



## APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED INCOME STATEMENTS

	<b>Current Quarter ended 30 Sept 07 RM'000</b>	<b>Corresponding Quarter ended 30 Sept 06 RM'000</b>	<b>Cumulative Year To Date 30 Sept 07 RM'000</b>	<b>Corresponding Year To Date 30 Sept 06 RM'000</b>
<b>Revenue</b>	226,775	218,520	604,775	689,210
<b>Profit from Operations</b>	20,015	20,664	48,932	60,832
<b>Finance Costs</b>	(205)	(348)	(615)	(929)
<b>Interest Income</b>	1,500	778	3,746	2,247
<b>Profit before Tax</b>	21,310	21,094	52,063	62,150
<b>Taxation</b>	(5,270)	(5,026)	(12,620)	(14,683)
<b>Net Profit for the Period</b>	16,040	16,068	39,443	47,467
<b>Attributable to :</b>				
Equity holders of the parent	14,296	15,410	35,604	45,208
Minority interest	1,744	658	3,839	2,259
	16,040	16,068	39,443	47,467
<b>Depreciation</b>	8,035	9,226	25,510	27,284
<b>Earnings per share</b>				
Basic (sen)	7.18	7.66	17.83	22.47
Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

# APM AUTOMOTIVE HOLDINGS BERHAD

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(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 30 Sept 07 <u>RM'000</u>	As at 31 Dec 06 <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	163,650	171,275 *
Prepaid lease payments	40,300	39,829 *
Investment property	1,345	1,471
Development expenditure	196	211
Deferred tax asset	8,152	8,036
	<u>213,643</u>	<u>220,822</u>
<b>Current assets</b>		
Inventories	149,896	141,288
Trade and other receivables	222,538	208,280
Cash and bank balances	185,054	145,470
	<u>557,488</u>	<u>495,038</u>
<b>TOTAL ASSETS</b>	<u>771,131</u>	<u>715,860</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	201,600	201,600
Reserves	355,333	337,988
Treasury shares	(6,594)	(3,044)
	<u>550,339</u>	<u>536,544</u>
<b>Minority interest</b>	11,718	11,976
<b>Total equity</b>	<u>562,057</u>	<u>548,520</u>
<b>Non-current liabilities</b>		
Long-term borrowings	3,268	4,759
Deferred tax liability	2,973	2,936
Others	12,607	12,436
	<u>18,848</u>	<u>20,131</u>
<b>Current liabilities</b>		
Trade and other payables	176,736	133,713
Short term borrowings	11,089	12,084
Taxation	2,401	1,412
Proposed dividend	-	-
	<u>190,226</u>	<u>147,209</u>
<b>Total liabilities</b>	<u>209,074</u>	<u>167,340</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>771,131</u>	<u>715,860</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	2.77	2.68

\* With the adoption of FRS 117 - Leases, leasehold land is now classified as prepaid lease payments. Before the adoption of FRS 117, the Group treated leasehold land as property within its property, plant and equipment. The comparative figures as at 31 December 2006 are restated to reflect this change. Please refer to Explanatory Note 2 on Page 5 of this Interim Report

Except for above, the Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

# APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	<b>Current Year to Date 30 Sept 07 <u>RM'000</u></b>	<b>Corresponding Year To Date 30 Sept 06 <u>RM'000</u></b>
<b>Net cash flow from operating activities</b>	84,744	76,962
<b>Net cash flow used in investing activities</b>	(17,120)	(34,374)
<b>Net cash flow used in financing activities</b>	(31,002)	(15,756)
<b>Net change in cash and cash equivalents</b>	36,622	26,832
Exchange differences	1,028	191
<b>Cash and cash equivalents at beginning of year</b>	140,484	96,154
<b>Cash and cash equivalent at end of period</b>	178,134	123,177

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

# APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Non-Distributable ----->			Distributable		Minority interest	Total equity
	Share capital	Treasury shares	Reserves		Sub-total		
			attributable	Retained			
			To Capital	profits			
<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
<b>As at 1 Jan 2006</b>	201,600	(552)	(24,156)	326,075	502,967	8,492	511,459
Shares repurchased		(1,331)	-	-	(1,331)	-	(1,331)
Exchange adjustment on translation		-	(164)	-	(164)	-	(164)
Net profit for the period	-	-	-	45,208	45,208	2,259	47,467
Dividend paid/payable	-	-	-	(18,846)	(18,846)	-	(18,846)
Transfer to retained profits upon amortization of revalued assets		-	(80)	80	-	-	-
<b>As at 30 Sept 2006</b>	<u>201,600</u>	<u>(1,883)</u>	<u>(24,400)</u>	<u>352,517</u>	<u>527,834</u>	<u>10,751</u>	<u>538,585</u>
<b>As at 1 Jan 2007</b>	201,600	(3,044)	(24,845)	362,833	536,544	11,976	548,520
Purchase of treasury shares	-	(3,550)	-	-	(3,550)	-	(3,550)
Exchange adjustment on translation	-	-	678	-	678	-	678
Net profit for the period	-	-	-	35,604	35,604	3,839	39,443
Dividend paid	-	-	-	(18,937)	(18,937)	(4,097)	(23,034)
<b>As at 30 Sept 2007</b>	<u>201,600</u>	<u>(6,594)</u>	<u>(24,167)</u>	<u>379,500</u>	<u>550,339</u>	<u>11,718</u>	<u>562,057</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006

**APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)**  
**EXPLANATORY NOTES – 30 September 2007**

**1. Accounting Policies**

This interim financial report has been prepared in accordance with the requirements of FRS134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of Bursa Malaysia Listing Requirements. This interim financial statement should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2006.

**2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006, except for the adoption of new/revised Financial Reporting Standards FRS 117 Leases, FRS 124 Related Party Disclosures and amendment to FRS119<sub>2004</sub> Employee Benefits, Actuarial Gains and Losses, Group Plans and Disclosures, effective for financial period beginning 1 January 2007.

The adoption of FRS 124 and amendments to FRS119<sub>2004</sub> does not result in a material impact on the disclosure in this Interim Report. The impact of applying FRS 117 is explained below.

Prior to 1 Jan 2007, the Group classified leasehold land as property within its property, plant and equipment. On the adoption of FRS 117, the Group treats such leasehold land as an operating lease, with the unamortised carrying amounts classified as prepaid lease payments in accordance with the transitional provisions in FRS 117.67A. The comparative figures for the balance sheet in respect of 31 December 2006 is now restated as follows :

<u>RM'000</u>	<u>As restated</u>	<u>As previously stated</u>
Property, plant & equipment	171,275	211,104
Prepaid lease payments	39,829	-

The Group adopted proportionate consolidation effective from the quarter ended 30 September 2006, as allowed under FRS131, Interests in Joint Ventures. Under proportionate consolidation, the consolidated financial statements include the Group's share of assets, liabilities, income and expenses of jointly controlled entities.

**3. Annual Audit Report**

The audit report of the preceding annual financial statements was not qualified.

**4. Seasonality or Cyclicity of Interim Operations**

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

**5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

NIL.

**6. Changes in Estimates Reported in Prior Interim Periods of the Current Financial Year or Prior Financial Year Having a Material Effect in the Current Interim Period**

NIL.

**7. Debts and Equity Securities**

There were no issuance, 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 :

<u>Month</u>	<u>No. of shares repurchased</u>	<u>Total consideration</u>
January 2007	50,000	RM 119,524
February 2007	50,000	RM 125,952
March 2007	10,000	RM 24,581
April 2007	247,500	RM 609,448
May 2007	150,000	RM 356,007
June 2007	319,900	RM 723,577
July 2007	187,300	RM 451,526
August 2007	221,400	RM455,228
September 2007	335,100	RM684,420
October 2007	210,000	RM414,194
	<u>1,781,200</u>	<u>RM3,964,457</u>

## APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

### 8. Dividends Paid

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

	Current quarter	Year to date
	<u>RM'000</u>	<u>RM'000</u>
Final dividend – 2006	11,673	11,673
Interim dividend – 2007	<u>7,264</u>	<u>7,264</u>
	<u>18,937</u>	<u>18,937</u>

### 9. Segment Information

Revenue and results by business segments is not provided as the Group's activities are predominantly in the manufacturing and trading of automotive parts. Segment information by geographical segments is not provided as the activities of the Group are located principally in Malaysia.

### 10. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

### 11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statement for the interim period.

### 12. Changes in the Composition of the Enterprise during the Interim Period

On 1 September 2007, the Group's 50% interest in jointly controlled entity Auto Culture Supplies Sdn Bhd was disposed of for a cash consideration of RM 517,000

There were no other changes in the composition of the enterprise during the interim period.

### 13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities and contingent assets since the last annual balance sheet date.

## Additional Information Required By Bursa Malaysia Listing Requirements

### 1. Review of Performance of the Company and its Principal Subsidiaries

The Group's revenue in the current quarter is RM226.8 million, 3.8% higher than the RM218.5 million recorded in the corresponding quarter last year. Sales from overseas operations increased with the supply of parts to a new OE customer. RE and export sales however declined due to increased competition.

Profit before tax increased from RM21.1 million to RM21.3 million. Despite the upward pressure on costs, profit margin was maintained as a result of the Group's efforts in costs reduction.

### 2. Comments on any Material Changes in the Current Quarter Profit before Tax Compared with the Immediate Preceding Quarter

Compared with the immediate preceding quarter, the Group's revenue increased from RM217.4 million to RM226.8 million. Domestic OE sales were higher in line with higher motor vehicle sales whilst RE and Export sales declined due to increased competition. Sales from overseas operations were higher as supply to a new OE customer commenced.

Profit before tax increased from RM20.7 million in the immediate preceding quarter to RM21.3 million in line with the higher sales.

### 3. Prospects

The Group's sales in the fourth quarter of this year is expected to decline due the festive shutdown by our major customers. However, sales in the second half of the year is still expected to be higher than that of the first half. For the year as a whole, Group sales and profit are expected to be less than the previous year due to lower sales in the first half of the year.

**APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)****4. Revenue or Profit Estimate, Forecast, Projection or Internal Targets**

Not applicable.

**5. Income tax**

	Current Quarter RM'000	Cumulative Current year RM'000
<u>Current tax</u>		
- Current year	5,270	12,762
- Prior year	-	(290)
<u>Deferred tax</u>		
- Current year	-	148
- Prior year	-	-
	<u>5,270</u>	<u>12,620</u>

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

**6. Profits/(losses) on Sale of Unquoted Investments and/or Properties**

On 1 September 2007, the Group disposed of its 50% interest in jointly controlled entity Auto Culture Supplies Sdn Bhd at a gain of RM1,088.

There was no other sale of unquoted investments and/or properties in the current interim period and financial year to date.

**7. Purchase or Disposal of Quoted Securities**

There were no purchases or disposals of quoted securities in the interim period and financial year to date.

**8. Status of Corporate Proposals**

Not applicable.

**9. Group Borrowings and Debt Securities**

	30.09.2007 RM'000
Unsecured	
- Bills payable	6,356
- Overdraft	563
- Revolving credit	2,000
- Foreign Currency Trade Loan	292
- Term loan	5,146
	<u>14,357</u>
Amount due within the next 12 months	11,089
Amount due after the next 12 months	3,268
	<u>14,357</u>
Denominated in Ringgit Malaysia	14,065
Denominated in United States Dollars	292
	<u>14,357</u>

**10. Financial Instruments with Off Balance Sheet Risk**

The Group does not have any financial instruments with off balance sheet risk as at the date of this quarterly report, other than the following forward contracts on foreign currencies to hedge the Group's purchases and sales in foreign currencies.

The Group has the following outstanding fixed forward foreign currency contracts as at 09.11.2007\* :

Currency	Notional amount in foreign currency ('000)	Equivalent amount in RM'000	Expiry dates
Purchase contracts :			
Japanese Yen	343,736	10,081	Nov 07 – Feb 08
Euro	6	30	Dec07
Sale contracts :			
US Dollars	1,686	5,725	Nov07-May08
Euro	1,305	6,287	Nov07-Mar08
Singapore Dollars	410	946	Nov07-Apr08
Australian Dollars	1,084	3,266	Nov07-Apr08

These forward contracts on foreign currencies are entered into with licensed banks to hedge the Group's purchases and sales from exchange rate movements. As the exchange rates are pre-determined under such contracts, the Group is not exposed to market risks. There are no cash requirements on these contracts. Gains or losses arising are not recognised in the income statement but will be realized through the eventual purchase or sales transactions.

**11. Status of Material Litigation since the last Annual Balance Sheet Date**

There was no material litigation since the last annual balance sheet date.

**12. Dividend**

No dividend was declared for the current financial quarter.

**13. Earnings per Share**

The computation of earnings per share for the period is based on the net profit attributable to ordinary shareholders of the parent entity for the period and the weighted average number of ordinary shares. The weighted average number of ordinary shares during the quarter is 199,113,836 and for the year to date is 199,694,722. The outstanding number of ordinary shares outstanding as at 30 September 2007 is 198,672,800 (2006 – 200,754,300 shares).

**BY ORDER OF THE BOARD**

**CHAN YOKE LIN**  
**LEE KWEE CHENG**  
 Company Secretaries

Kuala Lumpur  
 16 November 2007