



## APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2010 - unaudited

<i>In thousands of RM</i>	<b>Current Quarter Ended 30-Jun-10</b>	<b>Corresponding Quarter Ended 30-Jun-09</b>	<b>Cumulative Year To Date 30-Jun-10</b>	<b>Corresponding Year To Date 30-Jun-09</b>
<b>Revenue</b>	314,308	213,013	599,436	403,851
<b>Results from operating activities</b>	52,702	24,053	88,668	38,180
<b>Finance costs</b>	(118)	(156)	(249)	(408)
<b>Finance income</b>	1,549	1,321	2,840	2,460
<b>Profit before tax</b>	54,133	25,218	91,259	40,232
<b>Income tax expense</b>	(13,164)	(4,771)	(21,325)	(8,118)
<b>Profit for the period</b>	40,969	20,447	69,934	32,114
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	(693)	2,894	(2,240)	3,237
Cash flow hedge	61	-	15	-
<b>Other comprehensive income for the period, net of tax</b>	(632)	2,894	(2,225)	3,237
<b>Total comprehensive income for the period</b>	40,337	23,341	67,709	35,351
<b>Profit attributable to :</b>				
Owners of the Company	36,546	17,567	62,481	27,829
Minority interests	4,423	2,880	7,453	4,285
<b>Profit for the period</b>	40,969	20,447	69,934	32,114
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	35,914	20,461	60,256	31,066
Minority interests	4,423	2,880	7,453	4,285
<b>Total comprehensive income for the period</b>	40,337	23,341	67,709	35,351
<b>Depreciation</b>	9,780	7,230	20,474	14,704
<b>Earnings per share</b>				
Basic (sen)	18.68	8.91	31.93	14.09
Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

# APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010 - unaudited

<i>In thousands of RM</i>	<b>At 30-Jun-10</b>	<b>At 31-Dec-09 Restated</b>
<b>Assets</b>		
Property, plant & equipment	215,069	220,800
Prepaid lease payments	3,962	4,043
Investment property	1,238	1,257
Development expenditure	1,275	1,549
Deferred tax assets	13,348	13,972
<b>Total non-current assets</b>	<b>234,892</b>	<b>241,621</b>
Inventories	156,474	162,959
Trade and other receivables, including derivatives	263,071	210,185
Cash and cash equivalents	296,745	260,344
<b>Total current assets</b>	<b>716,290</b>	<b>633,488</b>
<b>Total assets</b>	<b>951,182</b>	<b>875,109</b>
<b>Equity</b>		
Share capital	201,600	201,600
Reserves	499,762	453,663
Treasury shares	(12,771)	(12,733)
<b>Total equity attributable to owners of the Company</b>	<b>688,591</b>	<b>642,530</b>
<b>Minority interests</b>	<b>22,483</b>	<b>20,806</b>
<b>Total equity</b>	<b>711,074</b>	<b>663,336</b>
<b>Liabilities</b>		
Deferred tax liabilities	5,109	4,746
Employee benefits	14,181	13,593
Deferred grant income	-	8
<b>Total non-current liabilities</b>	<b>19,290</b>	<b>18,347</b>
Trade and other payables, including derivatives	204,330	182,534
Short term borrowings	4,683	4,140
Taxation	11,805	6,752
<b>Total current liabilities</b>	<b>220,818</b>	<b>193,426</b>
<b>Total liabilities</b>	<b>240,108</b>	<b>211,773</b>
<b>Total equity and liabilities</b>	<b>951,182</b>	<b>875,109</b>
Net asset per share attributable to owners of the Company (RM)	3.52	3.28

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

# APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 30 JUNE 2010 – unaudited

<i>In thousands of RM</i>	<b>Current Year to Date 30-Jun-10</b>	<b>Corresponding Year To Date 30-Jun-09</b>
<b>Cash generated from operations</b>	75,524	73,042
<b>Net cash flow used in investing activities</b>	(16,674)	(14,610)
<b>Net cash flow used in financing activities</b>	(19,969)	(21,237)
<b>Net increase in cash and cash equivalents</b>	38,881	37,195
Exchange differences	(2,445)	560
<b>Cash and cash equivalents at beginning of year</b>	259,879	191,534
<b>Cash and cash equivalents at end of period</b>	296,315	229,289
<b>Cash and cash equivalents comprise :-</b>		
Cash and bank balances	296,745	230,901
Bills/Bank overdrafts	(430)	(1,612)
	296,315	229,289

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the 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 2010 - unaudited

<i>In thousands of RM</i>	<----- Non-Distributable ----->					Distributable		Minority interests	Total equity
	Share capital	Treasury shares	Trans- lation reserve	Hedging reserve	Capital reserve	Retained profits	Total		
<b>At 1-Jan-09</b>	201,600	(8,433)	(4,919)	-	(24,441)	426,831	590,638	13,325	603,963
Purchase of treasury shares	-	(1,150)	-	-	-	-	(1,150)	-	(1,150)
Total comprehensive income for the period	-	-	3,237	-	-	27,829	31,066	4,285	35,351
Dividend paid	-	-	-	-	-	(13,306)	(13,306)	-	(13,306)
<b>At 30-June-2009</b>	201,600	(9,583)	(1,682)	-	(24,441)	441,354	607,248	17,610	624,858
<b>At 1-Jan- 10, as previously stated</b>	201,600	(12,733)	788	-	(24,441)	477,316	642,530	20,806	663,336
-effect of adopting FRS 139	-	-	-	-	-	520	520	-	520
<b>At 1-Jan-10, as restated</b>	201,600	(12,733)	788	-	(24,441)	477,836	643,050	20,806	663,856
Total comprehensive income for the period	-	-	(2,240)	15	-	62,481	60,256	7,453	67,709
Purchase of treasury shares	-	(38)	-	-	-	-	(38)	-	(38)
Dividend paid	-	-	-	-	-	(14,677)	(14,677)	(5,776)	(20,453)
<b>At 30-June-2010</b>	201,600	(12,771)	(1,452)	15	(24,441)	525,640	688,591	22,483	711,074

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)**  
**EXPLANATORY NOTES – 30 June 2010**

**1. Basic of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

**2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

**FRSs, Amendments to FRSs and Interpretations**

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 Presentation of Financial Statements (Revised 2009)

FRS 123 Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendment to FRS 1 First-time Adoption of Financial Reporting Standards

Amendment to FRS 7 Financial Instruments: Disclosures

Amendment to FRS 8 Operating Segments

Amendment to FRS 107 Statement of Cash Flows

Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Amendment to FRS 110 Events after the Reporting Period

Amendment to FRS 116 Property, Plant and Equipment

Amendment to FRS 117 Leases

Amendment to FRS 118 Revenue

Amendment to FRS 119 Employee Benefits

Amendment to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance

Amendment to FRS 123 Borrowing Costs

Amendment to FRS 131 Interest in Joint Ventures

Amendment to FRS 132 Financial Instruments: Presentation

Amendment to FRS 134 Interim Financial Reporting

Amendment to FRS 136 Impairment of Assets

Amendment to FRS 139 Financial Instruments: Recognition and Measurement

Amendment to FRS 140 Investment Property

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions

The application of the above FRSs, Amendments to FRSs and Interpretations do not have any material impact to the financial results of the Group.

**(a) FRS 7: Financial Instruments**

The adoption of FRS 7 requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures had been made in these interim financial statements

## APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

### 2. Significant Accounting Policies (Continued)

#### (b) FRS 8: Operating Segments (FRS 8)

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting is now presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group. The comparatives of the preceding year corresponding period are re-presented to conform to the current period presentation, as disclosed in Note 9.

#### (c) FRS 101: Presentation of Financial Statements (FRS 101)

Prior to 1 January 2010, the components of a set of financial statements consisted of balance sheet, income statement, statement of changes in equity, cash flow statement and notes to financial statements.

With the adoption of revised FRS 101, a set of financial statements is now comprise a statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow and notes to the financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented as components in the statement of comprehensive income.

#### (d) FRS 117 : Leases

Prior to the adoption of the Amendment to FRS 117, leasehold land were treated as operating leases and classified as prepaid lease payments. With the adoption of Amendment to FRS 117, the Group has reassessed and determined that land with initial lease term of 50 years or more are in substance finance leases. Accordingly, the Group has reclassified the long term leasehold land to property, plant & equipment.

The change of this accounting policy has been made retrospectively in accordance with the transitional provision of the amendments. The comparative figures have been restated as follows:

*In thousands of RM*

<b>31 December 2009/ 1 January 2010</b>	<b>As previously stated</b>	<b>Reclassification</b>	<b>As restated</b>
Property, plant & equipment	186,858	33,942	220,800
Prepaid lease payments	37,985	(33,942)	4,043

#### (e) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139)

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recognized initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

##### i) Financial assets

Financial assets are classified as financial assets at fair value through profit and loss, loans and receivables, held to maturity investments, available-for-sale("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, receivables, deposits and prepayments. Prior to 1 January 2010, receivables were stated at gross receivables less allowance for doubtful debts. Under FRS 139, receivables are initially measured at fair value and subsequently at amortized cost using the effective interest rate (EIR) method. Gains and losses arising from derecognition of the receivables, EIR amortization and impairment losses are recognized in the statement of comprehensive income.

2. Changes in Accounting Policies (continued)

(e) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139)

ii) Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include loan and borrowings, trade and other payables and are carried at amortized cost.

iii) Derivative financial instruments

Prior to the adoption of FRS 139, forward foreign currency contracts were off balance sheets items, gain or loss were recognized in the financial statements at settlement date. With the adoption of FRS 139, forward foreign currency contracts are required to be initially recognized at fair value on the date of inception and subsequently at fair value at each financial position date. Gains or losses arising from changes in fair value will be recognized in statement of comprehensive income except for derivative contract designated as hedge instruments.

Financial assets and liabilities designated as hedge items and forward foreign currency contracts as hedge instruments are accounted for in accordance with the hedge accounting requirements of FRS 139 as explained below.

**Cash flow hedge**

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

In accordance with the transitional provision of FRS 139, the derivatives, financial assets and financial liabilities of the Group as at 1 January 2010 have been identified and remeasured. The differences between the remeasured amount and the previous carrying amount has been recognized as an adjustment to the retained profits as at 1 January 2010 as follows:-

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

2. Changes in Accounting Policies (continued)

(e) FRS 139: Financial Instruments - Recognition and Measurement (FRS 139)

<i>In thousands of RM</i>	<b>Retained Profits</b>
At 31 December 2009/ 1 January 2010, as previously stated	477,316
Initial recognition of derivatives at 1 January 2010	520
At 1 January 2010, as restated	<u>477,836</u>

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 the Group operates.

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:

<i>In thousands of RM</i>		
<u>Month</u>	<u>No. of shares repurchased</u>	<u>Total consideration</u>
Jan-10	13,000	35
Feb-10	1,000	3
Total	<u>14,000</u>	<u>38</u>

8. Dividends Paid

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

<i>In thousands of RM</i>	<b>Current Quarter Ended <u>30-Jun-10</u></b>	<b>Corresponding Quarter Ended <u>30-Jun-09</u></b>	<b>Current Year To Date <u>30-Jun-10</u></b>	<b>Corresponding Year To Date <u>30-Jun-09</u></b>
Final dividend 2009/2008	(14,677)	(13,306)	(14,677)	(13,306)
Interim dividend 2010/2009	-	-	-	-
	<u>(14,677)</u>	<u>(13,306)</u>	<u>(14,677)</u>	<u>(13,306)</u>



## APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

### 9. Segment Information

With the adoption of FRS 8, *Operating Segments*, the Group's segment information is now presented following its operating structure instead of geographical segments as previously presented.

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 and provision of management services for companies within the Group.
- *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>Quarterly</b>	<b>30-Jun-10</b>		<b>30-Jun-09</b>	
	<b>Segment Revenue</b>	<b>Profit/(loss) before tax</b>	<b>Segment Revenue</b>	<b>Profit before tax</b>
Operations within Malaysia				
Suspension	57,465	6,360	50,297	4,913
Interior & Plastics	186,399	28,002	111,227	9,537
Electricals & Heat Exchange	77,906 *	12,557 *	50,076	3,368
Marketing	51,711	3,062	42,691	2,464
Others	4,858	(319)	4,893	277
Operations outside Malaysia	40,296	4,444	25,143	5,049
	418,635	54,106	284,327	25,608
Eliminations	(104,327)	27	(71,314)	(390)
	314,308	54,133	213,013	25,218

*In thousands of RM*

<b>Cumulative year to date</b>	<b>30-Jun-10</b>		<b>30-Jun-09</b>	
	<b>Segment Revenue</b>	<b>Profit/(loss) before tax</b>	<b>Segment Revenue</b>	<b>Profit before tax</b>
Operations within Malaysia				
Suspension	108,001	11,996	99,978	8,747
Interior & Plastics	362,127	48,149	209,433	16,578
Electricals & Heat Exchange	139,667 *	16,056 *	94,107	4,293
Marketing	93,811	5,475	83,338	4,914
Others	6,147	(444)	6,166	517
Operations outside Malaysia	80,619	10,155	44,635	5,383
	790,372	91,387	537,657	40,432
Eliminations	(190,936)	(128)	(133,806)	(200)
	599,436	91,259	403,851	40,232

\* including one time price adjustment of RM 7.6 million.

## APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

### 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 statements for the interim period.

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

There were no material 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.

### 14. Capital Commitments

The outstanding capital commitments as at

*In thousands of RM*

	<b>30-Jun-10</b>
Authorized but not contracted for	19,718
Contracted but not provided for	21,504
<b>Total</b>	<b>41,222</b>

### 15. Significant related party transactions

The following is significant related party transactions:-

*In thousands of RM*

<b><u>With TCMH Group</u></b>	<b>Current Quarter Ended 30-Jun-10</b>	<b>Corresponding Quarter Ended 30-Jun-09</b>	<b>Cumulative Year To Date 30-Jun-10</b>	<b>Corresponding Year To Date 30-Jun-09</b>
Sales of goods	33,885	15,737	64,634	24,865
Rental income	42	136	42	272
Insurance agency services	1,845	2,790	1,958	3,049
Rental expense	1	137	2	145
Purchase of goods and services	533	355	910	670
Administrative and consultancy services	2	2	3	3
<b>Total</b>	<b>36,308</b>	<b>19,157</b>	<b>67,549</b>	<b>29,004</b>

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").

## APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

### Additional Information Required By Main Market Listing Requirements of Bursa Malaysia

#### 1. Review of Performance of the Company and its Principal Subsidiaries Compared with 2<sup>nd</sup> Quarter 2009

The Group performed extremely well in this quarter, achieving the highest ever revenue and pretax profit (PBT) for a quarter of RM 314.3 million and RM 54.1 million respectively. Included in this figure is a one time price adjustment of RM 7.6 million. Excluding the adjustment, Group revenue increased 44.0% from RM 213.0 million, and PBT improved significantly by 84.5% from RM 25.2 million.

The better than expected performance was mainly driven by the strong growth in vehicle sales. In the domestic front, total vehicle production grew by 30.0% to 150,636 units from 115,833 units last year, benefiting the Group's sales to original equipment manufacturers which has increased by 63.4%. For operations outside Malaysia, revenue improved by 60.3% contributed mainly by operations in Indonesia as car sales in the country rose by 78.0% to a total of 196,132 units compared with same quarter last year.

Group's operating profit improved as a result of lower costs due to higher volume and economies of scale.

#### 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, Group revenue increased by 10.2% to RM 314.3 million from RM 285.1 million. Group's pre-tax profit (PBT) improved by 45.8% to RM 54.1 million from RM 37.1 million. All segments registered better results except for operations outside Malaysia which registered a small decline in revenue and a 22.1% reduction in PBT due to the lower sales in Australia during the winter months and the additional operating overheads incurred in the new facility in Vietnam.

#### 3. Prospects

The Malaysian Automotive Association has revised the total industry volume forecast for this year to 570,000 units from 550,000 units. If this is achieved, it will be a record-breaking year in terms of sales, surpassing its all-time high of 552,316 units in 2005. The recent move by the Malaysian Government to reduce subsidies on petrol and diesel may dampen consumer sentiments and affect the Group's operating costs. However the impact is not expected to be significant and the Group is expected to perform well this year.

#### 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.

<i>In thousands of RM</i>	<b>Current Quarter Ended <u>30-Jun-10</u></b>	<b>Corresponding Quarter Ended <u>30-Jun-09</u></b>	<b>Cumulative Year To Date <u>30-Jun-10</u></b>	<b>Corresponding Year To Date <u>30-Jun-09</u></b>
<b><u>Current tax</u></b>				
- Current year	(13,590)	(4,566)	(22,128)	(8,521)
- Prior year	(32)	186	1,329	14
<b><u>Deferred tax</u></b>				
- Current year	460	(233)	523	444
- Prior year	-	(158)	(1,036)	(55)
Withholding Tax	(2)	-	(13)	-
	<u>(13,164)</u>	<u>(4,771)</u>	<u>(21,325)</u>	<u>(8,118)</u>

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**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**

<i>In thousands of RM</i>		<b>Current Quarter Ended <u>30-Jun-10</u></b>	<b>At <u>31-Dec-09</u></b>
Unsecured	- Overdraft	430	465
	- Trade loan	2,004	2,987
	- Term loan	2,249	688
		<u>4,683</u>	<u>4,140</u>
Amount due within the next 12 months		4,683	4,140
Amount due after the next 12 months		-	-
		<u>4,683</u>	<u>4,140</u>

Group borrowings breakdown by currencies.

<i>In thousands of RM</i>		<b>Current Quarter Ended <u>30-Jun-10</u></b>	<b>At <u>31-Dec-09</u></b>
<u>Functional Currency</u>	<u>Denominated In</u>		
RM	RM	562	248
RM	USD	-	688
AUD	AUD	180	217
AUD	USD	1,229	1,193
VDN	USD	775	1,794
IDR	IDR	1,937	-
		<u>4,683</u>	<u>4,140</u>

Functional currency of borrowing entities in Malaysia are denominated in RM while functional currency of borrowing entities outside Malaysia are denominated in currencies of the respective countries in which they are operating.

**10. Financial Instruments**

Outstanding forward exchange contracts with maturities of less than 1 year as at 30 June 2010

<i>In thousands</i>	<b>Contract Amount in Original Currency</b>	<b>Contract/Notional Value (RM)</b>	<b>Fair Value Gain/(loss) (RM)</b>
<u>Currency</u>			
<b>Buy forward contracts</b>			
YEN	168,621	5,781	447
USD	792	2,571	10
THB	74,406	7,473	25
<b>Sell forward contracts</b>			
USD	5,135	17,281	509
SGD	224	522	9
EUR	120	502	20
<b>Total</b>			<u><b>1,020</b></u>

## **APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)**

### **10. Financial Instruments (continued)**

The Group practices selective hedging mainly on sales and purchases that are denominated in currencies other than Ringgit Malaysia, whenever necessary and appropriate.

These forward exchange contracts are entered into with licensed banks and with pre-determined exchange rates, thus the Group is not exposed to credit risk and market risk. There are no cash requirements on the date of inception of these foreign currency forward contracts.

Changes in the fair value of forward exchange contracts are accounted for as stated in significant accounting policies 2c(iii)

### **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**

The Board of Directors has declared an interim dividend of 8% less 25% income tax for the year ending 31 December 2010 (2009 – 6% less 25% income tax). The dividend amounting to approximately RM 11,742,000 will be paid on 20 September 2010. The entitlement date for the interim dividend will be 6 September 2010.

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

- (1) Shares transferred into the depositor's securities account before 4:00 p.m. on 6 September 2010 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 195,694,300. The outstanding number of ordinary shares as at 30 June 2010 is 195,694,300 (31 December 2009:195,708,300 shares).

## **BY ORDER OF THE BOARD**

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

Kuala Lumpur

18 August 2010