	18,212	(2,926)	15,286
Investment in jointly controlled entities	-	33,251	33,251
Development expenditure	1,726	(1,252)	474
Deferred tax assets	13,405	(604)	12,801
Inventories	176,804	(9,347)	167,457
Trade and other receivables, including derivatives	256,054	(18,612)	237,442
Cash and cash equivalents	427,012	(5,272)	421,740
Non-controlling interests	(20,821)	1,530	(19,291)
Long term borrowings	(795)	795	-
Employee benefits	(14,010)	846	(13,164)
Trade and other payables, including derivatives	(185,423)	13,079	(172,344)
Short term borrowings	(25,308)	4,738	(20,570)

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

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

**(b) Condensed consolidated statements of profit or loss and other comprehensive income**

<i>In thousands of RM</i>	<b>INDIVIDUAL/CUMULATIVE QUARTER</b>		
	<b>As previously reported</b>	<b>Effect of adoption of MFRS 10,11&amp;12</b>	<b>Restated</b>
<b>Quarterly Ended 30 June 2012</b>			
Revenue	296,753	(18,292)	278,461
Results from operating activities	39,770	(2,048)	37,723
Finance costs	(36)	177	(17)
Finance income	2,809	(112)	2,815
Share of profit of equity-accounted investee, net of tax	-	1,744	1,744
Profit before tax	42,543	(239)	42,305
Income tax expense	(10,453)	325	(10,129)
Profit for the period	32,090	86	32,176
<b>Period Ended 30 June 2012</b>			
Revenue	589,811	(34,256)	555,555
Results from operating activities	81,010	(3,283)	77,727
Finance costs	(424)	258	(166)
Finance income	5,761	(189)	5,572
Share of profit of equity-accounted investee, net of tax	-	2,682	2,682
Profit before tax	86,347	(532)	85,815
Income tax expense	(18,825)	685	(18,140)
Profit for the period	67,522	153	67,675

<i>In thousands of RM</i>	<b>As previously reported</b>	<b>Effect of adoption of MFRS 10,11&amp;12</b>	<b>Restated</b>
<b>Quarterly Ended 30 June 2012</b>			
Foreign currency translation differences for foreign operations	1,397	(251)	1,146
Share of foreign currency translation differences of equity-accounted investee	-	251	251
Total comprehensive income for the period	1,397	-	1,397
<b>Period Ended 30 June 2012</b>			
Foreign currency translation differences for foreign operations	(804)	723	(81)
Share of foreign currency translation differences of equity-accounted investee	-	(723)	(723)
Total comprehensive income for the period	(804)	-	(804)

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

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

**(c) Condensed statement of changes in equity**

<i>In thousands of RM</i>	<b>Non-Controlling Interest</b>		<b>Restated</b>
	<b>As previously reported</b>	<b>Effect of adoption of MFRS 10,11&amp;12</b>	
<b>At 1-Jan-12</b>	25,298	-	25,298
Foreign currency translation difference for foreign operation	(100)	-	(100)
Profit for the period	5,434	153	5,587
Acquisition of non-controlling interest in a subsidiary	(2,716)	-	(2,716)
Subscription of shares in a subsidiary by non-controlling interest	600	(600)	-
<b>At 30 June 2012</b>	<b>28,516</b>	<b>(447)</b>	<b>28,069</b>
<b>At 1-Jan-12</b>	25,298	-	25,298
Foreign currency translation difference for foreign operation	(100)	-	(100)
Profit for the period	11,585	390	11,975
Acquisition of non-controlling interest in a subsidiary	(2,716)	-	(2,716)
Subscription of shares in a subsidiary by non-controlling interest	1,920	(1,920)	-
Dividends to non-controlling interest	(15,166)	-	(15,166)
<b>At 31 December 2012</b>	<b>20,821</b>	<b>(1,530)</b>	<b>19,291</b>

**3. 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.

**4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

NIL.

**5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

NIL.

**6. 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:

<b>Month</b>	<i>In thousands of RM</i>	
	<b>No. of shares repurchased</b>	<b>Total consideration</b>
Mar-13	1,000	5
<b>Total</b>	<b>1,000</b>	<b>5</b>



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

**7. DIVIDENDS PAID**

The following dividend was paid to the shareholders during the current quarter and year to date.

<i>In thousands of RM</i>	<b>(Restated)</b>		<b>(Restated)</b>	
	<b>Current</b>	<b>Corresponding</b>	<b>Current</b>	<b>Corresponding</b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>Year To Date</b>	<b>Year To Date</b>
	<b><u>30-Jun-13</u></b>	<b><u>30-Jun-12</u></b>	<b><u>30-Jun-13</u></b>	<b><u>30-Jun-12</u></b>
Final dividend 2012/2011	32,289	32,289	32,289	32,289
Interim dividend 2013/2012	-	-	-	-
	32,289	32,289	32,289	32,289

**8. 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.
- *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*

	<b>INDIVIDUAL/CUMULATIVE QUARTER</b>			
			<b>(Restated)</b>	
	<b>30-Jun-13</b>		<b>30-Jun-12</b>	
	<b>Segment</b>	<b>Profit/(loss)</b>	<b>Segment</b>	<b>Profit</b>
	<b><u>Revenue</u></b>	<b><u>before tax</u></b>	<b><u>Revenue</u></b>	<b><u>before tax</u></b>
Operations within Malaysia				
Suspension	63,558	1,922	58,824	6,240
Interior & Plastics	245,636	48,700	185,118	24,311
Electricals & Heat Exchange	66,998	2,981	59,940	4,658
Marketing	55,604	3,393	55,524	3,471
Others	7,564	(10,412)	7,410	1,327
Operations outside Malaysia	9,644	2,381	10,734	2,426
	449,004	48,964	377,550	42,434
Eliminations	(110,721)	21	(99,089)	(129)
	338,283	48,985	278,461	42,305

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

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

*In thousands of RM*

<b><u>Cumulative year to date</u></b>	<b>30-Jun-13</b>		<b>(Restated) 30-Jun-12</b>	
	<b><u>Segment Revenue</u></b>	<b><u>Profit/(loss) before tax</u></b>	<b><u>Segment Revenue</u></b>	<b><u>Profit before tax</u></b>
Operations within Malaysia				
Suspension	118,529	8,241	114,490	10,658
Interior & Plastics	454,819	65,633	374,902	50,325
Electricals & Heat Exchange	119,930	6,856	121,411	8,024
Marketing	105,069	7,200	102,263	6,774
Others	15,692	(1,167)	15,512	3,301
Operations outside Malaysia	18,683	1,755	20,937	6,129
	832,722	88,519	749,515	85,211
Eliminations	(209,113)	(13)	(193,960)	604
	623,609	88,506	555,555	85,815

**9. RELATED PARTY DISCLOSURES**

The following are significant related party transactions:-

*In thousands of RM*

**INDIVIDUAL/CUMULATIVE QUARTER**

	<b><u>Current Quarter Ended 30-Jun-13</u></b>	<b><u>Corresponding Quarter Ended 30-Jun-12</u></b>	<b><u>Cumulative Year To Date 30-Jun-13</u></b>	<b><u>Corresponding Year To Date 30-Jun-12</u></b>
<b><u>With TCMH Group</u></b>				
Sales of goods	30,169	33,522	67,013	57,389
Rental income	317	408	752	512
Insurance agency services	(324)	(147)	(1,774)	(1,397)
Rental expense	(2)	(4)	(5)	(5)
Purchase of goods and services	(1,894)	(1,421)	(3,963)	(3,686)

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

*In thousands of RM*

	<b><u>Current Quarter Ended 30-Jun-13</u></b>	<b><u>Corresponding Quarter Ended 30-Jun-12</u></b>	<b><u>Cumulative Year To Date 30-Jun-13</u></b>	<b><u>Corresponding Year To Date 30-Jun-12</u></b>
<b><u>With TCIL Group</u></b>				
Sales of goods	37,147	42	42,939	42
Purchase of goods and services	(93)	(2)	(415)	(2)

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").

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**10. CASH AND BANK BALANCES OF THE GROUP**

**Cash and cash equivalents**

Cash and cash equivalents included in the statement of cash flows comprise:

	<u>As at</u>	<b>(Restated)</b> <u>As at</u>	<b>(Restated)</b> <u>As at</u>
<i>In thousands of RM</i>	<b>30-Jun-13</b>	<b>31-Dec-2012</b>	<b>01-Jan-12</b>
Cash and bank balances	20,750	19,841	22,030
Deposits placed with licensed banks	325,957	401,899	363,501
	<u>346,707</u>	<u>421,740</u>	<u>385,531</u>

**11. CAPITAL COMMITMENTS**

*In thousands of RM*

	<u>30-Jun-13</u>	<b>(Restated)</b> <u>30-Jun-12</u>
Authorized but not contracted for	20,187	2,730
Contracted but not provided for	6,158	16,734
<b>Total</b>	<u><b>26,345</b></u>	<u><b>19,464</b></u>

**12. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets and no changes in the contingent liability since 31 December 2012.

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

On 9 April 2013, the Group via its wholly-owned investment holding subsidiary, Auto Parts Holdings Sdn.Bhd. has completed the acquisition of 50% equity interest in the capital of a jointly-controlled entity, APM-Coachair Sdn.Bhd. With the acquisition of the 50% equity interest, APM-Coahair Sdn.Bhd. is now a wholly-owned subsidiary.

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**14. OPERATING SEGMENTS REVIEW**

**Group Review**

**2Q13 vs. 2Q12**

The Group's 2Q13 revenue of RM338.28million was higher by 21.5% compared to 2Q12 of RM278.46million, mainly due to higher total industry production volume increasing by 5.3% from 140,101units in 2Q12 to 147,460units in 2Q13 [Source: Malaysian Automotive Association].

The Group's 2Q13 profit before tax (PBT) of RM48.99million was higher than 2Q12 of RM42.31million by 15.8%, mainly due to higher production for new vehicles models launched by OEMs.

**YTD 2013 vs. YTD 2012**

Revenue for YTD 2013 of RM623.61million was higher by 12.3% compared to YTD 2012's revenue of RM555.56million, mainly due to higher demand for new vehicle models launched by OEMs. In the first six months of 2013 was 313,488units against 301,269units registered in the corresponding period of 2012. This was an increase of 12,219units or 4.1% over the first six months in 2012 [Source: Malaysian Automotive Association].

Profit before tax for YTD 2013 increased by 3.1% to RM88.51million from RM85.82million in YTD 2012. This increase was mainly contributed by the 12.3% higher revenue.

**Segmentation Review**

**Suspension**

**2Q13 vs. 2Q12**

The Suspension Division recorded revenue of RM63.56million in 2Q13, a slight increase of 8.1% compared to RM58.82 million in 2Q12.

PBT for 2Q13 recorded RM3.74million, decreased by 40.1% compared to RM6.24million in 2Q12, mainly due to additional provision for products warranty.

The first half of 2013 revenue of RM118.53million was 3.5% higher than YTD 2012 of RM114.49million, mainly due to higher demand from export markets.

PBT for first half of 2013 recorded RM9.31million, lower by 12.6% compared to RM10.66million in first half of 2012 mainly due to additional provision for products warranty.

**Interior & Plastics**

Revenue for Interior and Plastics Division recorded RM245.64million in 2Q13, an increase by 32.7% compared to 2Q12 of RM185.12million, mainly due to higher demand for new vehicles models launched by OEMs.

PBT in 2Q13 recorded RM36.05million, higher by 48.3% compared to RM24.31million in 2Q12.

YTD 2013 revenue of RM454.82million was higher than YTD 2012 of RM374.90million by 21.3%, mainly due to higher demand for newly launched vehicles models by OEMs.

First half 2013's PBT of RM65.19million increased by 29.5% from corresponding period in 2012 of RM50.33million, mainly due to higher production volume. Production of passenger vehicles in the first half of 2013 increased by 5.7% to reach a total of 264,487units compared with 250,208units in the same period last year [Source: Malaysian Automotive Association].

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**Electrical & Heat Exchange**

The Electrical & Heat Exchange Division recorded sales of RM61.80million in 2Q13, is slightly higher than 2Q12 of RM59.94million by 3.1%.

PBT for 2Q13 of RM3.32million was 28.7% lower than RM4.66million in 2Q12, mainly due to adjusted competitive pricing for OEMs.

Revenue for YTD 2013 recorded RM125.13million, an increase of 3.1% compared to RM121.41million for YTD 2012.

YTD 2013's PBT of RM7.01million was 12.6% lower than RM8.02million in YTD 2012, mainly due to adjusted competitive pricing for OEMs in YTD 2013.

**Marketing**

This Division recorded revenue of RM55.60million in 2Q13, slightly higher compared to RM55.52million in 2Q12.

PBT for 2Q13 of RM4.19million was higher than 2Q12 of RM3.47million by 20.8%, mainly due to higher sales of higher margin products.

YTD 2013's revenue of RM105.07million was slightly higher than YTD 2012 of RM102.26million by 2.7%.

PBT for YTD 2013 of RM6.90million recorded a slight increase of 1.9% compared to YTD 2012 of RM6.77million.

**Others, Malaysia**

This segment comprises mainly operations relating to the rental of properties in Malaysia, provision of management services, 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 8).

**Operations outside Malaysia**

Operations outside Malaysia recorded revenue of RM9.64million in 2Q13, a decrease of 10.2% compared to RM10.73million in 2Q12, mainly due to change in policy by the Indonesia Government resulting in delay of new vehicle models launch.

The segment's lower PBT of RM1.37million in 2Q13 compared to RM2.43million in 2Q12, the lower PBT in 2Q13 was mainly due to higher raw material costs, labour costs and lower production volume.

YTD 2013's revenue of RM18.68million was lower than YTD 2012 of RM20.94million by 10.8% mainly due to delayed launch of new vehicle models by OEM.

For YTD 2013's PBT of RM0.86million was lower than YTD 2012 of RM6.13million, mainly due to lower production volume, higher raw material costs and labour costs.

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

There was no material change to the Group's performance. Group revenue of RM338.28million recorded in 2Q13 was 18.6% higher than that of RM285.33million in 1Q13. The Group's PBT of RM48.99million in 2Q13 increased by 24.0% from RM39.52million in 1Q13, mainly due to higher revenue and production volume in 2Q13.

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**16. COMMENTARY ON PROSPECTS AND TARGETS**

The Malaysian Automotive Association has forecasted total industry volume of 640,000 units in 2013 which is a growth of 2% above the 627,753 units achieved in 2012. Among the many challenges faced by the automotive industry in Malaysia, which may impact on domestic demand forecast would be, sluggish exports in the light of the slow USA economy, the continued downturn in the Euro Zone economies and the possibility of tightening of Hire Purchase Loans approval process in view of the Bank Negara's responsible lending guidelines. Despite the above scenario, the group is cautiously optimistic that its performance in forthcoming quarters will remain satisfactory.

**17. INCOME TAX EXPENSE**

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

<i>In thousands of RM</i>	INDIVIDUAL/CUMULATIVE QUARTER			
	Current Quarter Ended <u>30-Jun-13</u>	(Restated) Corresponding Quarter Ended <u>30-Jun-12</u>	Cumulative Year To Date <u>30-Jun-13</u>	(Restated) Corresponding Year To Date <u>30-Jun-12</u>
<b><u>Current tax</u></b>				
- Current year	(12,017)	(8,692)	(20,672)	(17,773)
- Prior year	128	439	283	431
<b><u>Deferred tax</u></b>				
- Current year	1,012	(1,174)	482	(132)
- Prior year	110	(698)	351	(649)
Withholding Tax	(95)	(4)	(108)	(17)
	<u>(10,862)</u>	<u>(10,129)</u>	<u>(19,664)</u>	<u>(18,140)</u>

**18. CORPORATE PROPOSALS**

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

**19. RETAINED EARNINGS**

<b>(RM'000)</b>	As At <b>30-Jun-13</b>	(Restated) As At <b>31-Dec-12</b>
Total retained profits/(accumulated losses) of the company and its subsidiaries		
- Realised	728,650	710,850
- Unrealised Gain/(Loss)	23,753	786
	<u>752,403</u>	<u>711,636</u>
Total share of retained profits/(accumulated losses) of jointly-controlled entities		
- Realised	22,016	24,882
- Unrealised Gain/(Loss)	-	450
	<u>22,016</u>	<u>25,332</u>
Consolidation adjustments	(13,569)	(6,853)
Total group retained profits as per consolidated accounts	<u>760,850</u>	<u>730,115</u>

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**20. BORROWINGS AND DEBT SECURITIES**

<i>In thousands of RM</i>	<b>Current Quarter Ended <u>30-Jun-13</u></b>	<b>(Restated) As at <u>31-Dec-12</u></b>
Unsecured - Trade loan	8,987	6,117
- Short term borrowings	7,835	14,453
	<u>16,822</u>	<u>20,570</u>
Amount due within the next 12 months	16,822	20,570
	<u>16,822</u>	<u>20,570</u>

Group borrowings breakdown by currencies.

<i>In thousands of RM</i>		<b>Current Quarter Ended <u>31-Mar-13</u></b>	<b>(Restated) As at <u>31-Dec-12</u></b>
<u>Functional Currency</u>	<u>Denominated In</u>		
RM	RM	7,027	14,453
USD	USD	9,795	6,117
		<u>16,822</u>	<u>20,570</u>

**21. CHANGES IN MATERIAL LITIGATION**

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

**22. PROPOSED DIVIDEND**

The Board of Directors has declared an interim dividend of 10sen less 25% income tax and interim special dividend of 30sen less 25% income tax for year ending 31 December 2013 (2012-10sen less 25% income tax). The dividend amounting to approximately RM58,706,490 will be paid on 30 September 2013. The entitlement date for the interim dividend will be 13 September 2013.

A depositor will qualify for the entitlement to the dividend only in respect of :

- (1) Shares transferred into the depositor's securities account before 4:00p.m. on 13 September 2013 in respect of ordinary transfers; and
- (2) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the rules of Bursa Malaysia Securities Berhad.

**23. EPS**

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

<b>Basic EPS</b>	<b>Quarterly ended (Restated)</b>	
	<b><u>30-Jun-13</u></b>	<b><u>30-Jun-12</u></b>
Profit attributable to the owners of the Company (RM'000)	35,547	29,517
Weighted average number of ordinary shares in issue ('000)	195,688	195,690
<b>Basic EPS (sen)</b>	<b><u>18.17</u></b>	<b><u>15.08</u></b>

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**24. 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>	<b>Current</b>	<b>(Restated)</b>	<b>Cumulative</b>	<b>(Restated)</b>
	<b>Quarter Ended</b>	<b>Corresponding</b>	<b>Year To Date</b>	<b>Corresponding</b>
	<b>30-Jun-13</b>	<b>Quarter Ended</b>	<b>30-Jun-13</b>	<b>Year To Date</b>
		<b>30-Jun-12</b>		<b>30-Jun-12</b>
(a) Interest income	2,844	2,855	5,713	5,572
(b) Other income including investment income	2,282	328	3,262	4,393
(c) Interest expense	(60)	(17)	(187)	(166)
(d) Depreciation and Amortization	(5,210)	(7,037)	(14,529)	(17,051)
(e) Provision of and write off receivables	237	1	346	281
(f) Provision of and write off inventories	(115)	250	(545)	1,072
(g) Gain or (loss) on disposal of quoted property, plant and equipment	5	95	26	536
(h) Impairment of assets	-	-	-	254
(i) Foreign exchange gain or (loss)	489	(562)	1,027	988
(j) Gain or (loss) on derivative	1,037	289	624	(1,761)

**25. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 31 December 2012 was unqualified.

**BY ORDER OF THE BOARD**

**Lee Yuen Lin**  
Company Secretary

Kuala Lumpur

28 August 2013