

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|---|
| | Current Year Quarter 31.03.2014 RMB'000 | Preceding Year Quarter 31.03.2013 RMB'000 | Current Year To Date 31.03.2014 RMB'000 | Preceding Year To Date 31.03.2013 RMB'000 |
| Revenue | 179,586 | 185,397 | 179,586 | 185,397 |
| Cost of Sales | <u>(126,494)</u> | <u>(126,687)</u> ⁽¹⁾ | <u>(126,494)</u> | <u>(126,687)</u> ⁽¹⁾ |
| Gross Profit | 53,092 | 58,710 | 53,092 | 58,710 |
| Other Income | 2,652 | 1,835 | 2,652 | 1,835 |
| Administrative Expenses | (5,203) | (10,282) ⁽¹⁾ | (5,203) | (10,282) ⁽¹⁾ |
| Selling and Distribution Expenses | (3,240) | (1,018) | (3,240) | (1,018) |
| Finance Costs | (62) | (261) | (62) | (261) |
| Listing Expenses | <u>-</u> | <u>(11,298)</u> | <u>-</u> | <u>(11,298)</u> |
| Profit Before Tax | 47,239 | 37,686 | 47,239 | 37,686 |
| Tax Expense | <u>(12,024)</u> | <u>(12,230)</u> | <u>(12,024)</u> | <u>(12,230)</u> |
| Profit After Tax | 35,215 | 25,456 | 35,215 | 25,456 |
| Other Comprehensive Income After Tax: | | | | |
| Foreign Currency Translations | <u>(1,021)</u> | <u>(309)</u> | <u>-</u> | <u>(309)</u> |
| Total Comprehensive Income | <u><u>34,194</u></u> | <u><u>25,147</u></u> | <u><u>35,215</u></u> | <u><u>25,147</u></u> |
| Profit After Tax Attributable to: | | | | |
| Equity Holders of the Parent | 35,215 | 25,456 | 35,215 | 25,456 |
| Non-Controlling Interests | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u><u>35,215</u></u> | <u><u>25,456</u></u> | <u><u>35,215</u></u> | <u><u>25,456</u></u> |
| Total Comprehensive Income Attributable to: | | | | |
| Equity Holders of the Parent | 34,194 | 25,147 | 35,215 | 25,147 |
| Non-Controlling Interests | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u><u>34,194</u></u> | <u><u>25,147</u></u> | <u><u>35,215</u></u> | <u><u>25,147</u></u> |
| Earnings Per Share Attributable to Equity Holders of the Parent | | | | |
| Basic (RMB) | 0.06 | 0.04 | 0.06 | 0.04 |
| Diluted (RMB) | <u>0.06</u> | <u>0.04</u> | <u>0.06</u> | <u>0.04</u> |

Note (1) The following comparative figures have been reclassified to be consistent with the current year's presentation:

| | Previously stated RMB'000 | Reclassification RMB'000 | Restated RMB'000 |
|-------------------------|---------------------------------|-----------------------------|---------------------|
| Cost of Sales | (127,857) | 1,170 | (126,687) |
| Administrative Expenses | <u>(9,112)</u> | <u>(1,170)</u> | <u>(10,282)</u> |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited As at 31.03.2014 RMB'000 | Audited As at 31.12.2013 RMB'000 |
|--|---|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 143,648 | 144,708 |
| Land use rights | 12,562 | 12,630 |
| | 156,210 | 157,338 |
| Current Assets | | |
| Inventories | 38,152 | 15,495 |
| Trade and other receivables | 123,547 | 139,882 |
| Cash and cash equivalents | 448,022 | 388,941 |
| | 609,721 | 544,318 |
| TOTAL ASSETS | 765,931 | 701,656 |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Owners of the Parent | | |
| Share capital | 376,526 | 376,526 |
| Reserves | 301,184 | 266,990 |
| TOTAL EQUITY | 677,710 | 643,516 |
| Non-Current Liabilities | | |
| Deferred tax liabilities | 2,994 | 2,333 |
| Current Liabilities | | |
| Trade and other payables | 58,671 | 39,936 |
| Short term borrowings | 13,100 | - |
| Current tax liabilities | 13,456 | 15,871 |
| | 85,227 | 55,807 |
| TOTAL LIABILITIES | 88,221 | 58,140 |
| TOTAL EQUITY AND LIABILITIES | 765,931 | 701,656 |
| Net Assets Per Share (RMB) | 1.13 | 1.07 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

| | < ----- Non-distributable ----- > | | | | | Share-based Payment Reserve RMB'000 | Distributable Retained Earnings RMB'000 | Total Equity RMB'000 |
|---------------------------------|-----------------------------------|-----------------------------|---------------------------------|-----------------------------------|---------------------------|--|--|-------------------------|
| | Share Capital RMB'000 | Share Premium RMB'000 | Statutory Surplus RMB'000 | Translation Reserve RMB'000 | Merger Deficit RMB'000 | | | |
| As at 1 January 2014 | 376,526 | 63,068 | 29,202 | 2,408 | (257,135) | 22,847 | 406,600 | 643,516 |
| Profit after tax | - | - | - | - | - | - | 35,215 | 35,215 |
| Foreign currency translations | - | - | - | (1,021) | - | - | - | (1,021) |
| Total comprehensive income | - | - | - | (1,021) | - | - | 35,215 | 34,194 |
| As at 31 March 2014 | 376,526 | 63,068 | 29,202 | 1,387 | (257,135) | 22,847 | 441,815 | 677,710 |
| As at 1 January 2013 | 320,555 | - | 12,850 | 1,690 | (257,135) | 22,847 | 292,244 | 393,051 |
| Profit after tax | - | - | - | - | - | - | 25,456 | 25,456 |
| Foreign currency translations | - | - | - | (269) | - | - | (40) | (309) |
| Total comprehensive income | - | - | - | (269) | - | - | 25,416 | 25,147 |
| Transaction with owners: | | | | | | | | |
| Issuance of ordinary shares | 55,971 | 67,228 | - | - | - | - | - | 123,199 |
| Share issue expenses | - | (4,160) | - | - | - | - | - | (4,160) |
| As at 31 March 2013 | 376,526 | 63,068 | 12,850 | 1,421 | (257,135) | 22,847 | 317,660 | 537,237 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

| | Current Year To Date 31.03.2014 RMB'000 | Preceding Year To Date 31.03.2013 RMB'000 |
|--|--|--|
| Profit before tax | 47,239 | 37,686 |
| Adjustments for: | | |
| Depreciation for property, plant and equipment | 1,073 | 965 |
| Amortisation of land use rights | 69 | 68 |
| Interest income | (997) | (295) |
| Interest expense | 59 | 254 |
| Unrealised foreign exchange gain | (2,646) | - |
| Operating profit before changes in working capital | 44,797 | 38,678 |
| Changes in working capital: | | |
| Increase in inventories | (22,657) | (9,374) |
| Decrease/(increase) in trade and other receivables | 19,978 | 10,546 |
| Increase/(decrease) in trade and other payables | 18,735 | (6,620) |
| Cash generated from operating activities | 60,853 | 33,230 |
| Interest received | - | 295 |
| Interest paid | (59) | (254) |
| Tax paid | (13,778) | (3,501) |
| Net cash generated from operating activities | 47,016 | 29,770 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (13) | (5,257) |
| Net cash used in investing activities | (13) | (5,257) |
| Cash flows from financing activities | | |
| Proceeds from issuance of ordinary shares | - | 123,199 |
| Share issue expense paid | - | (4,160) |
| Drawdown of borrowings | 13,100 | 11,000 |
| Repayment of borrowings | - | (12,100) |
| Net cash from financing activities | 13,100 | 117,939 |
| Net change in cash and cash equivalents | 60,103 | 142,452 |
| Effects of exchange rate changes on cash and cash equivalents | (1,022) | - |
| Cash and cash equivalents at beginning of financial year | 388,941 | 218,761 |
| Cash and cash equivalents at end of financial period | 448,022 | 361,213 |
| Cash and cash equivalents at the end of the financial period comprise the following: | | |
| | As at 31.03.2014 RMB'000 | As at 31.03.2013 RMB'000 |
| Cash and bank balances | 358,022 | 361,213 |
| Fixed deposits | 90,000 | - |
| | 448,022 | 361,213 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached herein.

The explanatory notes 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 financial year ended 31 December 2013.

The accounting policies and methods of computation adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2013 except for the adoption of the following new IFRSs:

| Title | Effective Date |
|---|----------------|
| Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities | 1 January 2014 |
| Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to IAS 36 Recoverable Amount Disclosures for Non-financial Assets | 1 January 2014 |
| IC Interpretation 21 Levies | 1 January 2014 |
| Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting | 1 January 2014 |

The Group has not adopted the following new IFRSs that have been issued, but not yet effective:

| Title | Effective Date |
|--------------------------------------|----------------|
| IFRS 9 Financial Instruments (2010) | 1 January 2015 |
| IFRS 9 Financial Instruments (2009) | 1 January 2015 |
| IFRS 14 Regulatory Deferral Accounts | 1 January 2016 |

Save and except for the possible impact on the adoption of IFRS 9 in the period of initial application which cannot be determined at present, the adoption of the above pronouncements will have no material impact on the Group.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not qualified.

A3. Seasonality or Cyclicity of Operations

Seasonal factors may partly affect the demand of the Group's products in The People's Republic of China ("PRC"), however, the geographical spread of the Group's distribution network in the said territory minimises the cyclicity effect.

A4. Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in a prior financial quarter or a prior financial year that have a material impact on the current financial quarter.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A6. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the financial current quarter.

A7. Dividend Paid

No dividends have been paid during the current financial quarter.

A8. Segmental Information

The Group manages its business by divisions, which are organised by business lines. The Group has identified the following two reportable segments in a manner which is consistent with the way in which information is reported to the chief decision maker for purposes of resource allocation and performance assessment:

- (a) Manufacturing division - manufacture and sales of u-bolts, wheel axles, wheel-hub bolts and steel pins; and
- (b) Trading division - procurement and sales of torque-rod bushings.

The Group evaluates performance based on the basis of gross profit as reported in the statement of comprehensive income not including non-recurring losses, if any, and also excluding the effects of retirement benefit obligations.

| | Individual Quarter | | Cumulative Quarter | |
|---------------------|--|--|--|--|
| | Current Year Quarter 31.03.2014 RMB'000 | Preceding Year Quarter 31.03.2013 RMB'000 | Current Year To Date 31.03.2014 RMB'000 | Preceding Year To Date 31.03.2013 RMB'000 |
| Revenue | | | | |
| Manufacturing | 144,914 | 140,089 | 144,914 | 140,089 |
| Trading | 34,672 | 45,308 | 34,672 | 45,308 |
| | <u>179,586</u> | <u>185,397</u> | <u>179,586</u> | <u>185,397</u> |
| Gross profit | | | | |
| Manufacturing | 44,411 | 44,161 | 44,411 | 44,161 |
| Trading | 8,681 | 14,549 | 8,681 | 14,549 |
| | <u>53,092</u> | <u>58,710</u> | <u>53,092</u> | <u>58,710</u> |

The Group's assets and liabilities are managed on a group-wide basis and are not allocated to any of the operating segments.

The Group's business is entirely operated within PRC, and as such, there is no presentation of segment revenue and segment assets based on geographical location of customers and assets.

A9. Valuation of Property, Plant and Equipment

The Group does not have a policy of revaluing its property, plant and equipment.

A10. Material Events Subsequent to the End of the Current Financial Quarter

There are no material events subsequent to the end of the current financial quarter which have not been reflected in the interim financial report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A12. Changes in Contingent Liabilities and Contingent Assets

The Group has no contingent liabilities or contingent assets since the end of the last financial year.

A13. Capital Commitments

At the end of the current financial quarter, the Group has the following approved capital expenditure:

| | RMB'000 |
|---------------------------------|----------------------|
| Contracted but not provided for | 6,000 |
| Approved but not contracted for | <u>9,423</u> |
| | <u><u>15,423</u></u> |

A14. Significant Related Party Transactions

The Group has no significant related party transaction during the current financial quarter.

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

For the current financial quarter, the Group recorded revenue of RMB179.6 million, down 3.1% compared to that of RMB185.4 million in the corresponding period last year. With overall volume remaining more or less the same, this decline was primarily due to the drop in the average selling prices of certain products by 5.7% to 7.0% on a year-on-year ("YoY") basis.

As a consequence, the Group's gross margin was reduced by about 6.6% to 29.6% for the current financial quarter from that of 31.7% for the corresponding period last year.

Despite the drop in revenue and gross margins, profit before tax ("PBT") increased by 25.4% to RMB47.2 million in the current financial quarter from that of RM37.7 million in the corresponding period last year. This increase was mainly due to one-off listing expenses of RMB11.3 million incurred in the preceding year as well as the YoY reduction in administrative expenses of RMB5.0 million.

B2. Comments on Material Changes in the Profit before Taxation

The Group's revenue of RMB179.6 million for the current financial quarter represents a decrease of 11.7% over that of the preceding financial quarter. This was mainly due to reduced working days consequential to the Chinese New Year festivities which lead to reduced sales volume. The average selling prices for two of the Group's major products were also lower on a quarter-on-quarter ("QoQ") basis. Overall expenses net of other income showed a marked drop of almost 50.0% or RMB5.9 million QoQ.

The reduced selling prices of the major products as mentioned above caused the gross margin to decrease from 33.6% in the preceding financial quarter to 29.6% for the current financial quarter.

Corresponding with the lower revenue and reduced margins, the PBT declined 16.6% QoQ to RMB47.2 million for the current financial quarter.

B3. Commentary on Prospects

PRC's economy expanded 7.4% YoY in the 1st quarter of 2014 from that of the previous year. Although fraught with global uncertainties, PRC's 2014 GDP growth is expected to stay at about 7.5% according to a report by the Institute of Industrial Economics of the Chinese Academy of Social Science. Growth prospects for 2014 are, however, sensitive to any structural shifts currently taking place in PRC's economy.

For the 1st quarter of 2014, the production and sales of commercial vehicles were 1.09 million and 1.05 million units, up 7.8% and 5.1% YoY, respectively. In April 2014, the production and sales of these vehicles dropped by 11.8% and 13.9% respectively as compared to the preceding month. This decrease caused the production and sales growth rates of the said vehicles to be reduced to 5.5% and 3.3% YoY respectively. (Source: *China Association of Automobile Manufacturers*)

The Group is conscious that it will be operating in a very challenging business environment ahead. Nonetheless, the Group is optimistic that it is in a position to meet these challenges and furthermore, the replacement parts market for chassis components in PRC is big enough to sustain growth albeit at lower rates.

Premised on the above as well as the Group's performance for the current financial quarter, the Group is confident that it can sustain its profitability for the current financial year.

B4. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5. Income Tax Expense

| | Current Year Quarter 31.03.2014 RMB'000 | Current Year To Date 31.03.2014 RMB'000 |
|---------------------|---|---|
| Income tax expense: | | |
| Current year | 12,024 | 12,024 |
| Prior year | - | - |
| | <u>12,024</u> | <u>12,024</u> |
| Effective tax rate | <u>25.5%</u> | <u>25.5%</u> |

B6. (a) Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 13 May 2014, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

(b) Status of utilisation of proceeds raised

The utilisation of the gross proceeds from the Initial Public Offering of RM61.2 million in conjunction with listing for and quotation of the Company's shares on the Main Market of Bursa Securities on 30 January 2013 is as follows:

| Purpose of utilisation | Intended time-frame for utilisation from 30.1.2013 | Proposed utilisation RM'000 | Actual utilisation up to 13.05.2014 RM'000 |
|---|---|-----------------------------------|---|
| Expand production centre | Within 15 months | 25,000 | 25,000 |
| Increase production capacity | Within 18 months | 6,100 | 1,001 |
| Marketing and branding | Within 12 months | 6,000 | 6,000 |
| Estimated listing expenses and working capital | On-going | 24,100 | 24,100 |
| | | <u>61,200</u> | <u>56,101</u> |

B7. Borrowings and Debt Securities

| | Secured RMB'000 | Unsecured RMB'000 | Total RMB'000 |
|----------------------------|--------------------|----------------------|------------------|
| Short term bank borrowings | <u>13,100</u> | <u>-</u> | <u>13,100</u> |

All borrowings are denominated in RMB, the functional currency of the primary operating subsidiary company in the PRC.

B8. Changes in Material Litigations

The Group has no material litigations as at 13 May 2014, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B9. Dividends Payable

On 22 April 2014, the Board of Directors proposed a final dividend of RMB0.029 per ordinary share in respect of the financial year ended 31 December 2013 ("FYE 2013") for shareholders' approval at the forthcoming Annual General Meeting.

This proposed final dividend, if approved by the shareholders, will be paid in cash in RM at the exchange rate determined on 22 April 2014 by reference to the middle exchange rate at 12:00 noon as quoted by Bank Negara Malaysia of RMB to RM and the amount of the proposed final dividend payable is as follows:

| | Exchange rate | Dividend per ordinary share |
|-----------|---------------|--------------------------------|
| RMB to RM | 0.5235 | 1.518 |

The proposed dividend together with the interim dividend of 1 sen per ordinary share paid on 30 December 2013 will bring the total dividend declared for FYE 2013 to 2.518 sen per ordinary share.

No tax is payable on the dividends declared by the Company received by shareholders as it is income from a foreign source in accordance with Paragraph 28 of Schedule 6 of the Malaysian Income Tax Act, 1967.

B10. Earnings per Share

Basic

| | Current Year Quarter 31.03.2014 | Current Year To Date 31.03.2014 |
|--|--|--|
| Profit attributable to ordinary equity holders of the parent (RMB'000) | 35,215 | 35,215 |
| Weighted average number of ordinary shares in issue ('000) | 600,000 | 600,000 |
| Basic earnings per share (RMB) | 0.06 | 0.06 |

Diluted

The diluted earnings per share is same as basic earnings per share as the average market value of the ordinary shares of the Company during the current financial quarter and year to date is lower than the exercise price of the warrants and is anti-dilutive.

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11. Profit before Tax

Profit before tax is derived after taking into account the following income/(expense) items:

| | Current Year Quarter 31.03.2014 RMB'000 | Current Year To Date 31.03.2014 RMB'000 |
|--|--|--|
| Interest income | 997 | 997 |
| Interest expense | (59) | (59) |
| Depreciation and amortisation | (1,142) | (1,142) |
| Gain on disposal of scrap inventories | 1,228 | 1,228 |
| Loss on disposal of property, plant and equipment | - | - |
| Other income including investment income | - | - |
| Provision for and write off of receivables | - | - |
| Provision for and write off of inventories | - | - |
| Gain or loss on disposal of quoted or unquoted investments or properties | - | - |
| Impairment of assets | - | - |
| Net foreign exchange gain or (loss) | 424 | 424 |
| Gain or (loss) on derivatives | - | - |
| Exceptional items | - | - |

B12. Supplementary Information Disclosed Pursuant to Bursa Securities' Listing Requirements

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Securities' Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010:

| | As at 31.03.2014 RMB'000 | As at 31.12.2013 RMB'000 |
|---------------------------------------|---|---|
| Total retained earnings of the Group: | | |
| Realised | 440,835 | 407,923 |
| Unrealised | 2,646 | 343 |
| | <u>443,481</u> | <u>408,266</u> |
| Consolidation adjustment | (1,666) | (1,666) |
| | <u>441,815</u> | <u>406,600</u> |

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirement stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By Order of the Board

Lim Chien Joo (Ms)
Company Secretary

20 May 2014

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

APPENDICES – FINANCIAL STATEMENTS TRANSLATED INTO RINGGIT MALAYSIA (FOR ILLUSTRATIVE PURPOSES ONLY)

The Board of Directors wish to highlight that the presentation currency adopted by the Group in preparing the interim financial statements is Renminbi ("RMB").

The following supplementary financial statements in Ringgit Malaysia ("RM") (which include condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows) are shown for illustrative purposes only and have been translated at single exchange rate of RMB1 to RM0.5252 at 31 March 2014. The translation should not be construed as a representation that the RMB amounts actually have been or could be converted into RM at this or any other rate.

List of supplementary financial statements in RM:

Appendix A – Condensed Consolidated Statement of Comprehensive Income

Appendix B – Condensed Consolidated Statement of Financial Position

Appendix C – Condensed Consolidated Statement of Changes in Equity

Appendix D – Condensed Consolidated Statement of Cash Flows

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

APPENDIX A - CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|--|--|
| | Current Year Quarter 31.03.2014 RM'000 | Preceding Year Quarter 31.03.2013 RM'000 | Current Year To Date 31.03.2014 RM'000 | Preceding Year To Date 31.03.2013 RM'000 |
| Revenue | 94,319 | 97,371 | 94,319 | 97,371 |
| Cost of Sales | <u>(66,435)</u> | <u>(66,536)</u> | <u>(66,435)</u> | <u>(66,536)</u> |
| Gross Profit | 27,884 | 30,835 | 27,884 | 30,835 |
| Other Income | 1,393 | 964 | 1,393 | 964 |
| Administrative Expenses | (2,733) | (5,400) | (2,733) | (5,400) |
| Selling and Distribution Expenses | (1,702) | (535) | (1,702) | (535) |
| Finance Costs | (33) | (137) | (33) | (137) |
| Listing Expenses | <u>-</u> | <u>(5,934)</u> | <u>-</u> | <u>(5,934)</u> |
| Profit Before Tax | 24,809 | 19,793 | 24,809 | 19,793 |
| Tax Expense | <u>(6,315)</u> | <u>(6,423)</u> | <u>(6,315)</u> | <u>(6,423)</u> |
| Profit After Tax | 18,494 | 13,370 | 18,494 | 13,370 |
| Other Comprehensive Income After Tax: | | | | |
| Foreign Currency Translations | <u>(536)</u> | <u>(162)</u> | <u>-</u> | <u>(162)</u> |
| Total Comprehensive Income | <u>17,958</u> | <u>13,208</u> | <u>18,494</u> | <u>13,208</u> |
| Profit After Tax Attributable to: | | | | |
| Equity Holders of the Parent | 18,494 | 13,370 | 18,494 | 13,370 |
| Non-Controlling Interests | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>18,494</u> | <u>13,370</u> | <u>18,494</u> | <u>13,370</u> |
| Total Comprehensive Income Attributable to: | | | | |
| Equity Holders of the Parent | 17,958 | 13,208 | 18,494 | 13,208 |
| Non-Controlling Interests | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>17,958</u> | <u>13,208</u> | <u>18,494</u> | <u>13,208</u> |
| Earnings Per Share Attributable to Equity Holders of the Parent | | | | |
| Basic (RM) | 0.03 | 0.02 | 0.03 | 0.02 |
| Diluted (RM) | <u>0.03</u> | <u>0.02</u> | <u>0.03</u> | <u>0.02</u> |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
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APPENDIX B - CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited As at 31.03.2014 RM'000 | Audited As at 31.12.2013 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 75,444 | 76,001 |
| Land use rights | 6,598 | 6,633 |
| | <u>82,042</u> | <u>82,634</u> |
| Current Assets | | |
| Inventories | 20,037 | 8,138 |
| Trade and other receivables | 64,886 | 73,465 |
| Cash and cash equivalents | 235,301 | 204,272 |
| | <u>320,224</u> | <u>285,875</u> |
| TOTAL ASSETS | <u><u>402,266</u></u> | <u><u>368,509</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Owners of the Parent | | |
| Share capital | 197,751 | 197,751 |
| Reserves | 158,182 | 140,224 |
| TOTAL EQUITY | <u>355,933</u> | <u>337,975</u> |
| Non-Current Liabilities | | |
| Deferred tax liabilities | 1,572 | 1,225 |
| Current Liabilities | | |
| Trade and other payables | 30,815 | 20,974 |
| Short term borrowings | 6,880 | - |
| Current tax liabilities | 7,066 | 8,335 |
| | <u>44,761</u> | <u>29,309</u> |
| TOTAL LIABILITIES | <u>46,333</u> | <u>30,534</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>402,266</u></u> | <u><u>368,509</u></u> |
| Net Assets Per Share (RM) | <u><u>0.59</u></u> | <u><u>0.56</u></u> |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
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APPENDIX C - CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

| | < ----- Non-distributable ----- > | | | | | Distributable | | Total Equity RM'000 |
|-------------------------------|-----------------------------------|----------------------------|--------------------------------|----------------------------------|--------------------------|---|--------------------------------|------------------------|
| | Share Capital RM'000 | Share Premium RM'000 | Statutory Surplus RM'000 | Translation Reserve RM'000 | Merger Deficit RM'000 | Share-based Payment Reserve RM'000 | Retained Earnings RM'000 | |
| As at 1 January 2014 | 197,751 | 33,123 | 15,337 | 1,265 | (135,047) | 11,999 | 213,547 | 337,975 |
| Profit after tax | - | - | - | - | - | - | 18,494 | 18,494 |
| Foreign currency translations | - | - | - | (536) | - | - | - | (536) |
| Total comprehensive income | - | - | - | (536) | - | - | 18,494 | 17,958 |
| As at 31 March 2014 | 197,751 | 33,123 | 15,337 | 729 | (135,047) | 11,999 | 232,041 | 355,933 |
| As at 1 January 2013 | 168,355 | - | 6,749 | 888 | (135,046) | 11,999 | 153,487 | 206,432 |
| Profit after tax | - | - | - | - | - | - | 13,370 | 13,370 |
| Foreign currency translations | - | - | - | (141) | - | - | (21) | (162) |
| Total comprehensive income | - | - | - | (141) | - | - | 13,349 | 13,208 |
| As at 31 March 2013 | 168,355 | - | 6,749 | 747 | (135,046) | 11,999 | 166,836 | 219,640 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

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APPENDIX D - CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

| | Current Year To Date 31.03.2014 RM'000 | Preceding Year To Date 31.03.2013 RM'000 |
|--|--|--|
| Profit before tax | 24,809 | 19,793 |
| Adjustments for: | | |
| Depreciation for property, plant and equipment | 564 | 507 |
| Amortisation of land use rights | 36 | 36 |
| Interest income | (524) | (155) |
| Interest expense | 31 | 133 |
| Unrealised foreign exchange gain | (1,390) | - |
| Operating profit before changes in working capital | 23,526 | 20,314 |
| Changes in working capital: | | |
| Increase in inventories | (11,899) | (4,923) |
| Decrease/(increase) in trade and other receivables | 10,493 | 5,539 |
| Increase/(decrease) in trade and other payables | 9,840 | (3,477) |
| Cash generated from operating activities | 31,960 | 17,453 |
| Interest received | - | 155 |
| Interest paid | (31) | (133) |
| Tax paid | (7,236) | (1,839) |
| Net cash generated from operating activities | 24,693 | 15,636 |
| Cash flows from in investing activities | | |
| Purchase of property, plant and equipment | (7) | (2,761) |
| Net cash used in investing activities | (7) | (2,761) |
| Cash flows from financing activities | | |
| Proceeds from issuance of ordinary shares | - | 64,704 |
| Share issue expenses | - | (2,185) |
| Drawdown of borrowings | 6,880 | 5,777 |
| Repayment of borrowings | - | (6,354) |
| Net cash from financing activities | 6,880 | 61,942 |
| Net change in cash and cash equivalents | 31,566 | 74,817 |
| Effects of exchange rate changes on cash and cash equivalents | (537) | - |
| Cash and cash equivalents at beginning of financial year | 204,272 | 114,893 |
| Cash and cash equivalents at end of financial period | 235,301 | 189,710 |
| Cash and cash equivalents at the end of the financial period comprise the following: | | |
| | As at 31.03.2014 RM'000 | As at 31.03.2013 RM'000 |
| Cash and bank balances | 188,033 | 189,710 |
| Fixed deposits | 47,268 | - |
| | 235,301 | 189,710 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.