

Notes to consolidated financial statements

AAPICO Hitech Public Company Limited and its subsidiaries
For the year ended 31 December 2014

1. General information

AAPICO Hitech Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in manufacture and distribution of dies, jigs and automobile parts. The registered office of the Company is at 99 Moo 1 Hitech Industrial Estate, Tambol Ban Lane, Ampur Bang Pa-in, Ayuthaya.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of AAPICO Hitech Public Company Limited and the following subsidiaries (“the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			(%)	(%)
<u>Held by the Company</u>				
AAPICO Amata Co., Ltd.	Manufacture of autoparts	Thailand	100	100
AAPICO Engineering Co., Ltd.	Research and development in field of automobile engineering	Thailand	100	100
New Era Sales Co., Ltd.	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
Able Motors Co., Ltd.	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
AAPICO Hitech Parts Co., Ltd.	Manufacture of autoparts	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			(%)	(%)
AAPICO Hitech Tooling Co., Ltd.	Design and manufacture of car assemble jigs and stamping dies	Thailand	100	100
AAPICO ITS Co., Ltd.	Manufacture of car navigation systems and its derivatives	Thailand	60	60
AAPICO Shanghai Co., Ltd.	Machining autoparts service	The People's Republic of China	100	100
Tenaga Setia Resources SDN. BHD.	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	Manufacture and sales of autoparts	The People's Republic of China	100	100
AAPICO Investment Pte. Ltd.	Investment in other companies	Singapore	100	100
AAPICO Forging Plc.	Manufacture of autoparts	Thailand	100	100
AAPICO Mitsuike (Thailand) Co., Ltd.	Manufacture of autoparts	Thailand	51	51
AAPICO Structural Products Co., Ltd.	Manufacture of autoparts	Thailand	100	100
A Maction Co., Ltd.	Development of software	Thailand	51	51
New Era Sales (M) SDN. BHD.	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49
AAPICO Technology Co., Ltd.	Not yet operation	Thailand	51	51
AERP Co., Ltd.	IT consulting and advisory	Thailand	88	88
Katsuya (Thailand) Co., Ltd.	Manufacture of autoparts	Thailand	76	76
Foton Passenger Vehicles Distribution (Thailand) Co., Ltd.	Import and exports of vehicles and parts	Thailand	97	97
AAPICO Lemtech (Thailand) Co., Ltd.	Manufacture of autoparts	Thailand	60	60
AAPICO Training Center Co., Ltd.	Provide training services	Thailand	100	-
<u>Held by subsidiaries</u>				
Able ITS Pte. Ltd. (100 percent held by AAPICO ITS Co., Ltd.)	Investment in other companies	Singapore	60	60
AAPICO Jackspeed Co., Ltd. (60 percent held by AAPICO Hitech Parts Co., Ltd.)	Manufacture of autoparts	Thailand	-	60
AAPICO Plastics Public Co., Ltd. (100 percent held by AAPICO Forging Plc.)	Manufacture and contract manufacture of plastic parts	Thailand	100	100
AAPICO Engineering SDN. BHD. (49 percent held by Tenaga Setia Resources SDN. BHD. and 51 percent held by New Era Sales (M) SDN. BHD.)	Investment in other companies	Malaysia	49	49
AAPICO ITS Co. SDN. BHD. (49 percent held by AAPICO ITS Co., Ltd.)	Manufacture software of car navigation systems and distribution its derivatives	Malaysia	29	29
AAPICO QI SDN. BHD. (60 percent held by AAPICO ITS Co., Ltd. and 40 percent held by Quantum Inventions Pte. Ltd.)	Manufacture software of car navigation systems and distribution its derivatives	Malaysia	46	-
AAPICO Precision Co., Ltd. (100 percent held by AAPICO Forging Plc.)	Manufacture of autoparts	Thailand	100	-

The Company regards Tenaga Setia Resources SDN. BHD., New Era Sales (M) SDN. BHD., AAPICO Engineering SDN. BHD., AAPICO ITS Co. SDN. BHD. and AAPICO QI SDN. BHD. as subsidiary companies since they are able to exercise management control.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries, joint ventures and associates under the cost method, have been prepared solely for the benefit of the public.

3. **New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates

TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Group already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any impact on the Company's and its subsidiaries' financial statements as the Company and its subsidiaries have already applied the equity method to an investment in a jointly controlled entity.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are valued after deducting discounts and allowance.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (specific basis for automobiles and average basis for others) and net realisable value. Such cost included all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Some subsidiaries record inventories using the first-in, first-out method. The effect of the difference in accounting policy is immaterial to the consolidated financial statements.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

- c) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of plant and equipment (except for some of factory equipment, on a production method and diminishing method) are calculated by reference to their costs on the straight-line basis over the following estimated useful lives: -

Buildings and building improvements	5 - 35 years
Apartment	20 years
Machinery and factory equipment	3 - 20 years
Motor vehicles and office equipment	5 - 10 years

No depreciation is provided on land, building under construction, machinery and factory equipment under production and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets and amortisation

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Computer software	5-10 years
Cost of product development	On number of product sold

4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.11 Long-term leases

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of assets which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

The consolidated and separate financial statements as presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements as measured using the functional currency of the entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses, contributions to the social security fund and contributions to the employee joint investment program are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, some companies provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefits is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Group elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.16 Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

4.17 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of equity investments

The Group treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for product warranty

In determining product warranty reserve, the management needs to exercise judgment to estimate anticipated losses, with reference to past experience.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The subsidiary has contingent liabilities as a result of litigation. The subsidiary's management has used judgement to assess of the results of the litigation and records this estimation in the financial statements.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	478	5,635	62	62
Bank deposits	313,178	232,002	16,404	11,723
Total	<u>313,656</u>	<u>237,637</u>	<u>16,466</u>	<u>11,785</u>

As at 31 December 2014 bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 3.50 percent per annum (2013: between 0.10 and 1.75 percent per annum).

7. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2014	2013	2014	2013	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	462	271	Cost plus margin of 1% - 20%
Sales of machinery and equipment	-	-	16	-	Cost plus margin of 5%
Interest income	-	-	140	143	2.5% - 5.4% p.a.
Dividend income	-	-	345	500	As declared
Rental income	-	-	4	3	Close to rental rates for other building in the vicinity
Management fee income	-	-	61	23	Approximate cost
Other income	-	-	10	19	Approximate cost
Purchases of goods and services	-	-	320	528	Cost plus margin of 1% - 25%
Purchases of machinery and equipment	-	-	5	33	Cost plus margin, averaging around 1% - 25%
Interest expense	-	-	4	10	1.5% - 5.1% p.a.
Other expense	-	-	16	3	Approximate cost
<u>Transactions with associates and joint venture</u>					
Sales of goods and services	159	107	1	2	Cost plus margin, averaging around 20% - 40% (2013: Cost plus margin, averaging around 30% and cost minus, averaging around 30%)
Dividend income	-	-	137	111	As declared
Rental income	5	2	3	-	Close to rental rates for other building in the vicinity
Management fee income	4	2	4	-	Approximate cost
Other income	9	-	1	-	Approximate cost
Purchases of goods and services	217	156	178	117	Cost plus margin, averaging around 1% - 3% and 30% - 70%
Other expenses	1	-	1	-	Approximate cost
<u>Transactions with related parties</u>					
Purchases of goods and services	392	370	-	-	Cost plus margin of 2% - 30%
Purchases of machinery and equipment	29	3	-	-	Cost plus margin

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	249,822	169,145
Associates	64,174	38,355	12,431	2,310
Joint venture	1,277	-	3	-
Related companies (common shareholder/director)	2,297	488	339	-
	<u>67,748</u>	<u>38,843</u>	<u>262,595</u>	<u>171,455</u>
<u>Dividend receivable</u>				
Subsidiary	-	-	-	200,000
<u>Trade and other payables - related parties (Note 20)</u>				
Subsidiaries	-	-	73,144	84,900
Associates	50,017	66,339	27,875	59,737
Related companies (common shareholder/director)	240,453	94,376	58,755	-
	<u>290,470</u>	<u>160,715</u>	<u>159,774</u>	<u>144,637</u>

Loans to related parties and loan from related parties

As at 31 December 2014 and 2013, the balance of loans between the Company and those related companies and the movement are as follows.

(Unit: Thousand Baht)

	Related by	Consolidated financial statements				Balance as at 31 December 2014
		Balance as at 31 December 2013	Increase during the year	Decrease during the year	Unrealised gain/loss on exchange	
<u>Short-term loans to</u>						
Dee Mak SDN. BHD.	Common director	653	525	(442)	(34)	702
Total		<u>653</u>	<u>525</u>	<u>(442)</u>	<u>(34)</u>	<u>702</u>
<u>Long-term loans to</u>						
Edscha AAPICO Automotive Company Limited	Associate	180	-	(180)	-	-
Total		<u>180</u>	<u>-</u>	<u>(180)</u>	<u>-</u>	<u>-</u>
<u>Short-term loans from</u>						
Dee Mak SDN. BHD.	Common director	-	1,281	-	(70)	1,211
Directors of the Group		17,813	-	(1,016)	(895)	15,902
Total		<u>17,813</u>	<u>1,281</u>	<u>(1,016)</u>	<u>(965)</u>	<u>17,113</u>

Short-term loans from directors carry interest at 5 percent per annum and due at call.

(Unit: Thousand Baht)

		Separate financial statements				
		Balance as at			Unrealised	Balance as at
		31 December	Increase during	Decrease during	gain/loss on	31 December
Related by		2013	the year	the year	exchange	2014
<u>Short-term loans to</u>						
New Era Sales Company Limited	Subsidiary	12,600	1,400	-	-	14,000
Able Motors Company Limited	Subsidiary	34,200	-	(5,200)	-	29,000
Katsuya (Thailand) Company Limited	Subsidiary	2,400	-	(1,597)	-	803
AAPICO Hitech Parts Company Limited	Subsidiary	91,200	58,800	(11,000)	-	139,000
AAPICO Hitech Tooling Company Limited	Subsidiary	18,000	18,000	(7,000)	-	29,000
AAPICO Forging Public Company Limited	Subsidiary	180,000	12,500	-	-	192,500
AAPICO Amata Company Limited	Subsidiary	-	114,670	-	-	114,670
Total		338,400	205,370	(24,797)	-	518,973
<u>Long-term loans to</u>						
New Era Sales Company Limited	Subsidiary	220,400	49,600	(10,000)	-	260,000
Able Motors Company Limited	Subsidiary	48,800	167,000	(180,800)	-	35,000
AAPICO Forging Public Company Limited	Subsidiary	1,793,500	1,273,700	(1,147,200)	-	1,920,000
AAPICO Hitech Parts Company Limited	Subsidiary	-	735,400	(615,400)	-	120,000
AAPICO Hitech Tooling Company Limited	Subsidiary	61,300	186,300	(177,600)	-	70,000
Kunshan Chaitai-Xincheng Precision Forging Company Limited	Subsidiary	65,159	64,480	(65,159)	1,146	65,626
Katsuya (Thailand) Company Limited	Subsidiary	1,403	1,597	-	-	3,000
Foton Passenger Vehicles Distribution (Thailand) Company Limited	Subsidiary	-	1,800	(800)	-	1,000
AAPICO Investment Pte. Ltd.	Subsidiary	-	86,218	-	(1,947)	84,271
Edscha AAPICO Automotive Company Limited	Associate	180	-	(180)	-	-
Total		2,190,742	2,566,095	(2,197,139)	(801)	2,558,897
<u>Short-term loans from</u>						
AAPICO Engineering Company Limited	Subsidiary	9,200	-	-	-	9,200
AAPICO Amata Company Limited	Subsidiary	35,550	99,200	(134,750)	-	-
AAPICO Structural Products Company Limited	Subsidiary	43,052	3,425,900	(3,250,952)	-	218,000
Total		87,802	3,525,100	(3,385,702)	-	227,200

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	31.0	26.0	31.0	25.3
Post-employment benefits	0.9	0.1	0.9	0.1
Total	31.9	26.1	31.9	25.4

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 32.4.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	48,053	26,324	24,488	19,314
Past due 3 - 12 months	252	137	-	7
Past due more than 12 months	4	45	4	4
Total trade receivables - related parties	48,309	26,506	24,492	19,325
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	1,754,867	1,895,214	225,144	258,039
Past due 3 - 12 months	10,741	10,898	4,002	4,637
Past due more than 12 months	6,284	22,020	773	6,785
Total	1,771,892	1,928,132	229,919	269,461
Less: Allowance for doubtful accounts	(9,920)	(21,962)	(3,728)	(991)
Total trade receivables - unrelated parties, net	1,761,972	1,906,170	226,191	268,470
Total trade receivables - net	1,810,281	1,932,676	250,683	287,795
<u>Other receivables - net</u>				
Advances - related parties	13,286	11,666	9,266	23,479
Interest receivable - related parties	-	-	215,217	128,651
Advances	16,104	11,410	-	-
Accrued insurance compensation	-	234,836	-	182,505
Accrued income	12,233	31,083	5,132	7,205
Other - related parties	6,153	671	13,620	-
Other - unrelated parties	42,099	34,457	1,163	947
Total other receivables - net	89,875	324,123	244,398	342,787
Total trade and other receivables - net	1,900,156	2,256,799	495,081	630,582

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	516,115	593,592	(16,442)	(16,108)	499,673	577,484
Raw materials, spare parts and supplies	429,381	394,060	(21,075)	(48,454)	408,306	345,606
Work in process	302,452	298,710	(4,691)	(4,211)	297,761	294,499
Goods in transit	3,809	4,132	-	-	3,809	4,132
Total	1,251,757	1,290,494	(42,208)	(68,773)	1,209,549	1,221,721

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	127,817	53,843	(3,217)	(787)	124,600	53,056
Raw materials, spare parts and supplies	59,569	58,902	(948)	-	58,621	58,902
Work in process	32,270	116,309	(356)	(1,013)	31,914	115,296
Total	219,656	229,054	(4,521)	(1,800)	215,135	227,254

As at 31 December 2014, certain subsidiaries have pledged finished goods of approximately Baht 82 million (2013: Baht 235 million) to secure short-term loans from banks.

10. Investments in associates

10.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014 (%)	2013 (%)	2014	2013	2014	2013
Able Sanoh Industries (1996) Company Limited	Manufacture and distribution of autoparts	Thailand	46	46	30,700	30,700	340,224	326,434
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	20	20	29,250	29,250	60,797	55,504
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	40	40	151,400	151,400	164,720	174,109
Thai Takagi Seiko Company Limited	Distribution of dies	Thailand	49	49	49,587	13,229	60,241	22,668
Hyundai Motor (Thailand) Company Limited	Manufacture and distribution of vehicles and parts	Thailand	30	30	120,000	120,000	461,945	474,679
Edscha AAPICO Automotive Company Limited	Manufacture and distribution of autoparts	Thailand	49	49	19,600	19,600	34,623	21,513
Sumino AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	49	49	98,000	98,000	81,712	95,178
Quantum Inventions Pte. Ltd. (25 percent held by AAPICO Investment Pte. Ltd.)	Manufacture of car navigation systems	Singapore	25	-	76,085	-	75,530	-
Total					574,622	462,179	1,279,792	1,170,085

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	2014	2013	2014	2013	2014	2013	2014	2013
	(%)	(%)						
Able Sanoh Industries (1996) Company Limited	46	46	30,700	30,700	-	-	30,700	30,700
Sanoh Industries (Thailand) Company Limited	20	20	29,250	29,250	-	-	29,250	29,250
MINTH AAPICO (Thailand) Company Limited	40	40	151,400	151,400	-	-	151,400	151,400
Thai Takagi Seiko Company Limited	49	49	49,587	13,229	-	-	49,587	13,229
Hyundai Motor (Thailand) Company Limited	30	30	120,000	120,000	-	-	120,000	120,000
Edscha AAPICO Automotive Company Limited	49	49	19,600	19,600	-	-	19,600	19,600
Sumino AAPICO (Thailand) Company Limited	49	49	98,000	98,000	-	-	98,000	98,000
Total			498,537	462,179	-	-	498,537	462,179

10.2 Share of profit/loss and dividend income

During the years, the Company has recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated			
	financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the years		Dividend income during the years	
	2014	2013	2014	2013
Able Sanoh Industries (1996) Company Limited	20,126	56,957	6,336	-
Sanoh Industries (Thailand) Company Limited	13,618	11,860	8,325	5,865
MINTH AAPICO (Thailand) Company Limited	(9,389)	11,417	-	-
Thai Takagi Seiko Company Limited	3,201	7,096	1,986	-
Hyundai Motor (Thailand) Company Limited	107,146	160,250	119,880	105,504
Edscha AAPICO Automotive Company Limited	13,110	1,913	-	-
Sumino AAPICO (Thailand) Company Limited	(13,466)	(2,822)	-	-
Quantum Inventions Pte. Ltd.	(555)	-	-	-
Total	133,791	246,671	136,527	111,369

10.3 Summarised financial information of associates

Financial information of the associates is summarised belows:

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Able Sanoh Industries (1996) Company Limited	118	118	1,398	1,196	652	480	1586	1,965	45
Sanoh Industries (Thailand) Company Limited	146	146	337	323	33	45	428	491	59	60
MINTH AAPICO (Thailand) Company Limited	379	379	524	650	104	207	524	643	(23)	28
Thai Takagi Seiko Company Limited	101	27	635	283	512	237	451	385	7	14
Hyundai Motor (Thailand) Company Limited	400	400	2,073	2,201	697	782	5,928	6,093	357	534
Edscha AAPICO Automotive Company Limited	40	40	109	106	38	62	149	69	22	4
Sumino AAPICO (Thailand) Company Limited	200	200	653	325	486	131	49	-	(27)	(6)
Quantum Inventions Pte. Ltd.	116	-	118	-	19	-	85	-	5	

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)				
New Era Sales Co., Ltd.	Baht 20 million	Baht 20 million	100	100	20,000	20,000	-	-
AAPICO Amata Co., Ltd.	Baht 800 million	Baht 800 million	100	100	1,164,139	1,164,139	-	-
Able Motors Co., Ltd.	Baht 20 million	Baht 20 million	100	100	19,999	19,999	-	-
AAPICO Engineering Co., Ltd.	Baht 10 million	Baht 10 million	100	100	10,000	10,000	-	-
Tenaga Setia Resources SDN. BHD.	RM 6 million	RM 6 million	49	49	31,393	31,393	4,479	-
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	USD 6.1 million	USD 6.1 million	100	100	196,744	196,744	-	-
AAPICO ITS Co., Ltd.	Baht 100 million	Baht 100 million	60	60	62,175	62,175	-	-
AAPICO Hitech Parts Co., Ltd.	Baht 120 million	Baht 120 million	100	100	120,000	120,000	-	200,000
AAPICO Hitech Tooling Co., Ltd.	Baht 65 million	Baht 65 million	100	100	65,000	65,000	-	-
AAPICO Shanghai Co., Ltd.	USD 2 million	USD 2 million	100	100	80,682	80,682	-	-
AAPICO Investment Pte. Ltd.	SGD 6.97 million	SGD 6.97 million	100	100	167,950	167,950	-	-
AAPICO Mitsuike (Thailand) Co., Ltd.	Baht 8.25 million	Baht 8.25 million	51	51	4,208	4,208	-	-
AAPICO Forging Plc.	Baht 500 million	Baht 500 million	100	100	1,823,907	1,823,907	-	-
AAPICO Structural Products Co., Ltd.	Baht 200 million	Baht 200 million	100	100	200,000	200,000	341,000	500,000
A Maction Co., Ltd.	Baht 10 million	Baht 10 million	51	51	5,100	5,100	-	-
New Era Sales (M) SDN. BHD.	RM 1.5 million	RM 1.5 million	49	49	8,263	8,263	-	-
AAPICO Technology Co., Ltd.	Baht 0.25 million	Baht 0.25 million	51	51	128	128	-	-
AERP Co., Ltd.	Baht 1.25 million	Baht 1.25 million	88	88	1,100	1,100	-	-
Katsuya (Thailand) Co., Ltd.	Baht 28.5 million	Baht 28.5 million	76	76	15,675	15,675	-	-
Foton Passenger Vehicles Distribution (Thailand) Co., Ltd.	Baht 25 million	Baht 25 million	97	97	24,250	24,250	-	-
AAPICO Lemtech (Thailand) Co., Ltd.	Baht 40 million	Baht 40 million	60	60	24,000	24,000	-	-
AAPICO Training Center Co., Ltd.	Baht 3 million	-	100	-	3,000	-	-	-
Total					4,047,713	4,044,713	345,479	700,000
Less: Allowance for impairment					(1,341,708)	(1,211,708)		
Net					2,706,005	2,833,005		

During the year 2014, the Company established AAPICO Training Center Company Limited in Thailand, with a registered capital of Baht 3 million. The Company held a 100% interest.

During the year 2014, AAPICO ITS Company Limited (a subsidiary) entered into the Joint Venture Agreement with Quantum Inventions Pte. Ltd. to establish AAPICO QI SDN. BHD. in Malaysia, with a registered capital of RM 400,000. The subsidiary held a 60% interest.

During the year 2014, AAPICO Forging Public Company Limited (a subsidiary) established AAPICO Precision Company Limited in Thailand, with a registered capital of Baht 150 million. The subsidiary held a 100% interest.

During the year 2014, AAPICO Jackspeed Company Limited (a subsidiary held by AAPICO Hitech Parts Company Limited) filed for deregistration. This company registered the completion of its liquidation with the Ministry of Commerce on 14 January 2015.

The Company recorded a loss from impairment of investment in a subsidiary of approximately Baht 130 million and Baht 852 million for the year ended 31 December 2014 and 2013, respectively, as a result of its review of the carrying amount of the investment in the subsidiary, whereby it compared the net book value with the recoverable value of the cash generating unit, calculated based on value-in-use.

12. Investment in joint venture

12.1 Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Detail of this investment is as follow:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
AAPICO Sodectia (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	50	50	60,000	15,000	55,753	14,816

(Unit: Thousand Baht)

Jointly controlled entity	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method	
	2014	2013	2014	2013
	(%)	(%)		
AAPICO Sodectia (Thailand) Company Limited	50	50	60,000	15,000

12.2 Share of profit/loss

During the year 2014, the Company has recognised its share of loss from investment in joint venture of Baht 4.1 million (2013: Baht 0.2 million) in the consolidated financial statements.

12.3 Summarised financial information of joint venture

Financial information of the joint venture is summarised belows:

(Unit: Million Baht)

Company's name	Paid-up capital as		Total assets as		Total liabilities as at		Total revenue		Loss for the year	
	at 31 December		at 31 December		31 December		for the year ended		ended 31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
AAPICO Sodecia (Thailand) Company Limited	120	30	119	30	8	1	-	-	(8)	-

13. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate financial	
	2014	2013	2014	2013
Available-for-sale securities				
Marketable equity securities	160,666	160,666	-	-
Allowance for change in value and exchange difference on translation of financial statements in foreign currency	(115,827)	(85,885)	-	-
	44,839	74,781	-	-
Other investments				
Equity securities	3,471	48,820	3,000	3,000
Total	48,310	123,601	3,000	3,000

During the year 2014, AAPICO ITS Company Limited, the Company's subsidiary, sold all its investment in Quantum Inventions Pte. Ltd. to AAPICO Investment Pte. Ltd., another subsidiary. Moreover, this subsidiary acquired additional investment in Quantum Inventions Pte. Ltd. and as a result its shareholding increased to 25%. As at 31 December 2014, the investment in this company is classified as an investment in an associated company.

14. Property, plant and equipment

(Unit: Thousand Baht)

		Consolidated financial statements							
		Land	Building on leasehold land	Building and building improvements	Apartment	Machinery and factory equipment	Motor vehicles and office equipment	Building under construction, machinery and factory equipment under production/installation	Total
Cost									
1 January 2013		700,308	40,719	2,112,742	-	8,293,910	371,539	225,605	11,744,823
Acquisitions		46,612	-	6,456	-	105,037	39,656	651,206	848,967
Disposals/write-off		-	-	(27)	-	(23,842)	(17,343)	(26,079)	(67,291)
Transfer in (out)		-	-	74,745	-	290,394	23,690	(347,806)	41,023
Capitalised interest		-	-	-	-	1,122	-	1,202	2,324
Translation adjustment		-	-	26,933	-	39,688	3,121	56	69,798
31 December 2013		746,920	40,719	2,220,849	-	8,706,309	420,663	504,184	12,639,644
Acquisitions		1,975	-	40,280	8,888	109,463	28,000	205,306	393,912
Disposals/write-off		-	-	(2,702)	-	(80,820)	(26,596)	(6,201)	(116,319)
Transfer in (out)		-	-	54,018	5,322	263,173	15,646	(332,107)	6,052
Capitalised interest		-	-	-	-	-	-	608	608
Translation adjustment		-	-	(14,685)	-	(10,199)	(2,683)	(2,397)	(29,964)
31 December 2014		748,895	40,719	2,297,760	14,210	8,987,926	435,030	369,393	12,893,933

(Unit: Thousand Baht)

		Consolidated financial statements							
		Land	Building on leasehold land	Building and building improvements	Apartment	Machinery and factory equipment	Motor vehicles and office equipment	Building under construction, machinery and factory equipment under production/installation	Total
Accumulated depreciation									
	1 January 2013	-	19,420	547,137	-	4,482,963	147,696	-	5,197,216
	Depreciation for the year	-	2,036	101,423	-	596,411	38,652	-	738,522
	Depreciation on disposals/write-off	-	-	(242)	-	(12,594)	(14,356)	-	(27,192)
	Transfer in (out)	-	-	-	-	(8,450)	8,450	-	-
	Translation adjustment	-	-	1,291	-	11,749	9,303	-	22,343
	31 December 2013	-	21,456	649,609	-	5,070,079	189,745	-	5,930,889
	Depreciation for the year	-	2,035	110,135	685	541,658	41,465	-	695,978
	Depreciation on disposals/write-off	-	-	(1,838)	-	(66,308)	(10,910)	-	(79,056)
	Translation adjustment	-	-	(2,101)	-	(4,843)	(1,621)	-	(8,565)
	31 December 2014	-	23,491	755,805	685	5,540,586	218,679	-	6,539,246
Allowance for impairment loss									
	1 January 2013	-	-	224	-	5,701	-	964	6,889
	Increase (decrease) during the year	-	-	(224)	-	27,742	-	-	27,518
	31 December 2013	-	-	-	-	33,443	-	964	34,407
	Increase (decrease) during the year	-	-	-	-	2,710	-	(964)	1,746
	31 December 2014	-	-	-	-	36,153	-	-	36,153
Net book value									
	31 December 2013	746,920	19,263	1,571,240	-	3,602,787	230,918	503,220	6,674,348
	31 December 2014	748,895	17,228	1,541,955	13,525	3,411,187	216,351	369,393	6,318,534
Depreciation for the years									
	2013								738,522
	2014								695,977

Separate financial statements

	Land	Building and building improvements	Apartment	Machinery and factory equipment	Motor vehicles and office equipment	Building under construction, machinery and factory equipment under production/ installation	Total
Cost							
1 January 2013	163,406	484,909	-	1,208,300	60,533	52,941	1,970,089
Acquisitions	-	-	-	2,093	-	95,212	97,305
Disposals/write-off	-	-	-	(4,337)	(130)	(12,000)	(16,467)
Transfer in (out)	-	41,712	-	63,397	4,961	(110,070)	-
Transfer to intangible asset	-	-	-	-	-	(1,608)	(1,608)
Capitalised interest	-	-	-	-	-	787	787
31 December 2013	163,406	526,621	-	1,269,453	65,364	25,262	2,050,106
Acquisitions	-	-	8,888	25,648	-	58,650	93,186
Disposals/write-off	-	(2,703)	-	(34,295)	(3,903)	-	(40,901)
Transfer in (out)	-	38,604	5,322	22,380	1,412	(67,718)	-
Transfer to intangible asset	-	-	-	-	-	(764)	(764)
Capitalised interest	-	-	-	-	-	502	502
31 December 2014	163,406	562,522	14,210	1,283,186	62,873	15,932	2,102,129
Accumulated depreciation							
1 January 2013	-	156,493	-	285,171	39,581	-	481,245
Depreciation for the year	-	27,090	-	98,937	6,972	-	132,999
Depreciation on disposals/ write-off	-	-	-	(523)	(60)	-	(583)
31 December 2013	-	183,583	-	383,585	46,493	-	613,661
Depreciation for the year	-	29,504	685	91,446	6,893	-	128,528
Depreciation on disposals/write-off	-	(1,838)	-	(21,713)	(2,687)	-	(26,238)
31 December 2014	-	211,249	685	453,318	50,699	-	715,951

(Unit: Thousand Baht)

Separate financial statements

	Land	Building and building improvements	Apartment	Machinery and factory equipment	Motor vehicles and office equipment	Building under construction, machinery and factory equipment under production/ installation	Total
Allowance for impairment loss							
1 January 2013	-	-	-	-	-	-	-
Increase during the year	-	-	-	24,885	-	-	24,885
31 December 2013	-	-	-	24,885	-	-	24,885
Increase during the year	-	-	-	2,710	-	-	2,710
31 December 2014	-	-	-	27,595	-	-	27,595
Net book value							
31 December 2013	163,406	343,038	-	860,983	18,871	25,262	1,411,560
31 December 2014	163,406	351,273	13,525	802,273	12,174	15,932	1,358,583
Depreciation for the years							
2013							132,999
2014							128,528

Borrowing costs totaling approximately Baht 0.6 million and Baht 2.3 million were capitalised as cost of construction of the project during the years ended 31 December 2014 and 2013, respectively. The weighted average rates used to determine the amount of borrowing costs eligible for capitalisation were 5.0 - 6.2% for 2014 and 4.8% for 2013.

As at 31 December 2014, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 16 million (2013: Baht 113 million).

As at 31 December 2014, certain machinery and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 3,108 million (2013: Baht 3,142 million) (Separate financial statements: Baht 202 million, 2013: Baht 184 million).

Certain subsidiaries have mortgaged building, certain machinery and factory equipment with a total net book value as at 31 December 2014 of Baht 111 million (2013: Baht 124 million) as collateral for credit facilities granted by banks.

15. Leasehold right

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Cost	204,619	204,887
Accumulated amortisation	(43,405)	(36,618)
Net book value	161,214	168,269

A reconciliation of the net book value of land leasehold right for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Net book value at beginning of year	168,269	169,647
Additions	7,355	-
Amortisation	(7,766)	(6,825)
Translation adjustment	(6,644)	5,447
Net book value at end of year	161,214	168,269

Subsidiaries have pledged their land leasehold right with a net book value as at 31 December 2014 of Baht 96 million (2013: Baht 104 million) as collateral for credit facilities granted by banks.

16. Goodwill

(Unit: Million Baht)

	Consolidated financial statements	
	2014	2013
Goodwill from purchase of subsidiaries:		
AAPICO Amata Company Limited	230	230
AAPICO Forging Public Company Limited	1,152	1,152
Other companies	5	5
Total	1,387	1,387
Less: Allowance for impairment	(1,152)	(1,152)
Net	235	235

17. Other intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software	Cost of product development	Total
Cost:			
At 1 January 2013	149,527	48,964	198,491
Addition during the year	11,978	-	11,978
Transfer in (out)	(27,431)	29,039	1,608
Write-off during the year	(327)	-	(327)
Translation adjustment	222	-	222
At 31 December 2013	133,969	78,003	211,972
Addition during the year	7,914	30,395	38,309
Transfer in	907	-	907
Write-off during the year	(1,643)	-	(1,643)
Translation adjustment	(75)	-	(75)
At 31 December 2014	141,072	108,398	249,470

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software	Cost of product development	Total
Accumulated amortisation:			
At 1 January 2013	83,063	17,504	100,567
Amortisation	11,639	9,010	20,649
Transfer in (out)	(8,877)	8,274	(603)
Write-off during the year	(321)	-	(321)
Translation adjustment	47	-	47
At 31 December 2013	85,551	34,788	120,339
Amortisation	12,262	9,297	21,559
Write-off during the year	(569)	-	(569)
Translation adjustment	(57)	1	(56)
At 31 December 2014	97,187	44,086	141,273
Net book value:			
At 31 December 2013	48,418	43,215	91,633
At 31 December 2014	43,885	64,312	108,197

(Unit: Thousand Baht)

	Separate financial statements	
	Computer software	
Cost:		
At 1 January 2013		67,880
Transfer in		1,608
At 31 December 2013		69,488
Transfer in		764
Disposals/write-off		(1,598)
At 31 December 2014		68,654
Accumulated amortisation:		
At 1 January 2013		41,493
Amortisation		6,226
At 31 December 2013		47,719
Amortisation		6,326
Write-off during the year		(543)
At 31 December 2014		53,502
Net book value:		
At 31 December 2013		21,769
At 31 December 2014		15,152

18. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	26,890	45,664	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,041)	28,048	(1,277)	(2,454)
Income tax expenses reported in the statements of income	22,849	73,712	(1,277)	(2,454)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Accounting profit before tax	409,224	708,081	403,485	126,826
Applicable tax rate in Thailand	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	81,845	141,616	80,697	25,365
Deferred tax assets which were not recognised during the year				
- Tax losses	26,033	56,436	-	27,435
- Share of profit from investments in associates and joint venture	(25,945)	(48,354)	-	-
Utilisation of previously unrecognised deferred tax assets				
- Tax losses	(16,411)	(1,019)	(10,556)	-
Effects of:				
Promotional privileges (Note 29)	(79,446)	(138,490)	(5,802)	(6,806)
Income not subject to tax	-	(139,371)	(96,401)	(221,108)
Non-deductible expenses	34,789	200,656	30,785	172,660
Effects of difference tax rates in Malaysia	3,696	2,542	-	-
Effects of difference tax rates in the People's Republic of China	(1,712)	(304)	-	-
Total	(42,673)	(74,967)	(71,418)	(55,254)
Income tax expenses reported in the statements of income	22,849	73,712	(1,277)	(2,454)

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
31 December	31 December	31 December	31 December	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful accounts	15	-	-	-
Allowance for diminution in value of inventories	2,031	415	785	155
Accumulated depreciation - plant and equipment	417	-	-	-
Allowance for asset impairment	2,435	2,589	2,589	2,589
Provision for long-term employee benefits	6,339	5,753	3,940	3,558
Unused tax losses	1,268	1,392	-	-
Others	480	-	-	-
Total	12,985	10,149	7,314	6,302
Deferred tax liabilities				
Accumulated depreciation - equipment	-	940	-	-
Others	239	504	239	504
Total	239	1,444	239	504
Net	12,746	8,705	7,075	5,798

As at 31 December 2014 the Group has unused tax losses totaling Baht 786 million (2013: Baht 729 million), on which deferred tax assets have not been utilised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

19. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2014	2013	2014	2013	2014	2013
Trust receipt payable	2.10	2.36	12,722	84,021	-	-
Promissory notes	6.71	-	72,077	-	-	-
Short-term loan from banks	1.90- 6.85 and BLR+0.5	1.98-6.71 and BLR+0.5	651,939	989,346	291,310	246,773
Total			736,738	1,073,367	291,310	246,773

Parts of the bank overdrafts and short-term loans from banks of the Group are secured by the pledge of certain inventories, guarantees provided by the Company, letter of guarantee, a letter of credit and a negative pledge of assets by the Group.

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables – related parties	265,941	160,425	133,281	107,112
Trade payables – unrelated parties	1,653,034	1,677,558	333,730	369,539
Advance received – related parties	1,228	-	2,646	14,854
Advance received – unrelated parties	19,041	-	-	-
Share subscription payable – related party	-	-	22,627	22,378
Accrued interest expenses – related parties	-	-	212	293
Accrued interest expenses – unrelated parties	399	-	-	-
Retention payable	13,540	13,793	13,540	13,540
Payables for purchase of machineries – related parties	18,538	81	-	-
Payables for purchase of machineries – unrelated parties	44,725	71,136	192	2,291
Accrued expenses – related parties	4,763	209	1,008	-
Others	296,476	205,143	90,348	65,674
Total trade and other payables	2,317,685	2,128,345	597,584	595,681

21. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2014	2013	2014	2013
1	MLR-1.9	Repayable in 60 monthly installments of Baht 6.7 million, with the first of these due in April 2011	-	178,900	-	178,900
2	Interest rates based on the interest rates announced by bank in Malaysia - 1.5 to - 1.9	Repayable in 180 monthly installments, with the first of these due in March 2008	122,731	139,094	-	-
3	FDR+2.88 and FDR+3.3	Repayable in 60 monthly installments, with the first of these due in January 2011	-	800,000	-	800,000
4	MLR-1.75	Repayable in quarterly installments within 5 years, with the first of these due in March 2011	292,628	577,495	292,628	577,495
5	Interest rates based on PBOC rate (Interest rates based on the People's Republic of China)	Repayable in quarterly installments within 3 years, with the first of these due in December 2012	1,897	70,362	-	-
6	4.3 for 2012 and 4.75 for the remaining period	Repayable in monthly installments within 5 years	53,600	80,000	-	-
7	MLR-2.1	Repayable in monthly installments within 5 years	441,050	693,090	441,050	693,090
8	MLR-2	Repayable in 36 monthly installments, with the first of these due in January 2014	472,000	700,000	472,000	700,000
9	MLR-2	Repayable in 36 monthly installments, with the first of these due in October 2014	734,000	300,000	734,000	300,000
10	MLR-1.75	Repayable in 36 monthly installments, with the first of these due in May 2013	4,440	7,776	-	-

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2014	2013	2014	2013
11	MLR-1.75	Repayable in 36 monthly installments, with the first of these due in December 2013	3,193	4,861	-	-
12	4.5	Repayable in quarterly installments within 3 years, with the first of these due in June 2015	184,000	-	184,000	-
13	MLR-2.25	Repayable in quarterly installments within 3 years, with the first of these due in September 2014	350,000	-	350,000	-
14	MLR-2.375 on the Baht 200 million for the first year and MLR-2.25 for the remaining	Repayable in quarterly installments within 3 years, with the first of these due in January 2016	400,000	-	400,000	-
Total			3,059,539	3,551,578	2,873,678	3,249,485
Less: Current portion			(1,168,317)	(1,490,115)	(1,127,628)	(1,378,907)
Long-term loans – net of current portion			1,891,222	2,061,463	1,746,050	1,870,578

Long-term loans of the Company are secured by a negative pledge of assets of the Company and its subsidiaries. Long-term loans of the subsidiaries are secured by the pledge of leasehold land, and certain building, inventory, machinery and factory equipment of the subsidiaries, by guarantees provided by the subsidiaries and by a negative pledge of assets by the Company.

The loan agreements contain covenants relating to various matters specified in the agreements, including restrictions on providing loans other than loans to intercompany and covenants relating to the shareholding of the major shareholders, and the maintenance of certain financial ratios.

As at 31 December 2014, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 216 million (2013: Baht 900 million).

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Liabilities under finance lease agreements	12,669	32,894	1,579	7,028
Less : Deferred interest expenses	(872)	(1,603)	(79)	(454)
Total	11,797	31,291	1,500	6,574
Less : Portion due within one year	(5,336)	(21,099)	(1,500)	(4,341)
Liabilities under finance lease agreements – net of current portion	6,461	10,192	-	2,233

The Group has entered into the finance lease agreements with leasing companies for rental of machinery and motor vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years and are non-cancellable.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	As at 31 December 2014					
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1-5 years	Total	1 year	1-5 years	Total
Future minimum lease payments	5,799	6,870	12,669	1,579	-	1,579
Deferred interest expenses	(463)	(409)	(872)	(79)	-	(79)
Present value of future minimum lease payments	5,336	6,461	11,797	1,500	-	1,500

(Unit: Thousand Baht)

	As at 31 December 2013					
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1-5 years	Total	1 year	1-5 years	Total
Future minimum lease payments	22,056	10,838	32,894	4,593	2,435	7,028
Deferred interest expenses	(957)	(646)	(1,603)	(252)	(202)	(454)
Present value of future minimum lease payments	21,099	10,192	31,291	4,341	2,233	6,574

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Group, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	77,479	76,067	17,791	15,714
Current service cost	8,939	8,496	2,540	1,455
Interest cost	3,118	2,709	723	622
Benefits paid during the year	(3,661)	(1,638)	(1,354)	-
Actuarial gains	-	(8,155)	-	-
Defined benefit obligation	85,875	77,479	19,700	17,791

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service cost	8,939	8,496	2,540	1,455
Interest cost	3,118	2,709	723	622
Total expense recognized in profit or loss	12,057	11,205	3,263	2,077

Line items in profit or loss under which such expenses are included

Cost of sales	8,524	9,397	1,552	2,077
Selling and administrative expenses	3,533	1,808	1,711	-

The cumulative amount of actuarial gains recognised in other comprehensive income and taken as part of retained earnings of the Group as at 31 December 2013 amounted to Baht 8 million.

Key actuarial assumptions used for the valuation are as follows:

	Consolidated and separate	
	financial statements	
	2014	2013
	(% per annum)	(% per annum)
Discount rate	4.3%	4.3%
Future salary increase rate (depending on age)	4.0% - 7.0%	4.0% - 7.0%
Staff turnover rate	0% - 22.0%	0% - 22.0%

The amounts of defined benefit obligation and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	85,875	19,700	-	-
Year 2013	77,479	17,791	(3,897)	-
Year 2012	76,067	15,714	-	-
Year 2011	73,434	24,019	-	-
Year 2010	65,057	21,810	-	-

24. Provisions for product warranty

(Unit: Thousand Baht)

	Consolidated financial statements
1 January 2013	11,876
Increase during the year	6,755
Utilised	(5,441)
31 December 2013	13,190
Increase during the year	6,603
Utilised	(2,247)
Reversal of provisions	(11,242)
31 December 2014	6,304

25. Share capital

On 26 April 2013, the Annual General Meeting of the Company's shareholders passed the below resolutions:

- a) A decrease in the registered capital from Baht 271,697,900 to Baht 268,874,300 through the cancellation of the 2,823,600 shares.
- b) An increase in the registered capital from Baht 268,874,300 to Baht 322,649,160 through the issue of 53,774,860 new shares with a par value of Baht 1 each, in order to support the issue of the stock dividend.

The Company registered this change with the Ministry of Commerce in May 2013.

In June 2013, holders of the Company's preferred shares notified the Company of their intention to exercise their rights converting all preference shares to ordinary shares, and the extraordinary shareholders' meeting of the Company acknowledged this exercise of rights in July 2013. The Company registered the change in its ordinary share capital to 322,649,160 shares with the Ministry of Commerce on 2 August 2013.

26. Dividends

On 23 May 2013, the Company paid a dividend from the earnings of the second half of 2012, comprising a cash dividend of Baht 0.25 per share, or approximately Baht 67 million, and a stock dividend of up to 53,774,860 shares of Baht 1 each, to be paid at a rate of one dividend share for every five existing shares. The value of the stock dividend was thus Baht 0.20 per share in monetary terms, and so the total dividend was equivalent to Baht 0.45 per share.

On 12 September 2013, the Company paid a dividend from the earnings of the first half of 2013 at Baht 0.35 per share, or a total of Baht 113 million.

The Annual General Meeting of the Company's shareholders held on 25 April 2014, passed a resolution to approve the payment of a dividend of Baht 0.14 per share, or a total of approximately Baht 45 million. The payment was made in May 2014.

The Board of Directors' meeting held on 14 August 2014 passed a resolution to approve the payment of interim dividend from the results of the first half of fiscal year 2014 of Baht 0.20 per share, or a total approximately Baht 64 million. The payment was made in September 2014.

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

28. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	1,335,133	1,218,360	256,905	307,808
Depreciation	695,978	765,996	128,528	132,999
Loss on impairment of assets	1,746	27,518	2,710	24,885
Loss on impairment of investment	-	-	130,000	852,331
Loss on impairment of goodwill	-	852,331	-	-
Amortisation expenses	29,325	27,474	6,326	6,226
Rental expenses from operating lease agreements	46,869	42,590	5,450	6,550
Raw materials and consumables used	6,514,286	6,988,389	945,428	839,714
Changes in finished goods and work in process	73,735	(33,950)	10,065	(71,628)

29. Promotional privileges

The Company has received promotional privilege from the Board of Investment for the manufacture of stamping parts, pursuant to the promotion certificate No. 2175(2)/2551 issued on 15 December 2008. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operation commenced generating revenues (19 May 2011).

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	Separate financial statements					
	2014			2013		
	Promoted operations	Non-promoted operations	Total	Promoted operations	Non-promoted operations	Total
Sales and service income						
Domestic	651,950	1,538,437	2,190,387	701,029	1,683,501	2,384,530
Export	32	15,852	15,884	-	40,147	40,147
Total	651,982	1,554,289	2,206,271	701,029	1,723,648	2,424,677

Some subsidiaries were granted investment promotional privileges by the Board of Investment (BOI). As at 31 December 2014, important tax privileges granted to the companies are summarised below.

	Exemption from corporate income tax for 3 years commencing from	Exemption from corporate income tax for 7 years commencing from	Exemption from corporate income tax for 8 years commencing from
AAPICO Hitech Parts Company Limited			
Manufacture of metal and electronic parts	-	-	18 December 2012
AAPICO Hitech Tooling Company Limited			
Manufacture of die and grapple parts	-	-	8 January 2013
AAPICO ITS Company Limited			
Software operation	-	-	1 January 2010
AAPICO Forging Public Company Limited			
Manufacture of autoparts	-	-	Not yet utilised
AAPICO Plastics Public Company Limited			
Manufacture of plastic parts	Not yet utilised	-	-
Manufacture of plastic fuel tank	-	-	10 June 2009
A Maction Company Limited			
Development of software	-	-	4 January 2010
AAPICO Structural Products Company Limited			
Manufacture of autoparts	-	3 January 2012	-
AAPICO Amata Company Limited			
Manufacture of metal parts	-	21 December 2010	-
AAPICO Lemtech (Thailand) Co.,Ltd			
Manufacture of metal parts	-	12 February 2014	-

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of stock dividend.

During 2013, the preferred shares of the Company were converted to ordinary shares, even though the value of the convertible preferred shares exceeded the fair value of the ordinary shares. For this reason, diluted earnings per share was calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all preference shares to ordinary shares. The calculation assumed that the conversion took place at the beginning of the year.

The following tables set forth the computation of basic and diluted earnings per share.

	Consolidated financial statements					
	For the years ended 31 December					
	Profit for the years		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	366,960	610,706	322,584	297,864	1.14	2.05
Effect of dilutive potential ordinary shares						
Preference shares	-	-	-	24,720		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>366,960</u>	<u>610,706</u>	<u>322,584</u>	<u>322,584</u>	1.14	1.89
	Separate financial statements					
	For the years ended 31 December					
	Profit for the years		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	404,762	129,281	322,584	297,864	1.25	0.43
Effect of dilutive potential ordinary shares						
Preference shares	-	-	-	24,720		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>404,762</u>	<u>129,281</u>	<u>322,584</u>	<u>322,584</u>	1.25	0.40

31. Provident fund

The Company and some subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Both employees who are member of the funds and the Group contribute to the funds monthly at rates of 3%-7% of wage or basic salary. The funds will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Group contributed Baht 21 million (2013: Baht 20 million) to the funds.

32. Commitment and contingent liabilities

32.1 Capital commitments

- a) As at 31 December 2014, the Group had capital commitments of approximately Baht 21 million, and USD 0.4 million and RMB 1.8 million (2013: Baht 51 million, USD 4 million, RMB 2 million and EUR 0.12 million), totalling Baht 44 million (2013: Baht 208 million), relating to the purchase of plots of land, construction of factory buildings, and acquisition of machinery from third parties.
- b) As at 31 December 2014, the Group had outstanding commitment of Baht 207 million in respect of uncalled portion of investments in its subsidiaries (2013: Baht 94 million and Baht 45 million in respect of uncalled portion of investments in its subsidiaries and a jointly venture, respectively).

32.2 Operating leases and service commitments

The Group has entered into several lease agreements in respect of the lease of land, office building space and equipment and service agreements. The terms of the agreements are generally between 1 and 15 years.

The Group had future minimum lease and service payments required under these non-cancellable operating leases and service agreement were as follows.

Payable	(Unit: Million Baht)	
	As at 31 December	
	2014	2013
In up to 1 year	37	33
In over 1 to up to 5 years	64	29
In over 5 years	25	3

32.3 Long-term service commitments

Two subsidiaries have entered into technical assistance agreements with a Japanese company and a German company, under which they have to pay fees at rates stipulated in the agreements, on sales of certain products. The first agreement is for one year and automatically renews annually for a further period of one year, while the other agreement is effective until 2017. Another subsidiary has entered into memorandums with two Japanese companies, under which the subsidiary has to pay fees at certain rates on sales of particular products. These agreements are effect for as long as the products are sold. In addition, a subsidiary has entered into a management assistance agreement with a Japanese company, under which the subsidiary has to pay a fee at a fixed rate, together with other remunerations stipulated in the agreement. The agreement has a term of one year and automatically renews annually for further periods of one year each time.

The fees for the year ended 31 December 2014, amounting to approximately Baht 27 million (2013: Baht 46 million), were recognised as expenses.

32.4 Guarantee

- a) As at 31 December 2014, the Company had guaranteed bank credit facilities of its foreign subsidiary companies amounting to RMB 30 million (2013: RMB 40 million), and its local associated company amounting to Baht 100 million (2013: Nil).
- b) As at 31 December 2014 and 2013, two foreign subsidiaries had provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 13 million and RM 10 million, respectively.
- c) As at 31 December 2014 and 2013, there were outstanding bank guarantees of approximately Baht 64 million and RM 0.2 million issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 35 million, to guarantee contractual performance, and Baht 29 million and RM 0.2 million to guarantee electricity use, among others.
- d) The Company and a subsidiary entered into agreements related to the Supplier Financing Program, as a sponsor, whereby they provide guarantees of credit lines of their suppliers used to purchase raw materials and goods, up to a limit of Baht 200 million. As at 31 December 2014 and 2013, the Company and its subsidiary had no guarantee liabilities under these agreements.

32.5 Contingent liabilities

The subsidiaries in China calculate social welfare payments for employees based on the minimum rate stipulated by the Labour and Social Security Bureau in the precincts in which they are located. However, according to central government regulations on this issue, the subsidiaries should pay social welfare based on the actual salary of staff, if those salaries are between the lowest and highest salary rates stipulated. The subsidiaries could therefore potentially be at risk of additional assessment by the Chinese authorities, which the subsidiaries' management have assessed, as at 31 December 2014, would not exceed Baht 20 million. However, the subsidiaries' practice is in line with that of other international firms situated in the same precincts, and the management believes that the likelihood of such assessment is remote.

33. Litigation

In late 2011 a subsidiary company in which the Company has an equity interest of 60 percent was sued for approximately Baht 450 million under civil litigation for copyright infringement related to map data. In 2012, this subsidiary was sued for the same infringement under criminal litigation. In January 2013, the Central Intellectual Property and International Trade Court (“IP&IT Court”) ordered the dismissal of the criminal case. However, the plaintiff has appealed to the Supreme Court. In October 2014, the Supreme Court rendered its judgment in favor of this subsidiary. Therefore, the criminal case is final. In the civil case, the IP&IT Court rendered a judgment in favor of the plaintiff and the subsidiary was ordered to pay compensation of approximately Baht 1 million and interest at a rate of 7.5 percent per annum. Currently, the subsidiary’s management is considering an appeal of the judgment. In addition, this subsidiary’s management has assessed the circumstances and believes that it will incur losses not exceeding the amount of the award ordered by the IP&IT Court. This subsidiary therefore recorded provision for compensation claim of approximately Baht 1 million in the 2014 financial statements.

34. Segment information

For management purposes, the Group is organised into business units based on their products and services and have two reported segments: (1) the manufacture of automobiles assembly tools and parts and (2) sales of automobiles and the provision of automobiles repair service.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenues and profit information regarding the Group's operating segments for the years ended 31 December 2014 and 2013.

(Unit: Million Baht)

	For the year ended 31 December 2014				
	Sales of automobiles	Manufacture of automobiles and the provision of automobiles repair service segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenues from external customers	9,074	5,498	14,572	-	14,572
Inter-segment revenue	1,537	98	1,635	(1,635)	-
Other incomes	821	76	897	(273)	624
Depreciation and amortisation	698	35	733	(8)	725
Interest in the profit of associates and joint ventures accounted for by the equity method	130	-	130	-	130
Finance cost	312	40	352	(144)	208
Income tax expenses	2	21	23	-	23
Segment profit	512	49	561	(175)	386

(Unit: Million Baht)

	For the year ended 31 December 2013				
	Sales of automobiles	Manufacture of automobiles and the provision of automobiles repair service segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenues from external customers	11,061	4,566	15,627	-	15,627
Inter-segment revenue	1,738	59	1,797	(1,797)	-
Other incomes	640	90	730	(261)	469
Insurance compensation income	902	-	902	-	902
Depreciation and amortisation	724	33	757	9	766
Interest in the profit of associates and joint ventures accounted for by the equity method	246	-	246	-	246
Finance cost	385	41	426	(153)	273
Income tax expenses	55	19	74	-	74
Impairment loss of goodwill	852	-	852	-	852
Segment profit	1,156	22	1,178	(544)	634

Geographic information

Revenue from external customers is based on country of domicile.

(Unit: Million Baht)

	For the year ended 31 December	
	2014	2013
Revenue from external customers		
Thailand	10,130	12,034
The People's Republic of China	701	893
Malaysia	3,741	2,700
Total	<u>14,572</u>	<u>15,627</u>

(Unit: Million Baht)

	As at 31 December	
	2014	2013
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	7,261	7,278
The People's Republic of China	699	736
Malaysia	287	494
Total	<u>8,247</u>	<u>8,508</u>

Major customers

For the year 2014, the Company and its subsidiaries have revenue from 2 major customers in amount of Baht 4,092 million and Baht 1,254 million (2013: Baht 5,081 million and Baht 1,569 derived from 2 major customers), arising from sales by the manufacture of automobiles assembly tools and parts segment.

35. Financial instruments

35.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, loans, investments, trade and other payables, overdrafts, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risks primarily with respect to trade and other receivables and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. However, certain subsidiaries are exposed to concentrations of credit risk with respect to trade receivable because they have only main customer.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at bank, loans, bank overdrafts and interest-carrying loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities of the Group classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Million Baht)

As at 31 December 2014

	Fixed interest rates				Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing		
Financial assets						
Cash and cash equivalent	1	-	133	180	314	Refer to Note 6
Current investments	15	-	-	-	15	0.7
Trade and other receivables	-	-	-	1,900	1,900	-
	<u>16</u>	<u>-</u>	<u>133</u>	<u>2,080</u>	<u>2,229</u>	
Financial liabilities						
Bank overdrafts and short-term loans from banks	679	-	58	-	737	Refer to Note 19
Trade and other payables	-	-	-	2,318	2,318	-
Short-term loans from related parties	17	-	-	-	17	5.0
Liabilities under finance lease agreements	5	7	-	-	12	4.2 - 5.5
Long-term loans	119	119	2,821	-	3,059	Refer to Note 21
	<u>820</u>	<u>126</u>	<u>2,879</u>	<u>2,318</u>	<u>6,143</u>	

(Million Baht)

As at 31 December 2013

	<u>Fixed interest rates</u>				<u>Total</u>	<u>Interest rate</u> (% per annum)
	<u>Within 1 year</u>	<u>1-5 years</u>	<u>Floating interest rate</u>	<u>Non- interest bearing</u>		
Financial assets						
Cash and cash equivalent	22	-	101	114	237	Refer to Note 6
Current investments	6	-	-	-	6	1.5
Trade and other receivables	-	-	-	2,256	2,256	-
	<u>28</u>	<u>-</u>	<u>101</u>	<u>2,370</u>	<u>2,499</u>	
Financial liabilities						
Bank overdrafts and short-term loans from banks	638	-	435	-	1,073	Refer to Note 19
Trade and other payables	-	-	-	2,128	2,128	-
Short-term loans from related parties	18	-	-	-	18	5.0
Liabilities under finance lease agreements	21	10	-	-	31	2.0 - 8.0
Long-term loans	26	54	3,471	-	3,551	Refer to Note 21
	<u>703</u>	<u>64</u>	<u>3,906</u>	<u>2,128</u>	<u>6,801</u>	

The Company has outstanding interest rate swap agreements with the banks as follows:

As at 31 December 2014

<u>Notional amount</u>	<u>Interest Receipt Rate</u>	<u>Interest Payment Rate</u>	<u>Due date</u>
(Million Baht)			
112	FDR plus 3.3%	Fixed rate at 5.65%	30 December 2015
127	MLR minus 1.75%	Fixed rate at 5.33%	30 December 2015
147	MLR minus 1.75%	Fixed rate at 5.98%	30 December 2015

As at 31 December 2013

<u>Notional amount</u>	<u>Interest Receipt Rate</u>	<u>Interest Payment Rate</u>	<u>Due date</u>
(Million Baht)			
220	FDR plus 3.3%	Fixed rate at 5.65%	30 December 2015
250	MLR minus 1.75%	Fixed rate at 5.33%	30 December 2015
265	MLR minus 1.75%	Fixed rate at 5.98%	30 December 2015

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from purchase/sales of goods and purchases of machinery transactions that are denominated in foreign currencies. The Group uses derivative instruments, as and when it considers appropriate, to manage such risks.

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2014					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	-	4.7	-	32.50 - 32.75	August - September 2015

As at 31 December 2013					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	0.6	10.4	29.15 - 30.30	29.15 - 32.23	January - November 2014

35.2 Fair values of financial instruments

As at 31 December 2014, the Group had unrealised loss from change in the fair value of interest rate swap agreements of approximately Baht 2 million (2013: unrealised loss from change in the fair value of interest rate swap agreements and forward foreign exchange contracts of Baht 4 million).

Except for the derivatives discussed above, the majority of the Group's financial instruments are short-term in nature or bear floating interest rates, and their fair values are therefore not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

36. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 1.1:1 (2013: 1.3:1) and the Company's was 0.9:1 (2013: 1:1).

37. Events after the reporting period

On 9 January 2015, an Extraordinary General Meeting of Shareholders passed resolutions approving the issue and offer for sale of up to Baht 1,500 million of debentures, and assigning an authorised director of the Company to determine details of the debentures such as the type of debentures, interest rate, conditions of redemption and placement. The debentures will have a tenor of up to 10 years.

On 27 February 2015, a meeting of the Board of Directors passed the following resolutions.

- a) To propose payment of a dividend of Baht 0.10 per share, totaling Baht 32 million from the profit of second half of year 2014 to the Annual General Meeting of the Company's shareholders for approval.
- b) To purchase share increasing of AAPICO Sodecia (Thailand) Company Limited at a total of Baht 90 million, and retain the current percent of holding.
- c) To approve the transfer of all of the Company's investment in Papago (Thailand) Company Limited, which had a book value of Baht 3 million, in exchange for an investment in A Maction Company Limited held by a non-related company.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2015.