

**AUTOAIR HOLDINGS BERHAD** (Company No. 414010-M)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 31 MARCH 2013**

(Figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2013 RM'000	Preceding Year Corresponding Quarter 31.3.2012 RM'000 As restated	Current Year To Date 31.3.2013 RM'000	Preceding Year Corresponding Period 31.3.2012 RM'000 As restated
Revenue	2,498	7,071	8,789	15,513
Cost of sales	(2,119)	(7,183)	(7,236)	(16,582)
Gross Profit / (Loss)	379	(112)	1,553	(1,069)
Operating Expenses	(633)	(655)	(2,074)	(2,045)
Operating income	(14)	(27)	33	84
Finance Cost	(12)	(136)	(81)	(381)
Loss before tax	(280)	(930)	(569)	(3,411)
Income tax expense	-	-	-	-
Net loss for the period	(280)	(930)	(569)	(3,411)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(280)	(930)	(569)	(3,411)
Loss attributable to :				
Equity holders of the Company	(280)	(930)	(569)	(3,411)
Non-controlling interests	-	-	-	-
	(280)	(930)	(569)	(3,411)
Total comprehensive loss attributable to :				
Equity holders of the Company	(280)	(930)	(569)	(3,411)
Non-controlling interests	-	-	-	-
	(280)	(930)	(569)	(3,411)
Loss per share attribute to :				
Equity holders of the Company				
- Basic (Sen)	(0.64)	(2.1)	(1.3)	(7.8)
- Diluted (Sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2012)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED AS AT 31.3.2013 RM'000	AUDITED AS AT 30.06.2012 RM'000	UNAUDITED AS AT 01.07.2011 (MFRS transition date)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16,973	18,576	18,923
	<u>16,973</u>	<u>18,576</u>	<u>18,923</u>
<b>Current assets</b>			
Property development costs	-	-	6,019
Inventories	6,948	6,018	11,278
Trade and other receivables	5,738	6,420	6,854
Tax recoverable	58	105	136
Deposit with financial institutions	-	130	130
Cash and bank balances	61	832	794
	<u>12,805</u>	<u>13,505</u>	<u>25,211</u>
<b>TOTAL ASSETS</b>	<u>29,778</u>	<u>32,081</u>	<u>44,134</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	44,000	44,000	44,000
Share premium	42	42	42
Reserves	(28,104)	(27,535)	(22,659)
<b>Shareholders' equity</b>	<u>15,938</u>	<u>16,507</u>	<u>21,383</u>
<b>Non-current liabilities</b>			
Hire purchase liabilities	5	7	10
Long term borrowings	-	-	2,086
	<u>5</u>	<u>7</u>	<u>2,096</u>
<b>Current liabilities</b>			
Trade and other payables	9,301	9,595	11,088
Bank overdrafts	85	1,251	3,122
Hire purchase liabilities	3	3	8
Short term borrowings	4,426	4,711	6,433
Tax payable	20	7	4
	<u>13,835</u>	<u>15,567</u>	<u>20,655</u>
<b>Total liabilities</b>	<u>13,840</u>	<u>15,574</u>	<u>22,751</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>29,778</u>	<u>32,081</u>	<u>44,134</u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<u>0.36</u>	<u>0.38</u>	<u>0.49</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2012)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the Company →				Shareholders' Equity
	Share Capital	Distributable	Fair Value Reserve	Retained Losses	
		Share Premium			
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2012	44,000	42	2,244	(29,779)	16,507
Total comprehensive loss for the period	-	-	-	(569)	(569)
<b>At 31 March 2013</b>	<b>44,000</b>	<b>42</b>	<b>2,244</b>	<b>(30,348)</b>	<b>15,938</b>
At 1 July 2011	44,000	42	-	(22,659)	21,383
Total comprehensive loss for the period	-	-	2,244	(3,411)	(1,167)
<b>At 31 March 2012</b>	<b>44,000</b>	<b>42</b>	<b>2,244</b>	<b>(26,070)</b>	<b>20,216</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2012)

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 31 MARCH 2013**

(Figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	CUMULATIVE PERIOD ENDED	CORRESPONDING CUMULATIVE PERIOD ENDED
	31.3.2013	31.3.2012
	RM'000	RM'000
<b>Cash flow from operating activities</b>		
Loss for the period	(569)	(3,411)
Adjustments for non-cash flow items:		
Depreciation	1,545	2,110
Finance cost (net of interest income)	77	369
Others	(44)	15
Operating profit/(loss) before changes in working capital	1,009	(917)
Net change in current assets	(470)	4,997
Net change in current liabilities	(294)	(2,334)
Cash flow from operations	245	1,746
Taxes refunded / (paid)	46	(5)
Net cash from operating activities	291	1,741
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(80)	(81)
Increase in reserves	569	-
Others	(14)	-
Net cash from / (used in) investing activities	475	(81)
<b>Cash flow from financing activities</b>		
Drawdown of borrowings	-	7,979
Repayment of borrowings	(295)	(8,159)
Interest payment	(77)	(369)
Net cash used in financing activities	(372)	(549)
<b>Net increase in cash and cash equivalents</b>	394	1,111
Cash and cash equivalents at beginning of the quarter	(418)	(2,198)
Cash and cash equivalents at end of the quarter	(24)	(1,087)
<b>Cash and cash equivalents comprises:</b>		
Cash and bank balances	61	716
Fixed deposits with a licensed bank	-	130
Bank overdrafts	(85)	(1,803)
	(24)	(957)
Less : Fixed deposits pledged	-	(130)
	(24)	(1,087)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2012)

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NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 31 MARCH 2013  
(Figure have not been audited)

**(A) IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD (MFRS) 134**

**A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Reporting In Malaysia and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements for the year ended 30 June 2012.

The Group has adopted MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards. The transition to MFRS framework does not have any financial impact to the financial statement of the Group.

The accounting policies and methods of computation adopted by the Group in these condensed consolidated financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2012. In addition, the Group has adopted the new MFRS and IC Interpretations to be applied by all Entities other than Private Entities for the periods beginning on or after 1 January 2012. The adoption of the new MFRS does not have significant impact on the interim financial statements of the Group.

The adoption of the MFRSs and Amendments to MFRSs that came into effect on 1 January 2013 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

**A2. Qualified audit report**

There was no qualification in the auditors' report on the Group's preceding audited annual financial statements for the year ended 30 June 2012.

**A3. Seasonal or cyclical factors**

The Group's operations for the current quarter and financial year to date are not significantly affected by seasonal or cyclical factors.

**A4. Unusual item affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the current quarter and financial year to date.

**A5. Changes in estimates**

There were no changes in the estimate of amounts reported in the prior financial years which have a material effect in the current quarter or the financial year to date.

**A6. Issuance or repayment of debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

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**A7. Dividend**

There was no dividend paid in the current quarter and the financial year to date.

**A8. Segment Information**

Segment information is presented in respect of the Group's business segment:

	Investment holdings	Manufacturing and marketing of automotive component	Property development	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current Year-To-Date Ended 31.3.13</b>					
<b>REVENUE</b>					
External revenue	-	8,789	-	-	8,789
Inter-segment revenue	-	2,669	-	(2,669)	-
	-	11,458	-	(2,669)	8,789
<b>RESULTS</b>					
Segment result	(437)	61	(112)	-	(488)
interest income					-
Finance costs					(81)
Loss before tax					(569)
Taxation					-
<b>Net loss</b>					<b>(569)</b>
<b>Current Year-To-Date Ended 31.3.12</b>					
<b>REVENUE</b>					
External revenue		11,905	3,608	-	15,513
Inter-segment revenue	400	3,269	-	(3,669)	-
	400	15,174	3,608	(3,669)	15,513
<b>RESULTS</b>					
Segment result	18	(3,304)	254	-	(3,032)
interest income					2
Finance costs					(381)
Loss before tax					(3,411)
Taxation					-
<b>Net loss</b>					<b>(3,411)</b>

The Group's operations are solely based in Malaysia.

**A9. Valuation of property, plant and equipment**

The carrying value of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

**A10. Material events subsequent to the end of the period**

There were no material events as at 31 May 2013 that have not been reflected in the financial statements for the current quarter and financial year to date.

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial year to date.

**A12. Contingent liabilities**

Save as disclosed below, there were no contingent liabilities or assets since the last annual Balance Sheet date.

	GROUP		COMPANY	
	As at 31.3.2013 RM'000	As at 31.3.2012 RM'000	As at 31.3.2013 RM'000	As at 31.3.2012 RM'000
In respect of corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries	-	-	282	2,890
Total :	-	-	282	2,890

**A13. Capital commitments**

There are no capital expenditure approved and contracted for as at the end of the current quarter.

**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS**

**B1. Review performance of the Company and its principle subsidiaries**

The Group's revenue for the current quarter was lower at RM2.50 million as compared to RM7.07 million recorded in the corresponding quarter last year as the sales to local OEM and REM came down by approximately 25% and in the third quarter of last year, there was a recognition of approximately RM3.20 million revenue from the property division.

Despite the lower revenue, the Group was able to improve its results to a marginal loss before tax of RM280,000 in the current quarter as compared with the loss before tax of RM930,000 incurred in the preceding year's corresponding quarter. The improvement stems from the higher operating margins with the switch in the manufacturing division's focus on new OEM and REM models and better quality management to reduce production cost.

For the three quarters ended 31 March 2013, the Group achieved revenue of RM8.80 million, a decrease of 43% from the corresponding period of last financial year. However, the Group managed to reduce its loss before tax of RM3.40 million in the previous year's corresponding period to a loss before tax of RM569,000 as operational efficiencies were put in place.

**B2. Material changes in the current quarter results compared with the immediate preceding quarter**

With a lower revenue of RM862,000 from the immediate preceding quarter, the Group recorded a higher loss before tax of RM280,000 as compared to loss before tax of RM7,000 in the previous quarter.

**B3. Prospects**

Competition in the automotive air condition parts market was intense throughout the year 2012 and remains so in early 2013. In the Malaysian Automotive Association (MAA)'s Market Review for 2012 and outlook for 2013, MAA has forecasted a modest growth of 2% in 2013 compared to a growth rate of 4.6% in 2012.

The performance of the Group will rest predominantly on the manufacturing division. The operational strategies put in place is encouraging as the manufacturing division has been able to turnaround its earlier operational loss position. The Group is also taking measures to increase the revenue of the Manufacturing Division but is faced with strong competition.

**B4. Profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee for the current quarter and financial year to date.

**B5. Income tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Group	-	-	-	-
Current tax	-	-	-	-
Deferred tax	-	-	-	-

**B6. Sale of unquoted Investments and/or properties**

There was no disposal of unquoted investment and/or properties during the current quarter and financial year to date.

**B7. Purchase / disposal of quoted securities**

There was no purchase or disposal of quoted securities during the current quarter and financial year to date.

**B8. Status of corporate proposals**

There were no corporate proposals announced from the date of the last quarter report to the date of this announcement.



**B9. Group borrowings and debt securities**

<b>Group borrowings</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>(a) Current</b>			
Bank overdrafts	85	-	85
Bankers' acceptances	-	1,203	1,203
Term loans	198	3,025	3,223
Hire purchase liabilities	3	-	3
<b>Sub-total of current</b>	<b>286</b>	<b>4,228</b>	<b>4,514</b>
<b>(b) Non-current</b>			
Term loans	-	-	-
Hire purchase liabilities	5	-	5
<b>Sub-total of non-current</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>Total borrowings</b>	<b>291</b>	<b>4,228</b>	<b>4,519</b>

The above Group borrowings are all denominated in Ringgit Malaysia.

**B10. Off balance sheet financial instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

**B11. Material litigation**

As at the date of this announcement, there was no material litigation against the Group.

**B12. Dividends**

No dividend has been recommended for the current quarter and financial year to date.

**B13. Profit / (Loss) per share**

The basic loss per share of the Group is calculated by dividing the loss for the relevant periods by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2013	Preceding Year Corresponding Quarter 31.3.2012	Current Year To Date 31.3.2013	Preceding Year Corresponding Period 31.3.2012
Net loss for the period (RM'000)	(280)	(930)	(569)	(3,411)
Weighted average number of ordinary shares in issue ('000)	44,000	44,000	44,000	44,000
Basic (loss) per share (sen)	(0.6)	(2.1)	(1.3)	(7.7)

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**B14. Realised and unrealised retained profits / accumulated losses**

	As at 31.3.2013 RM'000	As at 30.6.2012 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(37,631)	(30,511)
- Unrealised losses	(569)	(7,154)
Less : Consolidated adjustments	7,852	7,852
Total group accumulated losses as per consolidated financial statements	(30,348)	(29,813)

**B15. Notes for Statement of Comprehensive income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2013 RM'000	Preceding Year Corresponding Quarter 31.3.2012 RM'000	Current Year To Date 31.3.2013 RM'000	Preceding Year Corresponding Period 31.3.2012 RM'000
Loss for the period is arrived at after crediting / (charging) the followings :				
Interest income	-	-	-	2
Other Income including investment income	4	1	61	65
Interest Expenses	(8)	(131)	( 73)	(371)
Depreciation and Amortization	(536)	(660)	(1,578)	(2,110)
Provision for and write off receivables	-	-	-	-
Provision for and write off inventories	-	-	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain / (loss)	(18)	28	(30)	17
Gain or loss on derivatives	-	-	-	-
Exceptional items (Corporate Advisory fees)	-	-	(66)	-

By Order of the Board

Company Secretaries