



APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter ended 30-Jun-08 RM'000	Corresponding Quarter ended 30-Jun-07 RM'000	Cumulative Year To Date 30-Jun-08 RM'000	Corresponding Year To Date 30-Jun-07 RM'000
Revenue	239,137	217,382	470,497	378,000
Profit from Operations	20,896	19,590	40,501	28,917
Finance Costs	(117)	(215)	(240)	(410)
Interest Income	1,360	1,282	2,869	2,246
Profit before Tax	22,139	20,657	43,130	30,753
Taxation	(5,975)	(4,966)	(10,289)	(7,350)
Net Profit for the Period	16,164	15,691	32,841	23,403
Attributable to :				
Equity holders of the parent	14,900	13,861	30,050	21,308
Minority interest	1,264	1,830	2,791	2,095
	16,164	15,691	32,841	23,403
Depreciation	7,125	8,714	14,688	17,475
Earnings per share				
Basic (sen)	7.53	6.93	15.17	10.66
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 2007.

APM AUTOMOTIVE HOLDINGS BERHAD

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CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 30-Jun-08	As at 31-Dec-07
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant & equipment	160,292	160,153
Prepaid lease payments	35,646	35,962
Investment property	1,319	1,340
Development expenditure	619	180
Deferred tax asset	7,742	9,336
	205,618	206,971
Current assets		
Inventories	172,459	153,627
Trade and other receivables	222,799	230,186
Cash and bank balances	195,389	177,405
	590,647	561,218
TOTAL ASSETS	796,265	768,189
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	201,600	201,600
Reserves	389,526	371,162
Treasury shares	(8,383)	(7,149)
	582,743	565,613
Minority interest	11,833	11,497
Total equity	594,576	577,110
Non-current liabilities		
Long-term borrowings	1,746	2,717
Deferred tax liability	3,363	3,952
Others	12,208	11,696
	17,317	18,365
Current liabilities		
Trade and other payables	169,892	159,975
Short term borrowings	7,673	7,490
Taxation	6,807	5,249
	184,372	172,714
Total liabilities	201,689	191,079
TOTAL EQUITY AND LIABILITIES	796,265	768,189
Net asset per share attributable to ordinary equity holders of the parent (RM)	2.98	2.87

Except for above, the Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

APM AUTOMOTIVE HOLDINGS BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current Year to Date 30-Jun-08 <u>RM'000</u>	Corresponding Year To Date 30-Jun-07 <u>RM'000</u>
Cash generated from operations	41,996	54,043
Net cash flow used in investing activities	(10,716)	(13,941)
Net cash flow used in financing activities	(15,342)	(18,938)
Net increase in cash and cash equivalents	15,938	21,164
Exchange differences	1,912	523
Cash and cash equivalents at beginning of year	172,056	140,484
Cash and cash equivalents at end of period	<u>189,906</u>	<u>162,171</u>
Cash and cash equivalents comprise :-		
Cash and bank balances	195,389	173,769
Bills/Bank overdrafts	(5,483)	(11,598)
	<u>189,906</u>	<u>162,171</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

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 to capital	Retained 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>
As at 1 Jan 2007	201,600	(3,044)	(24,845)	362,833	536,544	11,976	548,520
Purchase of treasury shares		(4,105)			(4,105)		(4,105)
MI for newly formed subsidiary					-	2,637	2,637
Exchange adjustment on translation			(1,627)		(1,627)	152	(1,475)
Net profit for the period				53,738	53,738	5,598	59,336
Dividend paid				(18,937)	(18,937)	(8,866)	(27,803)
As at 31 Dec 2007	<u>201,600</u>	<u>(7,149)</u>	<u>(26,472)</u>	<u>397,634</u>	<u>565,613</u>	<u>11,497</u>	<u>577,110</u>
As at 1 Jan 2008	201,600	(7,149)	(26,472)	397,634	565,613	11,497	577,110
Purchase of treasury shares		(1,234)			(1,234)		(1,234)
Capital Contribution from MI						2,429	2,429
Disposal of subsidiary						(4,884)	(4,884)
Exchange adjustment on translation			1,503		1,503		1,503
Net profit for the period				30,050	30,050	2,791	32,841
Dividend paid				(13,189)	(13,189)		(13,189)
As at 30 June 2008	<u>201,600</u>	<u>(8,383)</u>	<u>(24,969)</u>	<u>414,495</u>	<u>582,743</u>	<u>11,833</u>	<u>594,576</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 2007

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
EXPLANATORY NOTES – 30 June 2008

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 2007.

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 2007, except for the adoption of new/revised Financial Reporting Standards FRS 112, Income Tax, FRS 118, Revenue, FRS 120, Accounting for Government Grant and Disclosure of Government Assistance, FRS 121, The Effects of Changes of Foreign Exchange Rate – Net Investment in a Foreign Operation, FRS 134, Interim Financial Reporting, FRS 137 Provision, Contingent Liabilities and Contingent Assets.

The adoption of new and revised standards has not result in a material impact on the disclosure in this Interim Report.

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 were 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 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 :

<u>Month</u>	<u>No. of shares repurchased</u>	<u>Total consideration</u>
Jan-08	113,900	268,003
Feb-08	50,000	105,429
Mar-08	207,200	437,147
May-08	83,000	181,490
Jun-08	112,700	241,661
	<u>566,800</u>	<u>1,233,730</u>

8. Dividends Paid

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

	Current quarter RM'000	Year to date RM'000
Final dividend 2007	<u>13,189</u>	<u>13,189</u>

9. Segment Information

Segment information on business segments is not presented in respect of the Group's business because the Group's activities are predominantly in the manufacturing and trading of automotive parts in Malaysia and outside Malaysia.

Geographical segments

Segment information is presented in respect of geographical segment as the activities of the Group are principally within Malaysia and Outside Malaysia.

Inter-segment pricing is determined on an arm's length basis.

By Geographical segments

30-Jun-2008 (RM'000)	2nd Quarter		Cumulative Year to Date	
	<u>Revenue</u>	<u>Profit before tax</u>	<u>Revenue</u>	<u>Profit before tax</u>
Operations in Malaysia	206,402	21,555	410,497	41,937
Outside Malaysia	36,037	584	65,938	1,193
	<u>242,439</u>	<u>22,139</u>	<u>476,435</u>	<u>43,130</u>
Inter-segment elimination	(3,302)		(5,938)	
	<u>239,137</u>	<u>22,139</u>	<u>470,497</u>	<u>43,130</u>

30- Jun-2007 (RM '000)	2nd Quarter		Cumulative Year to Date	
	<u>Revenue</u>	<u>Profit before tax</u>	<u>Revenue</u>	<u>Profit before tax</u>
Operations in Malaysia	194,948	19,203	339,881	28,482
Outside Malaysia	24,645	1,454	41,782	2,271
	<u>219,593</u>	<u>20,657</u>	<u>381,663</u>	<u>30,753</u>
Inter-segment elimination	(2,211)		(3,663)	-
	<u>217,382</u>	<u>20,657</u>	<u>378,000</u>	<u>30,753</u>

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

The Group completed the disposal of its entire 60% equity interest in its subsidiary in China, Anhui Winking Auto Parts Manufacturing Co. Ltd. for a cash consideration of USD 2.46 million and recognized a gain on disposal of RM 831,000 in this quarter.

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.

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

Additional Information Required By Bursa Malaysia Listing Requirements

1. Review of Performance of the Company and its Principal Subsidiaries Compared with 2nd Quarter 2007

For the second quarter of 2008, the Group recorded a revenue of RM 239.1 million and a pretax profit of RM 22.1 million, an increase of 10.0% and 6.8% respectively compared to the same quarter last year.

For operations in Malaysia, higher sales were recorded in all markets, i.e. OE, RE and export. OE sales grew by 7% in tandem with the higher vehicle production in the country. RE and export sales were higher by 4% and 9% respectively. Revenue from operations outside Malaysia recorded a 46% increase compared to the same quarter last year due mainly to the seat business in Indonesia.

Group pretax profit improved by 6.8% due to higher revenue and improved margin of Malaysia operations. Pretax profit for operations outside Malaysia had declined despite higher revenue due mainly to unfavorable currency exchange rates which had resulted in higher cost of imported material in Vietnam and Indonesia.

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

Compared with the results of immediate quarter, Group's revenue increased by 3.3% from RM231.4 million to RM239.1 million whilst pretax profit increased by 5.2% from RM 21.0 million to RM 22.1 million. In Malaysia, lower vehicle production in this quarter has resulted in a lower OE sales which dropped by 4% compared with the immediate quarter. RE and export sales had recorded an improvement of 26% and 6% respectively. Higher revenue was also recorded by our operations outside Malaysia.

3. Prospects

The recent cut in the fuel and energy subsidies are expected to affect consumer spending in the country. For the second half of the year, MAA has forecasted a 16.5% drop in the total industry volume compared to first half of 2008. The bulk of the drop is expected to come from the commercial vehicles and a marginal decline of 0.5% is expected in the volume of passenger vehicles. As the Group's OE sales is dependant more on passenger vehicle than commercial vehicle volume, the expected drop is unlikely to create significant impact to the Group's results for the remaining months of the year.

Overall, the Directors expect the result for 2008 to be satisfactory.

4. Revenue or Profit Estimate, Forecast, Projection or Internal Targets

Not applicable.

5. Income tax

The Group's effective tax rate is lower than the statutory tax rate due mainly to the availability of tax incentives and the impact of change in the statutory rate on deferred tax.

	Current Quarter RM'000	Cumulative Current year RM'000
<u>Current tax</u>		
- Current year	(6,373)	(11,068)
- Prior year	310	1,183
<u>Deferred tax</u>		
- Current year	300	1,000
- Prior year	(212)	(1,404)
	<u>(5,975)</u>	<u>(10,289)</u>

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)**6. Profits/(losses) on Sale of Unquoted Investments and/or Properties**

There was no 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-Jun-08
		<u>RM'000</u>
Unsecured	- Bills payable	584
	- Overdraft	4,899
	- Foreign currency trade loan	334
	- Term loan	3,602
		<u>9,419</u>
Amount due within the next 12 months		7,673
Amount due after the next 12 months		1,746
		<u>9,419</u>
Denominated in Ringgit Malaysia		7,249
Denominated in United States Dollars		2,170
		<u>9,419</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 20th August 2008

Currency	Notional amount in foreign currency ('000)	Equivalent amount in RM'000	Expiry dates
Purchase contracts :			
Japanese Yen	679,624	20,967	Aug'08-Jan'09
USD	634	2,079	Sept'08-Oct'08
THB	15,000	1,501	Sept'08-Feb'09
Sale contracts :			
US Dollars	3,390	10,944	Aug'08-Feb'09
Euro	2,726	13,686	Aug'08-Feb'09
Australian Dollars	1,793	5,398	Sept'08-Jan'09
Singapore Dollars	488	1,147	Sept'08-Dec'08
Japanese Yen	4,568	140	Jan'09

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.

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

12. Dividend

The Board of Directors has declared an interim dividend of 6% less 26% income tax for the year ending 31 December 2008 (2007 – 5% less 27% income tax) to be paid on 26 September 2008. The entitlement date for the interim dividend shall be 12 September 2008.

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

- (1) Shares transferred into the depositor's securities account before 4:00 p.m. on 12 September 2008 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.

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 197,865,531 and for the year to date is 198,113,608. The outstanding number of ordinary shares as at 30 June 2008 is 197,835,900 (31 December 2007 : 198,402,700 shares).

BY ORDER OF THE BOARD

CHAN YOKE LIN
LEE KWEE CHENG
Company Secretaries

Kuala Lumpur
27 August 2008