



APM AUTOMOTIVE HOLDINGS BERHAD

(Company No. 424838-D)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2011 - unaudited

<i>In thousands of RM</i>	Current Quarter Ended 30-Jun-11	Corresponding Quarter Ended 30-Jun-10	Cumulative Year To Date 30-Jun-11	Corresponding Year To Date 30-Jun-10
Revenue	277,360	314,308	578,519	599,436
Results from operating activities	38,619	52,702	79,180	88,668
Finance costs	(279)	(118)	(531)	(249)
Finance income	2,738	1,549	5,013	2,840
Profit before tax	41,078	54,133	83,662	91,259
Income tax expense	(9,238)	(13,164)	(19,733)	(21,325)
Profit for the period	31,840	40,969	63,929	69,934
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	457	(693)	650	(2,240)
Cash flow hedge	-	61	-	15
Other comprehensive income for the period, net of tax	457	(632)	650	(2,225)
Total comprehensive income for the period	32,297	40,337	64,579	67,709
Profit attributable to :				
Owners of the Company	28,069	36,546	55,832	62,481
Non-controlling interests	3,771	4,423	8,097	7,453
Profit for the period	31,840	40,969	63,929	69,934
Total comprehensive income attributable to :				
Owners of the Company	25,938	35,914	54,630	60,256
Minority interests	6,359	4,423	9,949	7,453
Total comprehensive income for the period	32,297	40,337	64,579	67,709
Depreciation	8,714	9,780	18,597	20,474
Earnings per share				
Basic (sen)	14.34	18.68	28.53	31.93
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 2010 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 2011 – unaudited

<i>In thousands of RM</i>	At <u>30-Jun-11</u>	At <u>31-Dec-10</u>
Assets		
Property, plant & equipment	234,556	240,153
Prepaid lease payments	5,895	6,320
Investment property	1,197	1,217
Development expenditure	960	936
Deferred tax assets	13,128	13,079
Total non-current assets	255,736	261,705
Inventories	172,932	176,293
Trade and other receivables, including derivatives	239,258	213,359
Cash and cash equivalents	351,267	351,207
Total current assets	763,457	740,859
Total assets	1,019,193	1,002,564
Equity		
Share capital	201,600	201,600
Reserves	585,958	548,940
Treasury shares	(12,781)	(12,776)
Total equity attributable to owners of the Company	774,777	737,764
Non-controlling interests	19,495	30,359
Total equity	794,272	768,123
Liabilities		
Deferred tax liabilities	5,753	4,789
Employee benefits	14,734	14,139
Total non-current liabilities	20,487	18,928
Trade and other payables, including derivatives	166,587	179,656
Short term borrowings	25,307	25,279
Taxation	12,540	10,578
Total current liabilities	204,434	215,513
Total liabilities	224,921	234,441
Total equity and liabilities	1,019,193	1,002,564
Net asset per share attributable to owners of the Company (RM)	3.96	3.77

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 FLOWS FOR THE QUARTER ENDED 30 JUNE 2011 – unaudited

<i>In thousands of RM</i>	Current Year to Date 30-Jun-11	Corresponding Year To Date 30-Jun-10
Cash generated from operations	50,465	75,524
Net cash flow used in investing activities	(13,639)	(16,674)
Net cash flow used in financing activities	(38,000)	(19,969)
Net increase in cash and cash equivalents	(1,174)	38,881
Exchange differences	1,636	(2,445)
Cash and cash equivalents at beginning of year	350,805	259,879
Cash and cash equivalents at end of period	351,267	296,315
Cash and cash equivalents comprise :-		
Cash and bank balances	351,267	296,745
Bank overdrafts	-	(430)
	351,267	296,315

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011 - unaudited

<i>In thousands of RM</i>	<----- Non-Distributable ----->					Distributable	Total	Non- controlling interests	Total equity
	Share capital	Treasury shares	Trans- lation reserve	Hedging reserve	Capital reserve	Retained profits			
At 1-Jan-10	201,600	(12,733)	788	-	(24,441)	477,836	643,050	20,806	663,856
Purchase of treasury shares	-	(38)	-	-	-	-	(38)	-	(38)
Total comprehensive income for the period	-	-	(2,240)	15	-	62,481	60,256	7,453	67,709
Dividend paid	-	-	-	-	-	(14,677)	(14,677)	(5,776)	(20,453)
At 30 June-2010	201,600	(12,771)	(1,452)	15	(24,441)	525,640	688,591	22,483	711,074
At 1-Jan-11	201,600	(12,776)	(2,525)	-	(24,441)	575,906	737,764	30,359	768,123
Total comprehensive income for the period	-	-	(1,202)	-	-	55,832	54,630	9,949	64,579
Purchase of treasury shares	-	(5)	-	-	-	-	(5)	-	(5)
Dividend paid	-	-	-	-	-	(17,612)	(17,612)	(20,813)	(38,425)
At 30-June-2011	201,600	(12,781)	(3,727)	-	(24,441)	614,126	774,777	19,495	794,272

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)
EXPLANATORY NOTES – 30 JUNE 2011

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 2010. 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 2010.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2011.

FRSs, Amendments to FRSs and Interpretations

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Improvements to FRSs (2010)	
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
	- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
	- Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share Based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Financial Instrument: Disclosures - Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation- Classification of Rights Issues
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining whether an Arrangement contain a lease
IC Interpretation 12	Service Concession Agreements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretation 9,	Reassessment of Embedded Derivatives

The FRS 2, Amendments to FRS 5, IC Interpretation 4, IC Interpretation 12, IC Interpretation 16, IC Interpretation 17 and IC Interpretation 18 are not applicable to the Group or the Company.

The adoption of the above FRSs, Amendments to FRSs and Interpretations has no material impact on the interim financial statements and the interim financial result of the Group.

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

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>
Feb-11	1,000	5
<u>Total</u>	<u>1,000</u>	<u>5</u>

8. Dividends Paid

No dividend was paid to the shareholders during the current quarter and year to date.

9. Segment 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:

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9. Segment Information (continued)

In thousands of RM

<u>Quarterly</u>	<u>30-Jun-11</u>		<u>30-Jun-10</u>	
	<u>Segment Revenue</u>	<u>Profit/(loss) before tax</u>	<u>Segment Revenue</u>	<u>Profit before tax</u>
Operations within Malaysia				
Suspension	58,642	6,002	57,465	6,360
Interior & Plastics	147,799	23,735	186,399	28,002
Electricals & Heat Exchange	67,094	6,883	77,906	12,557
Marketing	56,641	4,729	51,711	3,062
Others	9,227	(337)	4,858	(319)
Operations outside Malaysia	36,655	2	40,296	4,444
	376,058	41,014	418,635	54,106
Eliminations	(98,698)	64	(104,327)	27
	277,360	41,078	314,308	54,133

In thousands of RM

<u>Cumulative year to date</u>	<u>30-Jun-11</u>		<u>30-Jun-10</u>	
	<u>Segment Revenue</u>	<u>Profit/(loss) before tax</u>	<u>Segment Revenue</u>	<u>Profit before tax</u>
Operations within Malaysia				
Suspension	115,681	11,400	108,001	11,996
Interior & Plastics	336,937	50,567	362,127	48,149
Electricals & Heat Exchange	130,265	11,138	139,667	16,056
Marketing	105,005	9,125	93,811	5,475
Others	12,390	(939)	6,147	(444)
Operations outside Malaysia	72,742	2,788	80,619	10,155
	773,020	84,079	790,372	91,387
Eliminations	(194,501)	(417)	(190,936)	(128)
	578,519	83,662	599,436	91,259

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

On 14 June 2011, the following wholly-owned companies ("new companies") were incorporated under the Companies Act, 1965.

- i) APM Automotive Modules Sdn Bhd;
- ii) APM Suspension Systems Sdn Bhd; and
- iii) APM Thermal Systems Sdn Bhd.

Each of the new companies has an authorized share capital of RM100,000.00 made up of 100,000 shares of RM1.00 each and an issued and paid-up share capital of RM2.00, paid for in cash by the Company. The main activity of the new companies is to manufacture and supply automotive modules and systems.

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)**14. Capital Commitments**

The outstanding capital commitments as at

In thousands of RM

	<u>30-Jun-11</u>	<u>30-Jun-10</u>
Authorized but not contracted for	12,360	19,718
Contracted but not provided for	17,577	21,504
Total	29,937	41,222

15. Significant related party transactions

The following is significant related party transactions:-

In thousands of RM

	Current Quarter Ended 30-Jun-11	Corresponding Quarter Ended 30-Jun-10	Cumulative Year To Date 30-Jun-11	Corresponding Year To Date 30-Jun-10
With TCMH Group				
Sales of goods	21,439	33,885	54,955	64,634
Rental income	71	42	142	42
Insurance agency services	528	1,845	2,294	1,958
Rental expense	1	1	2	2
Purchase of goods and services	1,592	533	3,595	910
Administrative and consultancy services	2	2	4	3
Total	23,633	36,308	60,992	67,549

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)

1. Review of Performance of the Company and its Principal Subsidiaries Compared with 2nd Quarter 2010

The Group revenue of RM277.3 million for the current quarter is 11.4% lower than the revenue in the previous year's corresponding quarter of RM314.3 million. This reduction is mainly caused by the drop in sales of 20.7% and 13.8% in the Interior & Plastics and Electrical & Heat Exchange divisions respectively.

Profit before tax declined by 24.1% from RM54.1 million to RM41.0 million. The decline in both revenue and profit before tax was mainly due to combined effects of supply disruption caused by the earthquakes in Japan and amendments to the Hire Purchase Act 1967, which led to delays in the purchases of vehicles. In addition, the profit before tax of the same period last year included a price adjustment of RM 7.6 million.

During the first 6 months, total domestic vehicles production fell by 20,384 units or 6.9% as compared to preceding corresponding period as announced by Malaysian Automotive Association (MAA).

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

Compared to the immediate preceding quarter, even though Group revenue decreased by 7.9% to RM277.3 million from RM301.1 million, the Group's pre-tax profit of RM41.0 million was only slightly lower than the preceding quarter of RM42.5 million due to lower sales.

3. Prospects

The Malaysian Automotive Association (MAA) has revised downward the total industry volume forecast by 1.6% from 618,000 to 608,000 units, mainly due to disruption of parts supplies caused by earthquakes in Japan.

The Group believes that the part supplies will recover in the remaining quarters. Additionally MAA has also appealed to the government to review the hire-purchase laws. With that, the performance of the Group for the remaining quarters is expected 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.

<i>In thousands of RM</i>	Current Quarter Ended <u>30-Jun-11</u>	Corresponding Quarter Ended <u>30-Jun-10</u>	Cumulative Year To Date <u>30-Jun-11</u>	Corresponding Year To Date <u>30-Jun-10</u>
<u>Current tax</u>				
- Current year	(8,013)	(13,590)	(18,408)	(22,128)
- Prior year	13	(32)	(9)	1,329
<u>Deferred tax</u>				
- Current year	(1,850)	460	(1,920)	523
- Prior year	690	-	687	(1,036)
Withholding Tax	(78)	(2)	(83)	(13)
	<u>(9,238)</u>	<u>(13,164)</u>	<u>(19,733)</u>	<u>(21,325)</u>

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.

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

9. Group Borrowings and Debt Securities

<i>In thousands of RM</i>		Current Quarter Ended <u>30-Jun-11</u>	At <u>31-Dec-10</u>
Unsecured	- Overdraft	-	402
	- Trade loan	19,716	24,877
	- Short term borrowings	5,591	-
		<u>25,307</u>	<u>25,279</u>
Amount due within the next 12 months		25,307	25,279
Amount due after the next 12 months		-	-
		<u>25,307</u>	<u>25,279</u>

Group borrowings breakdown by currencies.

<i>In thousands of RM</i>		Current Quarter Ended <u>30-Jun-11</u>	At <u>31-Dec-10</u>
<u>Currency</u>	<u>Denominated In</u>		
RM	RM	19,716	21,073
AUD	AUD	-	204
AUD	USD	698	1,002
VDN	USD	-	3,000
USD	USD	4,893	-
		<u>25,307</u>	<u>25,279</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 2011.

<i>In thousands</i>	Contract Amount in Original Currency	Contract/Notional Value (RM)	Fair Value Gain/(loss) (RM)
<u>Currency</u>			
Buy forward contracts			
YEN	197,921	7,375	54
USD	14	42	-
THB	97,443	9,702	(134)
Sell forward contracts			
USD	13,759	42,247	518
SGD	1,275	3,140	(30)
AUD	746	2,341	(69)
Total			<u>339</u>

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 accordance to FRS 139: Financial Instruments - Recognition and Measurement

APM AUTOMOTIVE HOLDINGS BERHAD (424838-D)

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 10% less 25% income tax for the year ending 31 December 2011 (2010 – 8% less 25% income tax). The dividend amounting to approximately RM 14,677,000 will be paid on 28 September 2011. The entitlement date for the interim dividend will be 9 September 2011.

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 9 September 2011 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 195,692,300 The outstanding number of ordinary shares as at 31 June 2011 is 195,692,300 (31 December 2010: 195,693,300 shares).

14. Realized and Unrealized profits

	Current Quarter Ended 30-Jun-11 (RM'000)	Immediate Preceding Quarter Ended 31-Mar-11 (RM'000)
Total retained profits/(accumulated losses) of the company and its subsidiaries		
- Realised	594,688	601,763
- Unrealised Gain/(Loss)	(803)	(1,202)
	<u>593,885</u>	<u>600,561</u>
Total share of retained profits/(accumulated losses) of jointly control entities		
- Realised	21,081	23,454
- Unrealised Gain/(Loss)	1,100	1,029
	<u>22,181</u>	<u>24,483</u>
Consolidation adjustments	(1,940)	(21,375)
Total group retained profits as per consolidated accounts	<u>614,126</u>	<u>603,669</u>

BY ORDER OF THE BOARD

CHAN YOKE LIN
LEE KWEE CHENG
Company Secretaries

Kuala Lumpur

18 August 2011