



APM AUTOMOTIVE HOLDINGS BERHAD

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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APM AUTOMOTIVE HOLDINGS BERHAD

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2023 – unaudited**

| | INDIVIDUAL QUARTER | | | CUMULATIVE QUARTER | |
|---|---------------------------------------|---|---------|---|---|
| | Current Quarter Ended 31-Dec-23 | Corresponding Quarter Ended 31-Dec-22 | Change | Cumulative Year to Date 31-Dec-23 | Cumulative Year to Date 31-Dec-22 |
| <i>In thousands of RM</i> | | | | | |
| Revenue | 470,470 | 468,927 | 0.3% | 1,926,421 | 1,739,166 |
| Results from operating activities | 19,933 | 8,814 | 126.2% | 90,176 | 43,699 |
| Finance costs | (2,358) | (2,142) | -10.1% | (9,134) | (6,082) |
| Finance income | 3,226 | 2,375 | 35.8% | 10,913 | 6,642 |
| Share of the profit of equity-accounted associates and joint ventures, net of tax | 13,825 | 7,013 | 97.1% | 16,338 | 9,807 |
| Profit before tax | 34,626 | 16,060 | 115.6% | 108,293 | 54,066 |
| Income tax expense | (4,218) | (3,156) | -33.7% | (21,891) | (12,383) |
| Profit for the year | 30,408 | 12,904 | 135.6% | 86,402 | 41,683 |
| Other comprehensive income, net of tax | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Remeasurement of defined benefit liability for equity-accounted associate and joint ventures | - | (880) | 100.0% | 23 | (726) |
| Revaluation of properties and right-of-use assets | 89,188 | - | N/A | 89,188 | - |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Foreign currency translation differences for consolidated subsidiaries | 6,203 | (7,285) | 185.1% | 15,024 | (966) |
| Foreign currency translation differences for equity-accounted associates and joint ventures | (834) | (6,181) | 86.5% | 5,478 | (3,257) |
| Other comprehensive income/(expense) for the year, net of tax | 94,557 | (14,346) | 759.1% | 109,713 | (4,949) |
| Total comprehensive income/(loss) for the year | 124,965 | (1,442) | 8766.1% | 196,115 | 36,734 |
| Profit attributable to : | | | | | |
| Owners of the Company | 22,058 | 8,117 | 171.8% | 60,435 | 26,400 |
| Non-controlling interests | 8,350 | 4,787 | 74.4% | 25,967 | 15,283 |
| Profit for the year | 30,408 | 12,904 | 135.6% | 86,402 | 41,683 |
| Total comprehensive income attributable to : | | | | | |
| Owners of the Company | 116,064 | (6,266) | 1952.3% | 169,513 | 21,414 |
| Non-controlling interests | 8,901 | 4,824 | 84.5% | 26,602 | 15,320 |
| Total comprehensive income/(loss) for the year | 124,965 | (1,442) | 8766.1% | 196,115 | 36,734 |
| Earnings per ordinary share | | | | | |
| Basic (sen) | 11.28 | 4.15 | 171.8% | 30.91 | 13.50 |

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

APM AUTOMOTIVE HOLDINGS BERHAD

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 – unaudited

| <i>In thousands of RM</i> | As at 31-Dec-23 | As at 31-Dec-22 (Audited) |
|--|----------------------------|--|
| Assets | | |
| Property, plant and equipment | 716,247 | 627,279 |
| Investment properties | 106,760 | 106,700 |
| Investment in an associates | 33,547 | 6,455 |
| Investments in joint ventures | 106,208 | 86,284 |
| Intangible assets | 20,840 | 20,542 |
| Other investment | 3,986 | - |
| Deferred tax assets | 27,618 | 25,874 |
| Total non-current assets | 1,015,206 | 873,134 |
| Inventories | 372,478 | 374,676 |
| Trade and other receivables, including derivatives | 271,958 | 347,243 |
| Current tax assets | 2,790 | 5,360 |
| Other investments | 4,390 | 3,177 |
| Cash and cash equivalents | 478,691 | 353,106 |
| Total current assets | 1,130,307 | 1,083,562 |
| Total assets | 2,145,513 | 1,956,696 |
| Equity | | |
| Share capital | 219,498 | 219,498 |
| Reserves | 1,224,020 | 1,081,872 |
| Treasury shares | (13,506) | (13,506) |
| Total equity attributable to owners of the Company | 1,430,012 | 1,287,864 |
| Non-controlling interests | 73,704 | 65,126 |
| Total equity | 1,503,716 | 1,352,990 |
| Liabilities | | |
| Employee benefits | 35,775 | 34,252 |
| Lease liabilities | 16,300 | 17,895 |
| Deferred tax liabilities | 82,388 | 61,689 |
| Loans and borrowings | 50,000 | 50,000 |
| Total non-current liabilities | 184,463 | 163,836 |
| Trade and other payables, including derivatives | 375,845 | 356,310 |
| Lease liabilities | 3,965 | 3,460 |
| Loans and borrowings | 68,814 | 75,045 |
| Current tax liabilities | 8,710 | 5,055 |
| Total current liabilities | 457,334 | 439,870 |
| Total liabilities | 641,797 | 603,706 |
| Total equity and liabilities | 2,145,513 | 1,956,696 |
| Net assets per share attributable to owners of the Company* (RM) | 7.31 | 6.59 |

**Net assets per share is calculated based on total share capital in issue less treasury shares of 6,105,700.*

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

APM AUTOMOTIVE HOLDINGS BERHAD

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2023 – unaudited**

| | ←----- Attributable to the owners of the Company -----> | | | | | | | |
|--|---|--------------------|------------------------|------------------------|----------------------|-----------|--------------------------|-----------------|
| | ←----- Non-Distributable -----> | | | | Distributable | | Non- | Total equity |
| <i>In thousands of RM</i> | Share capital | Treasury shares | Revaluation reserve | Translation reserve | Retained earnings | Total | controlling interests | |
| At 1-Jan-2022 | 219,498 | (13,506) | 185,125 | (2,518) | 905,225 | 1,293,824 | 70,148 | 1,363,972 |
| Foreign currency translation differences for consolidated subsidiaries | - | - | - | (966) | - | (966) | - | (966) |
| Foreign currency translation differences for equity-accounted associate and joint ventures | - | - | - | (3,257) | - | (3,257) | - | (3,257) |
| Remeasurement of defined benefit liabilities | - | - | - | - | (763) | (763) | 37 | (726) |
| Transfer of revaluation surplus on properties | - | - | (8,600) | - | 8,600 | - | - | - |
| Total other comprehensive income for the year | - | - | (8,600) | (4,223) | 7,837 | (4,986) | 37 | (4,949) |
| Profit for the year | - | - | - | - | 26,400 | 26,400 | 15,283 | 41,683 |
| Total comprehensive income for the year | - | - | (8,600) | (4,223) | 34,237 | 21,414 | 15,320 | 36,734 |
| Subscription of shares in a subsidiary by non-controlling interests | - | - | - | - | (5) | (5) | 1,308 | 1,303 |
| Dividends to owners of the company | - | - | - | - | (27,369) | (27,369) | - | (27,369) |
| Capital reduction in subsidiary | - | - | - | - | - | - | (2,450) | (2,450) |
| Dividends to non-controlling interests | - | - | - | - | - | - | (19,200) | (19,200) |
| Total transactions with owners of the company | - | - | - | - | (27,374) | (27,374) | (20,342) | (47,716) |
| At 31-Dec-22 | 219,498 | (13,506) | 176,525 | (6,741) | 912,088 | 1,287,864 | 65,126 | 1,352,990 |
| At 1-Jan-2023 | 219,498 | (13,506) | 176,525 | (6,741) | 912,088 | 1,287,864 | 65,126 | 1,352,990 |
| Foreign currency translation differences for consolidated subsidiaries | - | - | - | 15,024 | - | 15,024 | - | 15,024 |
| Foreign currency translation differences for equity-accounted associate and joint ventures | - | - | - | 5,404 | - | 5,404 | 74 | 5,478 |
| Revaluation surplus of property, plant and equipment, net of tax | - | - | 88,627 | - | - | 88,627 | 561 | 89,188 |
| Remeasurement of defined benefit liabilities | - | - | - | - | 23 | 23 | - | 23 |
| Transfer of revaluation surplus on properties | - | - | (14,661) | - | 14,661 | - | - | - |
| Total other comprehensive income for the year | - | - | 73,966 | 20,428 | 14,684 | 109,078 | 635 | 109,713 |
| Profit for the year | - | - | - | - | 60,435 | 60,435 | 25,967 | 86,402 |
| Total comprehensive income for the year | - | - | 73,966 | 20,428 | 75,119 | 169,513 | 26,602 | 196,115 |
| Dividends to owners of the company | - | - | - | - | (27,365) | (27,365) | - | (27,365) |
| Dividends to non-controlling interests | - | - | - | - | - | - | (18,024) | (18,024) |
| Total transactions with owners of the Group | - | - | - | - | (27,365) | (27,365) | (18,024) | (45,389) |
| At 31-Dec-23 | 219,498 | (13,506) | 250,491 | 13,687 | 959,842 | 1,430,012 | 73,704 | 1,503,716 |

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

APM AUTOMOTIVE HOLDINGS BERHAD

Registration No. 199701009342 (424838-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2023 – unaudited**

| <i>In thousands of RM</i> | For the 12 months year ended 31-Dec-23 | For the 12 months year ended 31-Dec-22 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before tax and non-controlling interests | 108,293 | 54,066 |
| Adjustments for non-cash items: | | |
| Depreciation of property, plant and equipment | 58,438 | 60,199 |
| Amortisation of intangible assets | 1,914 | 7,148 |
| Share of the profit of equity-accounted associates and joint ventures, net of tax | (16,338) | (9,807) |
| Others | 6,527 | 12,218 |
| Operating profit before working capital changes | 158,834 | 123,824 |
| Deposits and prepayments | 558 | 6,762 |
| Inventories | 1,133 | (19,726) |
| Trade and other payables, including derivatives | 17,697 | 68,148 |
| <u>Trade and other receivables, including derivatives</u> | <u>72,394</u> | <u>(52,898)</u> |
| Cash generated from operations | 250,616 | 126,110 |
| Interest/Tax/Employee benefits/provision | | |
| Employee benefits paid | (1,214) | (2,511) |
| Net interest received | 1,778 | 560 |
| Warranties paid | (2,058) | (2,282) |
| Net income tax paid | (23,425) | (16,381) |
| Net cash generated from operating activities | 225,697 | 105,496 |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 1,231 | 892 |
| Acquisition of property, plant and equipment | (17,432) | (35,053) |
| Net (decrease)/increase in other investments | (3,986) | 4,850 |
| Additions of intangible assets | (2,014) | (3,451) |
| Investment in associates | (25,200) | (5,901) |
| Investment in joint ventures | - | (8,129) |
| Net cash used in investing activities | (47,401) | (46,792) |
| Cash flows from financing activities | | |
| Subscription of shares in subsidiary by non-controlling interest | - | 1,304 |
| Dividends paid to non-controlling interests | (18,024) | (19,200) |
| Dividends paid to owners of the Company | (27,364) | (27,369) |
| Net (repayment)/drawdown of loans and borrowings | (6,231) | 45,562 |
| Payment of lease liabilities | (2,842) | (2,409) |
| Payment of reduction of share capital in subsidiary to non-controlling interest | - | (2,450) |
| Net cash used in financing activities | (54,461) | (4,562) |
| Net cash increase in cash and cash equivalents | 123,835 | 54,142 |
| Effect of exchange rate fluctuations | 1,750 | (28) |
| Cash and cash equivalents at 1 January | 353,106 | 298,992 |
| Cash and cash equivalents at end of the year | 478,691 | 353,106 |

Cash and cash equivalents at the end of financial year comprise the following:

| | | |
|---|----------------|----------------|
| Cash and bank balances | 67,898 | 59,761 |
| Deposits and corporate management account with licensed banks | 410,793 | 293,345 |
| | 478,691 | 353,106 |

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022. The explanatory notes attached to the Condensed Report provide explanations 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 2022.

A2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Group have been prepared in accordance with MFRSs and International Financial Reporting Standards in Malaysia.

During the financial year, the Group has adopted the following interpretations and amendments issued by the Malaysian Accounting Standards Board (“MASB”), which became effective for annual periods beginning on or after 1 January 2023:

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*;
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*; and
- Amendments to MFRS 112, *Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*.

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

The following are accounting standards, interpretations and amendments to the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*;
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*; and
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendment to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group plans to apply the abovementioned accounting standards, amendments and interpretations from the annual period beginning on 1 January 2024 for those amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current and prior year financial statements of the Group.

A3. AUDIT QUALIFICATIONS

There were no audit qualifications in the annual financial statements of the Group for the year ended 31 December 2022.

A4. 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.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items that had a material effect on the assets, liabilities, equity, net income or cash flows for the quarter ended 31 December 2023.

A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial year.

A7. DEBT AND EQUITY SECURITIES

Under the Islamic Medium Term Notes (“Sukuk Murabahah”) Programme of RM1.5 billion, the outstanding nominal value of Islamic Medium Term Notes stood at RM50.0 million at the end of the financial quarter.

Save for the above, there were no other issuances, repurchases, resale or repayment of debts and equity securities in the current interim period and financial year to-date.

A8. DIVIDENDS PAID

An interim single tier dividend of 7.0 sen per ordinary share (2022: 7.0 sen) totalling RM13.7 million (2022: RM13.7 million) in respect of the financial year ended 31 December 2023 was paid on 4 October 2023.

A9. SEGMENTAL INFORMATION

The Group's operating structure comprises the following strategic business divisions, with 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 plastic parts; interiors; and seatings for motor vehicles, buses, auditoriums, cinemas, and rails and light rails system;
- *Electrical & Heat Exchange Division, Malaysia:* comprises business in manufacturing products such as air-conditioning systems, radiators, starter motors, alternators, wiper system, distributors and other electrical parts; developing Internet of Things ("IoT") telematics platform;
- *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;
- *Non-reportable segment, Malaysia:* comprises mainly operations related to the rental of investment properties in Malaysia; casting, machining and assembly of aluminum parts and components; provision of management services for companies within the Group and provision of automotive research and development services;
- *Indonesia operations:* comprises business in Indonesia; and
- *All other segments:* comprises businesses in Vietnam, Australia, India, Canada, the United States of America, the Netherlands, Thailand, Myanmar and the United Kingdom.

The manufacturing and distribution of automotive products within the Group are managed by four different operating segments within the Group. These operating segments are aggregated to form a reportable segment due to the similar nature and economic characteristics of the products. The nature, production process and methods of distribution of the products for these divisions are similar. The types of customers for the products are similar for both replacement markets ("REM") and Original Equipment Manufacturer ("OEM") markets.

Performance is measured based on segmental revenue and profit before tax, as included in the internal management reports that are reviewed by the Chief Operating Decision Makers. Segmental profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

A9. SEGMENTAL INFORMATION (CONT'D)

In thousands of RM

INDIVIDUAL QUARTER

| | 31-Dec-23 | | 31-Dec-22 | |
|----------------------------|------------------------|---------------------------------|------------------------|---------------------------------|
| | <u>Segment Revenue</u> | <u>Profit/(loss) before tax</u> | <u>Segment Revenue</u> | <u>Profit/(loss) before tax</u> |
| Suspension | 60,533 | 2,574 | 61,191 | (1,062) |
| Interior & Plastics | 382,001 | 29,905 | 363,305 | 19,059 |
| Electrical & Heat Exchange | 34,266 | (673) | 30,735 | (2,323) |
| Marketing | 59,635 | 1,479 | 60,475 | 767 |
| Non-reportable segment | 13,571 | (1,050) | 13,333 | (2,662) |
| Indonesia Operations | 20,065 | 3,257 | 28,586 | 6,916 |
| All Other Segments | 32,345 | (403) | 41,101 | (4,278) |
| | 602,416 | 35,089 | 598,726 | 16,417 |
| Eliminations | (131,946) | (463) | (129,799) | (357) |
| | 470,470 | 34,626 | 468,927 | 16,060 |

In thousands of RM

CUMULATIVE QUARTER

| | 31-Dec-23 | | 31-Dec-22 | |
|----------------------------|------------------------|---------------------------------|------------------------|---------------------------------|
| | <u>Segment Revenue</u> | <u>Profit/(loss) before tax</u> | <u>Segment Revenue</u> | <u>Profit/(loss) before tax</u> |
| Suspension | 240,216 | 1,908 | 236,691 | 571 |
| Interior & Plastics | 1,521,681 | 112,736 | 1,289,255 | 64,128 |
| Electrical & Heat Exchange | 127,010 | (4,786) | 113,493 | (5,854) |
| Marketing | 267,413 | 9,905 | 297,840 | 9,806 |
| Non-reportable segment | 56,998 | (6,652) | 52,720 | (9,024) |
| Indonesia Operations | 87,527 | 1,526 | 104,912 | 1,961 |
| All Other Segments | 156,181 | (4,778) | 151,434 | (6,862) |
| | 2,457,026 | 109,859 | 2,246,345 | 54,726 |
| Eliminations | (530,605) | (1,566) | (507,179) | (660) |
| | 1,926,421 | 108,293 | 1,739,166 | 54,066 |

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS

Property, Plant and Equipment

Pursuant to the revaluation model applied, the Group's land and buildings are subsequently measured at revalued amount less accumulated depreciation and any accumulated impairment losses. The revaluation surplus (net of deferred tax) of RM89.18 million has been incorporated into the consolidated statement of other comprehensive income for the year ended 31 December 2023 and is recognized in the revaluation reserve and non-controlling interest, as the case may be.

The valuation was carried out by independent firms of professional valuers as listed below, using open market value with existing use basis:

| No. | Location of Properties | Name of Valuer |
|-----|--------------------------|---|
| 1 | Malaysia | Rahim & Co International Sdn. Bhd. |
| 2 | Thailand | Siam City Appraisal Company Limited |
| 3 | Vietnam | The Milky Way Control Joint Stock Company |
| 4 | Indonesia | KJPP Rinaldi Alberth Baroto & Partners |
| 5 | Australia | CBRE Valuations Pty Limited |
| 6 | Netherland | Thoma Post Taxaties Zakelijk |
| 7 | United States of America | Newmark Valuation & Advisory |
| 8 | Myanmar | Agency for Real Estate Affairs |

Investment Properties

Subsequent to initial recognition, investment properties of the Group are stated at fair value which reflects market conditions at reporting date. This valuation has been updated during the year based on a valuation carried out by an independent professional external valuer, Rahim & Co. International Sdn. Bhd. The fair value gain of RM0.054 million (net of deferred tax) has been incorporated into the consolidated statement of profit or loss for the year ended 31 December 2023.

A11. RELATED PARTY DISCLOSURES

Significant transactions with Tan Chong Motor Holdings Berhad ("TCMH Group"), Warisan TC Holdings Berhad ("WTCH Group") and Tan Chong International Limited ("TCIL Group"), companies in which a Director of the Company, namely Dato' Tan Heng Chew, is deemed to have substantial interests are as follows:

| <i>In thousands of RM</i> | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--------------------------|--------------------------------|----------------------------|-------------------------------|
| | Current Quarter Ended | Corresponding Quarter Ended | Cumulative Year To Date | Corresponding Year To Date |
| <u>With TCMH Group</u> | <u>31-Dec-23</u> | <u>31-Dec-22</u> | <u>31-Dec-23</u> | <u>31-Dec-22</u> |
| Sales | 4,800 | 7,112 | 21,697 | 33,951 |
| Provision of services | 143 | 145 | 587 | 564 |
| Purchases | (625) | (914) | (2,288) | (4,219) |
| Administrative and consultancy services | (265) | (233) | (962) | (854) |
| Insurance | (323) | (125) | (5,600) | (5,508) |
| Rental expenses | (3) | (3) | (11) | (14) |
| Rental income | 401 | 449 | 1,712 | 1,799 |

The above transactions had been entered into in the ordinary course of business on normal commercial terms.

APM AUTOMOTIVE HOLDINGS BERHAD (Registration No. 199701009342 (424838-D))
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A11. RELATED PARTY DISCLOSURES (CONT'D)

In thousands of RM

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--------------------|------------------|--------------------|------------------|
| | Current | Corresponding | Cumulative | Corresponding |
| | Quarter Ended | Quarter Ended | Year To Date | Year To Date |
| <u>With WTCH Group</u> | <u>31-Dec-23</u> | <u>31-Dec-22</u> | <u>31-Dec-23</u> | <u>31-Dec-22</u> |
| Sales | 21 | 108 | 217 | 571 |
| Purchases | (283) | (63) | (679) | (784) |
| Administrative and consultancy services | (544) | (193) | (1,552) | (468) |
| Rental income | 129 | 128 | 516 | 516 |
| Rental expenses | (331) | (323) | (1,337) | (1,315) |

The above transactions had been entered into in the ordinary course of business on normal commercial terms.

In thousands of RM

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------|--------------------|------------------|--------------------|------------------|
| | Current | Corresponding | Cumulative | Corresponding |
| | Quarter Ended | Quarter Ended | Year To Date | Year To Date |
| <u>With TCIL Group</u> | <u>31-Dec-23</u> | <u>31-Dec-22</u> | <u>31-Dec-23</u> | <u>31-Dec-22</u> |
| Sales | 58 | 63 | 200 | 175 |
| Rental expenses | (24) | (23) | (95) | (77) |

The above transactions had been entered into in the ordinary course of business on normal commercial terms.

A12. MATERIAL SUBSEQUENT EVENT

There were no material events subsequent to the end of the reporting period and up to the date of issuance of this report.

A13. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the quarter under review.

A14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or contingent liabilities as at 31 December 2023.

A15. CAPITAL COMMITMENTS

In thousands of RM

| | <u>31-Dec-23</u> | <u>31-Dec-22</u> |
|---------------------------------|------------------|------------------|
| Contracted but not provided for | 17,567 | 18,205 |

B1. OPERATING SEGMENTS REVIEW

Statement of Financial Position

The Group's financial standing remained robust with shareholders' fund of RM1.4 billion and a net cash position of RM364.3 million as at 31 December 2023 (i.e. cash and cash equivalents plus other investments (current asset) and deduct bank borrowings). Likewise, the Group's current ratio (i.e. Current Ratio = Current Assets/Current Liabilities) also improved from 2.46 times to 2.47 times mainly due to higher cash and cash equivalents by RM125.6 million or 35.6% in Q4'2023 compared to 31 December 2022.

The net assets per share of the Group increased by 11.0% from RM6.59 as of 31 December 2022 to RM7.31 as of 31 December 2023, mainly due to net profits achieved for the year, coupled with the revaluation gain arising from the revaluation exercise carried out on the Group's properties and favourable effects of foreign currency translation for the Group's foreign subsidiaries and joint ventures.

Statement of Cash Flows and Capital Expenditure

For the current quarter ended 31 December 2023, the Group recorded a net increase in cash and cash equivalents of RM125.6 million from RM353.1 million as of 31 December 2022 to RM478.7 million as of 31 December 2023. The positive cash flow movement was attributed to the following factors:-

- i) Net cash generated from operating activities of RM225.7 million that was mainly driven by pre-tax profit of RM108.3 million and the quicker turnover of trade receivables which resulted in positive changes of RM72.7 million;
- ii) Net cash used in investing activities of RM47.4 million that was mainly for the Group's investment in an associate in Malaysia amounting to RM25.2 million, other investment amounting to RM4.0 million and the purchase of tooling, machineries and equipment amounting to RM17.4 million; and
- iii) Net cash used in financing activities of RM54.5 million mainly for payment of the second interim dividend for the financial year ended 31 December 2022 and payment of interim dividend for the financial year ended 31 December 2023 totalling RM27.4 million, payment of dividends to non-controlling interests amounting to RM18.0 million and repayment of loans and borrowings amounting to RM6.2 million.

As of 31 December 2023, the Group's capital commitment stood at RM17.6 million comprising primarily the Group's investment in tooling, machineries/equipment and development costs for the supply of parts for new vehicle models and the upgrading of production facilities. The capital commitment is funded internally and through bank borrowings.

The Group recognizes that the retention of sufficient cash reserves is essential in the pursuit of growth and expansion. Thus, the Group's liquidity remains intact as the Islamic Medium-Term Notes of up to RM1.45 billion in nominal value can be utilized for future capital investment, if and when required.

B1. OPERATING SEGMENTS REVIEW (CONT'D)

Analysis of Performance of All Operating Segments

Q4'2023 vs. Q4'2022

For the current quarter ended 31 December 2023, the Group recorded revenue of RM470.5 million, an increase of 0.3% compared with revenue of RM468.9 million in the corresponding quarter ended 31 December 2022. Demand from the Group's Original Equipment Manufacturer ("OEM") customers in Malaysia remained robust with a high level of backorder bookings, new model launches and year-end promotions.

The Group registered a higher profit before tax ("PBT") of RM34.6 million for the current quarter ended 31 December 2023, an increase of 115% compared with the PBT of RM16.1 million in the corresponding quarter ended 31 December 2022. The higher PBT was contributed by improved margins from the upward price revision received from certain customers and a higher share of profit from the Group's equity accounted associates and joint ventures. The Group's associates contributed share of profit following the commencement of operations and revenue recognition in Q2'2023, instead of share of losses in the same quarter of last year. In addition, one of the joint venture companies in Indonesia contributed higher share of profit for the current quarter due to upward price revision received from the customer.

Year-to-date 2023 ("YTD 2023") vs Year-to-date 2022 ("YTD 2022")

For the financial year ended 31 December 2023, the Group recorded higher revenue of RM1.926 billion, which represents an increase of RM187.2 million or 10.8% compared with revenue of RM1.739 billion in the same period of last year. The improved performance was mainly attributable to higher demand from the Group's OEM customers in Malaysia, as they rushed to fulfil bookings made during the sales tax exemption period and new model launches.

In line with higher revenue, the Group's PBT improved significantly to RM108.3 million compared to PBT of RM54.1 million in the same period last year. The higher PBT was also contributed by the sale of moulds/tooling, upward price revision received from certain OEM customers, and further enhanced by the higher share of profit from the Group's equity-accounted associate and joint venture due to the same reasons explained in the paragraph above.

Suspension Division

For the current quarter ended 31 December 2023, the Suspension Division recorded a slight decrease in revenue by 1.1% (Q4'2023: RM60.5 million; Q4'2022: RM61.2 million). Despite recording lower revenue, the Suspension division registered profit before tax of RM2.6 million compared to loss before tax ("LBT") of RM1.1 million in the corresponding quarter of last year. The improved PBT was mainly driven by the decrease in raw material and energy prices, coupled with lower development expenditure.

For the financial year ended 31 December 2023, the Suspension Division recorded increase in revenue to RM240.2 million (+1.5% compared to the same period last year ('YoY')) and registered a higher PBT of RM1.9 million compared to a PBT of RM0.6 million in the corresponding period of last year. The increase in PBT was due to the same reasons explained in the paragraph above.

B1. OPERATING SEGMENTS REVIEW (CONT'D)

Analysis of Performance of All Operating Segments (cont'd)

Interior & Plastics Division

For the current quarter ended 31 December 2023, the Interior & Plastics Division recorded an increase in revenue by 5.1% (Q4'2023: RM382.0 million; Q4'2022: RM363.3 million) and an increase in PBT by 57% (2023: RM29.9 million; 2022: RM19.1 million). The improved performance was mainly due to the strong demand from domestic OEM customers, as they continued to fulfil the high-level of backorder bookings and robust demand from new models launched during the year.

For the financial year ended 31 December 2023, the Interior & Plastics Division recorded an increase in revenue by 18.0% (Q4'2023: RM1.522 billion; Q4'2022: RM1.289 billion) and an increase in PBT by 75.8% (2023: RM112.7 million; 2022: RM64.1 million). The improved performance was mainly due to higher demand from domestic OEM customers as they rushed to fulfil bookings obtained during the sales tax exemption period and further contributed by the sale of moulds and tooling and upward price revision received from certain customers.

Electrical & Heat Exchange Division

For the current quarter ended 31 December 2023, the Electrical & Heat Exchange Division registered an increase in revenue by 11.5% (Q4'2023: RM34.3 million; Q4'2022: RM30.7 million) mainly due to higher call-ins from certain OEM customers. Consequently, the Division recorded a lower LBT of RM0.7 million compared to LBT of RM2.3 million in the corresponding quarter of last year.

For the financial year ended 31 December 2023, the Division recorded higher revenue of RM127.0 million (+11.9% YoY) and registered an improved LBT of RM4.8 million (+18.2% YoY) due to the same reasons explained in the paragraph above.

Marketing Division

For the current quarter ended 31 December 2023, the Marketing Division recorded a slight decrease in revenue by 1.4% (Q4'2023: RM59.6 million; Q4'2022: RM60.5 million) mainly due to a slowdown in demand from REM customers. Despite recording a lower revenue, the Marketing Division registered a higher PBT of RM1.5 million (+92.8% YoY) due to reversal of over-provision for freight expenses which were initially anticipated to be higher due to the escalation of conflict in Middle East.

For the financial year ended 31 December 2023, the Marketing Division recorded a lower revenue of RM267.4 million (-10.2% YoY) mainly due to a slowdown in demand from export customers in view of prevailing uncertainties in the global economy. Additionally, the higher export sales in the corresponding period of last year were boosted by deliveries of unfulfilled orders due to the unavailability of shipments during the last quarter of 2021. Despite recording lower revenue, 2023 PBT had increased slightly at RM9.9 million (+1.0% YoY) due to lower freight costs and foreign exchange gains which arose from trade receivable balances denominated in foreign currencies.

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B1. OPERATING SEGMENTS REVIEW (CONT'D)

Analysis of Performance of All Operating Segments (cont'd)

Non-Reportable Segment, Malaysia

This segment comprises mainly operations relating to revenue received from sources that include the rental of properties in Malaysia, provision of management services, and engineering and research services for companies within the Group. Revenue generated from these services and sources form part of the inter-segment elimination for the total Group's results (as depicted in Note A9). This segment also comprises the Group's investment and participation in associate and the business of casting, machining and assembly of aluminum parts and components to internal and external customers.

For the current quarter ended 31 December 2023, this segment's revenue increased by 1.8% to RM13.6 million from RM13.3 million in Q4'2022, mainly due to higher inter-group billing of services. This segment recorded lower LBT of RM1.1 million compared to LBT RM2.6 million in the corresponding quarter of last year. The lower LBT was in line with higher inter-group billing and further contributed by the share of profit from an associate in Malaysia following the commencement of revenue recognition in Q2'2023 instead of share of losses recorded in the same quarter of last year.

For the financial year ended 31 December 2023, this segment's revenue increased by 8.1% to RM57.0 million from RM52.7 million in 2022, mainly due to higher inter-group billing of services. This segment registered a lower LBT of RM6.6 million compared to LBT of RM9.0 million in the corresponding period of last year due to the same reasons explained in the paragraph above.

Indonesia Operations

Indonesia Operations refer to the manufacturing and supply of suspension products such as coil springs, shock absorbers and leaf springs as well as the Group's investment and participation in joint ventures and associate in Indonesia.

For the current quarter ended 31 December 2023, the Indonesia Operations recorded revenue of RM20.1 million, a decrease of 29.8% compared to RM28.6 million in the same quarter last year. The decrease was mainly attributable to the slowdown in demand from OEM and REM segment, as customers adopted a cautious approach in light of the upcoming general election in 2024. Consequently, the Indonesia Operations recorded a lower PBT of RM3.2 million in the current quarter compared to a PBT of RM6.9 million in the corresponding quarter of last year mainly due to the lower sales, provisions made for doubtful debts and slow-moving stocks. The decrease in PBT was mitigated by the upward price adjustment received by one of the joint venture companies and the share of profit from an associate following the commencement of operations in Q2'2023 instead of share of losses recorded in the same quarter of last year.

For the financial year ended 31 December 2023, Indonesia operations recorded revenue of RM87.5 million, a decrease of 16.6% compared to RM104.9 million in the same period last year. The decrease was due to sluggish export demand and the unavailability of certain material sizes that affected production and sales. In line with the decrease in revenue, 2023 PBT decreased to RM1.5 million compared to PBT of RM2.0 million in the same period last year. The decrease in PBT was mitigated by a higher share of profit from the Group's joint ventures and associate as explained in the paragraph above.

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B1. OPERATING SEGMENTS REVIEW (CONT'D)

Analysis of Performance of All Operating Segments (cont'd)

All Other Segments

This business segment refers to the Group's operations in Thailand, Vietnam, Australia, the United States of America ("USA"), the Netherlands and Myanmar ("Operations Outside Malaysia").

For the current quarter ended 31 December 2023, Operations Outside of Malaysia recorded revenue of RM32.3 million (-21.3% YoY), mainly due to the slowdown in Vietnam automotive industry which affected OEM demand for both commercial vehicle and passenger vehicle. Despite the lower revenue, LBT improved to RM0.4 million compared to LBT of RM4.3 million in the corresponding quarter of last year. The improved LBT was contributed by favourable outcome for the duties refund claimed from the Vietnamese Customs.

For the financial year ended 31 December 2023, revenue for this Segment amounted to RM156.2 million (+3.1% YoY) due to higher revenue contribution from the coach and locomotive seat business in Australia, following an increase in demand and the resumption of several delayed projects. In addition, the recovery in the USA market demand also led to higher revenue contribution from USA operations. The increase in revenue contribution from Australia and USA was partly offset by the slowdown in Vietnam operations due to the same reasons explained in the paragraph above. In line with higher revenue, LBT decreased to RM4.8 million compared to LBT of RM6.9 million in the corresponding period of last year. The improved LBT was further contributed by the duties refund explained in the paragraph above.

B2. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER

| In Thousands of RM | Segment Revenue | | | | Segment Profit/(Loss) Before Tax | | | |
|-----------------------------|-----------------|-----------|----------|--------|----------------------------------|-----------|----------|--------|
| | 31-Dec-23 | 30-Sep-23 | Changes | | 31-Dec-23 | 30-Sep-23 | Changes | |
| | | | Amount | % | | | Amount | % |
| Suspension | 60,533 | 63,258 | (2,725) | -4.3% | 2,574 | 910 | 1,664 | 182.9% |
| Interior & Plastics | 382,001 | 416,175 | (34,174) | -8.2% | 29,905 | 44,138 | (14,233) | -32.2% |
| Electricals & Heat Exchange | 34,266 | 32,989 | 1,277 | 3.9% | (673) | (1,074) | 401 | 37.3% |
| Marketing | 59,635 | 67,506 | (7,871) | -11.7% | 1,479 | 1,787 | (308) | -17.2% |
| Non-reportable segment | 13,571 | 14,468 | (897) | -6.2% | (1,050) | (1,560) | 510 | 32.7% |
| Indonesia Operations | 20,065 | 26,522 | (6,457) | -24.3% | 3,257 | 1,204 | 2,053 | 170.5% |
| All Other Segments | 32,345 | 39,081 | (6,736) | -17.2% | (403) | (2,537) | 2,134 | 84.1% |
| | 602,416 | 659,999 | (57,583) | -8.7% | 35,089 | 42,868 | (7,779) | -18.1% |
| Eliminations | (131,946) | (141,550) | 9,604 | 6.8% | (463) | (489) | 26 | 5.3% |
| | 470,470 | 518,449 | (47,979) | -9.3% | 34,626 | 42,379 | (7,753) | -18.3% |

The Group's revenue decreased quarter-on-quarter ("QoQ") by 9.3% in Q4'2023 from RM518.4 million in Q3'2023 to RM470.1 million, mainly due to slowdown in demand from OEM customers in Malaysia following the fulfilment of backorder bookings. In addition, the slowdown in Indonesia and Vietnam operations further resulted in lower revenue for the quarter under review.

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B2. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONT'D)

Consequently, the Group's PBT for the quarter under review decreased by RM7.8 million (-18.3% QoQ) mainly due to the following reasons:

- a) Lower PBT contribution from Interior and Plastics Division of RM14.2 million (Q4'2023 – RM29.9 million; Q3'2023 – RM44.1 million), mainly due to lower revenue recorded during the quarter under review. In the preceding quarter of Q3'2023, this Division recorded recovery of tooling cost which contributed to the higher PBT;

Mitigated by:

- b) Despite the lower revenue recorded, All Other Segments recorded lower LBT of RM0.4 million during the current quarter compared to LBT of RM2.5 million in the preceding quarter of Q3'2023 mainly due to the successful duties refund claimed by the Vietnam operations, as explained earlier; and
- c) Higher PBT contribution from Indonesia operations of RM3.2 million (+170.5% QoQ) despite the lower revenue, mainly due to higher share of profit from joint ventures and associate as explained above.

B3. COMMENTARY ON PROSPECTS AND TARGETS, STRATEGIES AND RISKS

APM is principally involved in the design, manufacturing, assembly and production of automotive and mobility components. The Group's main operations are located in Malaysia, but it is also present in various other jurisdictions, including the United States of America (U.S.), the Netherlands, Australia, Thailand, Vietnam, the Republic of Indonesia and recently, the United Kingdom.

The automotive industry in Malaysia recorded a strong performance for the year 2023. The total vehicle sales in 2023 rose by 11% to a new all-time high of 799,731 units, surpassing the record in 2022 when total vehicle sales hit 721,177 units. According to the Malaysian Automotive Association (MAA), the strong performance was attributable to, amongst others, successful tax-free car bookings, increased socio-political stability, a strong domestic economy, successful launches of new models, including affordable electric vehicles, and improved industry supply chain conditions.

(source: <https://theedgemalaysia.com/node/697527>).

Looking ahead, The Group expects the Malaysia TIV in 2024 to moderate mainly due to the lack of catalysts to sustain the strong momentum from 2023 and weaker economic growth globally and domestically. The rise in geopolitical tension across the world may result in renewed financial market stress and major disruptions to the global economy, which in turn may lead to new inflationary pressures and weaker global growth prospects. Nevertheless, the Group will strive to maintain its focus on long-term strategies for business sustainability and to this end, it will explore feasible mergers, acquisitions, strategic partnerships, joint ventures and alliances, as a way forward to create value for shareholders.

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B4. INCOME TAX EXPENSE

| <i>In thousands of RM</i> | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|----------------------------|--|--|--|---|
| | Current Quarter Ended <u>31-Dec-23</u> | Corresponding Quarter Ended <u>31-Dec-22</u> | Cumulative Year To Date <u>31-Dec-23</u> | Corresponding Year To Date <u>31-Dec-22</u> |
| <u>Current tax</u> | | | | |
| - Current year | 7,734 | 7,066 | 31,135 | 19,549 |
| - Prior year | (223) | (1,146) | (1,435) | (1,325) |
| <u>Deferred tax</u> | | | | |
| - Current year | (3,385) | (1,649) | (6,937) | (4,784) |
| - Prior year | (53) | (1,128) | (1,054) | (1,125) |
| Withholding Tax | 145 | 13 | 182 | 68 |
| | <u>4,218</u> | <u>3,156</u> | <u>21,891</u> | <u>12,383</u> |

The Group's effective tax rate for the financial period ended 31 December 2023 is higher than the statutory tax rate largely due to current period losses of certain subsidiaries for which no deferred tax asset was recognized.

B5. CORPORATE PROPOSAL

There was no corporate proposal announced but not completed as at 21 February 2024.

B6. TRADE RECEIVABLES

| <i>In thousands of RM</i> | Gross | Impairment | Net |
|-------------------------------|----------------|----------------|----------------|
| <u>31-Dec-23</u> | | | |
| Not past due | 218,413 | - | 218,413 |
| Past due 1 - 90 days | 17,813 | (408) | 17,405 |
| Past due 91 - 180 days | 812 | (343) | 469 |
| | <u>237,038</u> | <u>(751)</u> | <u>236,287</u> |
| <u>Credit impaired</u> | | | |
| Past due more than 180 days | 1,511 | (1,511) | - |
| Individually impaired | 4,435 | (4,435) | - |
| | <u>242,984</u> | <u>(6,697)</u> | <u>236,287</u> |
| <u>31-Dec-22</u> | | | |
| Not past due | 299,915 | (113) | 299,802 |
| Past due 1 - 90 days | 10,397 | (206) | 10,191 |
| Past due 91 - 180 days | 2,338 | (1,051) | 1,287 |
| | <u>312,650</u> | <u>(1,370)</u> | <u>311,280</u> |
| <u>Credit impaired</u> | | | |
| Past due more than 180 days | 1,831 | (1,831) | - |
| Individually impaired | 1,163 | (1,163) | - |
| | <u>315,644</u> | <u>(4,364)</u> | <u>311,280</u> |

The trade receivables from both related parties and non-related parties are given 30 to 90 days credit terms.

The Group has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Due to the nature of the industry, a significant portion of these receivables comprises regular customers who have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Significant past due receivables, if deemed as high risks, are monitored individually.

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B7. FINANCIAL INSTRUMENTS AND REALISED AND UNREALISED PROFITS

Derivatives

The outstanding forward foreign currency contracts entered as at 31 December 2023 are as follows:

In thousands of RM

| Type Derivatives | Nominal Amount | Net Fair Value Assets / (Liabilities) | Maturity |
|------------------------------------|----------------|---|------------------|
| Forward foreign exchange contracts | 12,759 | 51 | Less than 1 year |

Derivative financial instruments entered by the Group are similar to those disclosed in the consolidated annual financial statements for the year ended 31 December 2022. There is no change to the Group's financial risk management policies in managing these derivative financial instruments and their related accounting policies.

B8. BORROWINGS AND DEBT SECURITIES

Group borrowings as at the end of reporting period are as follows:

| <i>In thousands of RM</i> | | 31-Dec-23 | 31-Dec-22 |
|---|-------------------------------|------------------|------------------|
| Unsecured | - Foreign currency borrowings | 52,303 | 60,998 |
| | - Local currency borrowings | 66,511 | 64,047 |
| | | <u>118,814</u> | <u>125,045</u> |
| <u>Amount due within the next 12 months</u> | | <u>68,814</u> | <u>75,045</u> |
| <u>Amount due between two to five years</u> | | <u>50,000</u> | <u>50,000</u> |

In thousands of RM

| Functional Currency | Denominated In | 31-Dec-23 | 31-Dec-22 |
|------------------------|-------------------|------------------|------------------|
| RM | RM | 66,511 | 64,047 |
| EUR | EUR | 591 | 919 |
| AUD | AUD | 19,624 | 14,944 |
| IDR | IDR | 28,176 | 28,766 |
| IDR | USD | 3,912 | 16,369 |
| | | <u>118,814</u> | <u>125,045</u> |

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B8. BORROWINGS AND DEBT SECURITIES (CONT'D)

The borrowings due within the next 12 months consist of bank trade facilities, while the borrowings due between 2 to 5 years consist of Islamic Medium Term Notes (“**IMTN**”). Both these borrowings are utilized for working capital purposes.

Foreign currency loans were not hedged against Ringgit Malaysia as the drawdowns were done by overseas subsidiaries in their respective local currency.

The Group borrowings are subject to interest at rates ranging from 3.77% to 9.90% (2022: 0.699% to 9.95%) per annum.

B9. CHANGES IN MATERIAL LITIGATION

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

B10. DIVIDEND

The Board has declared a second interim single-tier dividend of 11 sen per ordinary share (2022: 7 sen per ordinary share) for the financial year ended 31 December 2023 to be paid on 27 March 2024 to shareholders whose names appear in the Record of Depositors on 15 March 2024.

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

- a) Shares transferred into the depositor’s securities account before 4.30 p.m. on 15 March 2024 in respect of ordinary transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance to the Rules of Bursa Malaysia Securities Berhad.

B11. EARNINGS PER SHARE

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------|-------------|--------------------|--------------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| Profit attributable to the owners of the Company (RM'000) | 22,058 | 8,117 | 60,435 | 26,400 |
| Weighted average number of ordinary shares in issue ('000) | 195,494 | 195,494 | 195,494 | 195,494 |
| Basic EPS (sen) | 11.28 | 4.15 | 30.91 | 13.50 |

The total number of ordinary shares issued by the Company, net of treasury shares as at 31 December 2023 was 195,494,300 (31 December 2022: 195,494,300).

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B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Profit before tax is arrived at after charging / (crediting) the following items:

| <i>In thousands of RM</i> | INDIVIDUAL QUARTER | INDIVIDUAL QUARTER | CUMULATIVE QUARTER | CUMULATIVE QUARTER |
|---|--------------------|--------------------|--------------------|--------------------|
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | Current | Corresponding | Cumulative | Corresponding |
| | Quarter Ended | Quarter Ended | Year To Date | Year To Date |
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| (a) Interest income | (3,226) | (2,375) | (10,913) | (6,642) |
| (b) Interest expense | 2,358 | 2,142 | 9,134 | 6,082 |
| (c) Depreciation and Amortization | 14,936 | 15,137 | 60,352 | 67,347 |
| (d) Net impairment loss/(gain) on trade receivables | 3,146 | (710) | 2,284 | (944) |
| (e) Provision for slow moving stock | 3,381 | 3,398 | 1,104 | 4,929 |
| (f) Net gain on disposal of property, plant and equipment | (192) | (399) | (322) | (545) |
| (g) Net foreign exchange loss/(gain) | 1,691 | 4,362 | (2,327) | (2,678) |
| (h) Net (gain)/loss on derivatives | (780) | 120 | 972 | 1,681 |

BY ORDER OF THE BOARD

SOO SHIOW FANG

Company Secretary

Kuala Lumpur

Dated: 27 February 2024