

AAPICO Hitech Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2015

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, statements of comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.2 Basis of consolidation

These consolidated interim financial statements include the financial statements of AAPICO Hitech Public Company Limited and its subsidiaries (hereinafter called as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014. During the current period, there was no significant change in the structure of the Group.

1.3 New financial reporting standards

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

The Group has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or 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 recognise 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 content of *TAS 27 Consolidated and Separate Financial Statements* dealing with consolidated 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 Group has control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Group's financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company already applies the equity method to account for the investment in a joint venture.

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 on the financial statements of the Group.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that have not yet effective

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

(Unaudited but reviewed)

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014.

2. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Cash	674	478	62	62
Bank deposits	179,582	313,178	6,350	16,404
Total	180,256	313,656	6,412	16,466

3. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Unit trusts	283,974	15,289	246,623	6

4. Related party transactions

During the periods, 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.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	38	262	Cost plus margin, averaging around -8% - 15%
Interest income	-	-	34	38	0.01% - 5.10% p.a.
Rental income	-	-	1	1	Close to rental rates for other building in the vicinity
Management fee income	-	-	15	15	Approximate cost
Dividend income	-	-	-	345	As declared
Other income	-	-	1	3	Approximate cost
Interest expenses	-	-	3	1	1.0% - 5.10% p.a.
Purchases of goods and services	-	-	81	60	Cost plus margin, averaging around 10% - 20%
Purchases of machinery and equipment	-	-	1	2	Cost plus margin, averaging around 1% - 45%
Other expenses	-	-	5	6	Approximate cost
<u>Transactions with associated companies and joint venture</u>					
Sales of goods and services	52	46	1	1	Cost plus margin, averaging around 20% - 40%
Rental income	4	4	-	3	Close to rental rates for other building in the vicinity
Management fee income	1	1	1	1	Approximate cost
Dividend income	28	-	28	-	As declared
Other income	2	-	-	-	Approximate cost
Purchases of goods and services	71	58	43	49	Cost plus margin, averaging around 1% and 20% - 60%
Other expense	2	-	-	-	Approximate cost
<u>Transactions with related companies</u>					
Purchases of goods and services	168	153	-	-	Cost plus margin, averaging around 5% and 30%

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	159	340	Cost plus margin, averaging around -8% - 15%
Sales of machinery and equipment	-	-	1	16	Cost plus margin of 5%
Interest income	-	-	105	103	0.01% - 5.10% p.a.
Rental income	-	-	3	3	Close to rental rates for other building in the vicinity
Management fee income	-	-	49	46	Approximate cost
Dividend income	-	-	-	345	As declared
Other income	-	-	6	6	Approximate cost
Interest expenses	-	-	7	3	1.0% - 5.1% p.a.
Rental expense	-	-	-	1	Close to rental rates for other building in the vicinity
Purchases of goods and services	-	-	271	208	Cost plus margin, averaging around 5% - 20%
Purchases of machinery and equipment	-	-	12	2	Cost plus margin, averaging around 1% - 45%
Other expenses	-	-	11	10	Approximate cost

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	
<u>Transactions with associated companies and joint venture</u>					
Sales of goods and services	151	116	1	1	Cost plus margin, averaging around 20% - 40%
Rental income	8	4	-	3	Close to rental rates for other building in the vicinity
Management fee income	3	3	3	3	Approximate cost
Dividend income	137	130	134	130	As declared
Other income	7	4	1	1	Approximate cost
Purchases of goods and services	198	135	126	119	Cost plus margin, averaging around 1% and 20% - 60%
Other expense	3	-	1	-	Approximate cost
<u>Transactions with related companies</u>					
Purchases of goods and services	321	321	-	-	Cost plus margin, averaging around 5% and 30%

As at 30 September 2015 and 31 December 2014, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
<u>Trade and other receivables - related parties (Note 5)</u>				
Subsidiaries	-	-	314,273	249,822
Associates	62,458	64,174	22,057	12,431
Joint venture	1,036	1,277	137	3
Related companies (common shareholder/director)	1,212	2,297	339	339
	<u>64,706</u>	<u>67,748</u>	<u>336,806</u>	<u>262,595</u>
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	26,306	73,144
Associates	36,634	50,017	21,621	27,875
Related companies (common shareholder/director)	170,233	240,453	56,801	58,755
	<u>206,867</u>	<u>290,470</u>	<u>104,728</u>	<u>159,774</u>

(Unaudited but reviewed)

Loans to related parties and loans from related parties

As at 30 September 2015 and 31 December 2014, the balance of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

Related by	Consolidated financial statements				
	Balance as at 31 December 2014	Increase during the period	Decrease during the period	Unrealised gains/loss on exchange	Balance as at 30 September 2015
<u>Short-term loans to</u>					
Dee Mak SDN. BHD.	702	2,061	(2,728)	(35)	-
Total	702	2,061	(2,728)	(35)	-
<u>Short-term loans from</u>					
Dee Mak SDN. BHD.	1,211	895	(255)	(215)	1,636
Directors of the Group	15,902	-	(1,251)	(2,098)	12,553
Total	17,113	895	(1,506)	(2,313)	14,189

Short-term loans from directors carried interest at 5% per annum and due at call.

(Unit: Thousand Baht)

Related by	Separate financial statements				
	Balance as at 31 December 2014	Increase during the period	Decrease during the period	Unrealised gains on exchange	Balance as at 30 September 2015
<u>Short-term loans to</u>					
New Era Sales Company Limited	14,000	22,000	(24,000)	-	12,000
Able Motors Company Limited	29,000	72,000	(83,000)	-	18,000
Katsuya (Thailand) Company Limited	803	-	(203)	-	600
AAPICO Hitech Parts Company Limited	139,000	434,500	(513,500)	-	60,000
AAPICO Hitech Tooling Company Limited	29,000	132,400	(125,400)	-	36,000
AAPICO Forging Public Company Limited	192,500	899,600	(804,100)	-	288,000
AAPICO Amata Company Limited	114,670	104,030	(200,700)	-	18,000
Kunshan Chaitai-Xincheng Precision Forging Company Limited	-	64,720	-	7,690	72,410
Total	518,973	1,729,250	(1,750,903)	7,690	505,010
<u>Long-term loans to</u>					
New Era Sales Company Limited	260,000	-	(19,000)	-	241,000
Able Motors Company Limited	35,000	4,000	-	-	39,000
AAPICO Forging Public Company Limited	1,920,000	-	(30,000)	-	1,890,000
AAPICO Hitech Parts Company Limited	120,000	41,000	-	-	161,000
AAPICO Hitech Tooling Company Limited	70,000	-	(68,000)	-	2,000
AAPICO Amata Company Limited	-	59,770	-	-	59,770
Katsuya (Thailand) Company Limited	3,000	203	-	-	3,203
Foton Passenger Vehicles Distribution (Thailand) Company Limited	1,000	-	(1,000)	-	-
AAPICO Investment Pte. Ltd.	84,271	-	-	1,961	86,232
Kunshan Chaitai-Xincheng Precision Forging Company Limited	65,626	-	(65,626)	-	-
Total	2,558,897	104,973	(183,626)	1,961	2,482,205
<u>Short-term loans from</u>					
AAPICO Engineering Company Limited	9,200	-	-	-	9,200
AAPICO Structural Products Company Limited	218,000	2,841,400	(2,544,000)	-	515,400
Total	227,200	2,841,400	(2,544,000)	-	524,600

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	7.94	7.73	7.94	7.73
Post-employee benefits	0.04	0.22	0.04	0.22
Total	<u>7.98</u>	<u>7.95</u>	<u>7.98</u>	<u>7.95</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	22.74	23.06	22.74	23.06
Post-employee benefits	0.13	0.67	0.13	0.67
Total	<u>22.87</u>	<u>23.73</u>	<u>22.87</u>	<u>23.73</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 19.6 to financial statements.

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	33,418	48,053	23,249	24,488
Past due 3 - 12 months	-	252	-	-
Past due more than 12 months	10	4	-	4
Total trade receivables - related parties	<u>33,428</u>	<u>48,309</u>	<u>23,249</u>	<u>24,492</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	1,690,719	1,754,867	245,666	225,144
Past due 3 - 12 months	3,527	10,741	343	4,002
Past due more than 12 months	6,309	6,284	321	773
Total	1,700,555	1,771,892	246,330	229,919
Less: Allowance for doubtful accounts	(5,622)	(9,920)	(14)	(3,728)
Total trade receivables - unrelated parties, net	1,694,933	1,761,972	246,316	226,191
Total trade receivables - net	1,728,361	1,810,281	269,565	250,683
<u>Other receivables - net</u>				
Advances - related parties	2,454	13,286	11,646	9,266
Interest receivable - related parties	-	-	281,190	215,217
Advances	20,980	16,104	-	-
Accrued income	10,758	12,233	-	5,132
Dividend receivable - related parties	23,339	-	20,348	-
Others - related parties	5,485	6,153	373	13,620
Others - unrelated parties	25,563	42,099	1,254	1,163
Total other receivables - net	88,579	89,875	314,811	244,398
Total trade and other receivables - net	1,816,940	1,900,156	584,376	495,081

6. Inventories

As at 30 September 2015, certain subsidiaries, which are principally engaged in sales of automobiles, have pledged finished goods of approximately Baht 123 million (31 December 2014: Baht 82 million) to secure short-term loans from banks.

(Unaudited but reviewed)

7. Investments in associates**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	
			30 September	31 December	30 September	31 December	30 September	31 December
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
Able Sanoh Industries (1996) Company Limited	Manufacture and distribution of autoparts	Thailand	46	46	30,700	30,700	398,834	340,224
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	20	20	29,250	29,250	60,787	60,797
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	40	40	151,400	151,400	143,332	164,720
Thai Takagi Seiko Company Limited	Distribution of dies	Thailand	49	49	49,587	49,587	41,270	60,241
Hyundai Motor (Thailand) Company Limited	Manufacture and distribution of vehicles and parts	Thailand	30	30	120,000	120,000	434,117	461,945
Edscha AAPICO Automotive Company Limited	Manufacture and distribution of autoparts	Thailand	49	49	19,600	19,600	29,480	34,623
Sumino AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	49	49	98,000	98,000	73,768	81,712
Quantum Inventions Pte. Ltd. (25 percent held by AAPICO Investment Pte. Ltd.)	Manufacture of car navigation systems	Singapore	25	25	76,085	76,085	79,930	75,530
Total					<u>574,622</u>	<u>574,622</u>	<u>1,261,518</u>	<u>1,279,792</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Shareholding percentage		Carrying amounts based on cost method		Dividend income for the nine-month periods ended 30 September	
	30 September	31 December	30 September	31 December	2015	2014
	2015	2014	2015	2014	2015	2014
	(%)	(%)				
Able Sanoh Industries (1996) Company Limited	46	46	30,700	30,700	-	-
Sanoh Industries (Thailand) Company Limited	20	20	29,250	29,250	7,038	8,325
MINTH AAPICO (Thailand) Company Limited	40	40	151,400	151,400	15,871	-
Thai Takagi Seiko Company Limited	49	49	49,587	49,587	-	1,985
Hyundai Motor (Thailand) Company Limited	30	30	120,000	120,000	99,600	119,880
Edscha AAPICO Automotive Company Limited	49	49	19,600	19,600	11,722	-
Sumino AAPICO (Thailand) Company Limited	49	49	98,000	98,000	-	-
Total			<u>498,537</u>	<u>498,537</u>	<u>134,231</u>	<u>130,190</u>

(Unaudited but reviewed)

During the three-month and nine-month periods ended 30 September 2015 and 2014, the Group has recognised its share of profit/loss from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September					
	Consolidated financial statements					
	Share of profit (loss) from investments in associates		Unrealised gains on exchange		Dividends received by the Group	
	2015	2014	2015	2014	2015	2014
Able Sanoh Industries (1996) Company Limited	24,663	11,865	-	-	-	-
Sanoh Industries (Thailand) Company Limited	2,751	2,659	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(5,264)	(3,402)	-	-	15,871	-
Thai Takagi Seiko Company Limited	(11,187)	2,818	-	-	-	-
Hyundai Motor (Thailand) Company Limited	21,977	15,290	-	-	-	-
Edscha AAPICO Automotive Company Limited	1,533	2,063	-	-	11,722	-
Sumino AAPICO (Thailand) Company Limited	(931)	(7,200)	-	-	-	-
Quantum Inventions Pte. Ltd.	1,231	-	1,377	-	-	-
Total	34,773	24,093	1,377	-	27,593	-

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September					
	Consolidated financial statements					
	Share of profit (loss) from investments in associates		Unrealised gains on exchange		Dividends received by the Group	
	2015	2014	2015	2014	2015	2014
Able Sanoh Industries (1996) Company Limited	58,610	18,637	-	-	-	-
Sanoh Industries (Thailand) Company Limited	7,028	9,938	-	-	7,038	8,325
MINTH AAPICO (Thailand) Company Limited	(5,517)	(8,138)	-	-	15,871	-
Thai Takagi Seiko Company Limited	(18,971)	10,297	-	-	-	1,985
Hyundai Motor (Thailand) Company Limited	71,772	82,148	-	-	99,600	119,880
Edscha AAPICO Automotive Company Limited	6,579	8,762	-	-	11,722	-
Sumino AAPICO (Thailand) Company Limited	(7,944)	(12,086)	-	-	-	-
Quantum Inventions Pte. Ltd.	5,390	-	2,002	-	2,992	-
Total	116,947	109,558	2,002	-	137,223	130,190

8. 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	
	30 September	31 December	30 September	31 December	30 September	31 December
	2015	2014	2015	2014	2015	2014
			(%)	(%)		
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
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
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
A Maction Co., Ltd.	Baht 10 million	Baht 10 million	51	51	8,100	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	Baht 3 million	100	100	3,000	3,000
Total					4,050,713	4,047,713
Less: Allowance for impairment					(1,343,978)	(1,341,708)
Net					2,706,735	2,706,005

No dividend received from all above subsidiaries during the nine-month periods ended 30 September 2015. During the nine-month period ended 30 September 2014, the Company received dividend income from AAPICO Structural Products Company Limited and Tenaga Setia Resources SDN. BHD. amounting to Baht 341 million and RM 0.49 million, respectively.

(Unaudited but reviewed)

On 27 February 2015, a meeting of the Board of Directors passed a resolution to approve the transfer of all of the Company's investment in Papago (Thailand) Company Limited, which was the Company's other investment and had a net book value of Baht 3 million, in exchange for an investment in A Maction Company Limited held by a non-related company.

On 2 April 2015, a meeting of the Board of Directors of AAPICO Plastics Public Company Limited (subsidiary held through a subsidiary) passed a resolution to purchase shares of Katsuya (Thailand) Company Limited held by a non-related company. Following this acquisition, the Group's shareholding in this company increased from 76% to 100%.

During the current period, A Maction Company Limited filed for deregistration with the Ministry of Commerce. This subsidiary is in the process of liquidation.

9. Investment in joint venture

Detail of investment in joint venture is as follow:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements				Carrying amounts based on equity method	
			Shareholding percentage		Cost			
			30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
AAPICO Sodecia (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	50	50	82,500	60,000	75,107	55,753

(Unit: Thousand Baht)

Company's name	Separate financial statements				Carrying amounts based on cost method	
	Shareholding percentage					
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
AAPICO Sodecia (Thailand) Company Limited	50	50			82,500	60,000

During the nine-month period ended 30 September 2015, the Company has recognised its share of loss from investment in joint venture of Baht 3.1 million (2014: Baht 1.8 million) in the consolidated financial statements.

On 27 February 2015, a meeting of the Board of Director passed a resolution to purchase Baht 90 million of additional shares of AAPICO Sodecia (Thailand) Company Limited, and retain its current percentage of holding. Initially 25% of the total increase in capital was called up and the Company made payment of Baht 22.5 million in April 2015.

(Unaudited but reviewed)

10. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate financial	
	financial statements		statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Available-for-sale investments				
Marketable equity securities	160,666	160,666	-	-
Loss from change in value and exchange difference on translation of financial statements in foreign currency	(98,458)	(115,827)	-	-
	<u>62,208</u>	<u>44,839</u>	<u>-</u>	<u>-</u>
Other investments				
Equity securities	-	3,471	-	3,000
Total	<u>62,208</u>	<u>48,310</u>	<u>-</u>	<u>3,000</u>

11. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Net book value as at 1 January 2015	6,318,534	1,358,583
Acquisitions during period - at cost	194,252	30,691
Transfers from inventories	17,098	-
Transfers to intangible assets	(21)	(21)
Capitalised interest	346	135
Disposals/write-off during period - net book value at disposal date/write-off date	(37,886)	(20,792)
Depreciation for the period	(531,076)	(100,965)
Allowance for impairment loss increase during the period	(6,017)	-
Reversal of allowance for impairment loss	8,746	8,746
Exchange differences on translation of financial statements in foreign currency	30,993	-
Net book value as at 30 September 2015	<u>5,994,969</u>	<u>1,276,377</u>

(Unaudited but reviewed)

Borrowing costs totaling approximately Baht 0.3 million and Baht 1 million were capitalised during the nine-month periods ended 30 September 2015 and 2014, respectively.

As at 30 September 2015, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 13 million (31 December 2014: Baht 16 million).

Some subsidiaries have mortgaged building, machinery and factory equipment, with a total net book value as at 30 September 2015 of Baht 92 million (31 December 2014: Baht 111 million) as collateral for credit facilities granted by banks.

12. Leasehold right

A subsidiary has pledged its land leasehold right, with a total net book value as at 30 September 2015 of Baht 82 million (31 December 2014: Baht 96 million) as collateral for credit facilities granted by banks.

13. Goodwill

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2015	31 December 2014
Goodwill from purchase of subsidiaries		
AAPICO Amata Company Limited	229,368	229,368
AAPICO Forging Public Company Limited	1,152,332	1,152,332
Other companies	5,162	5,162
Total	1,386,862	1,386,862
Less: Allowance for impairment	(1,152,332)	(1,152,332)
Net	234,530	234,530

14. Bank overdrafts/short-term loans and long-term loans from banks

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.

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 building thereon, certain machinery and factory equipment of subsidiaries, and by guarantees provided by subsidiary companies and a negative pledge of assets by the Company.

(Unaudited but reviewed)

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.

15. Debentures

On 29 April 2015, the Company issued Baht 800 million of senior unsecured registered debentures with a debenture holders' representative and offered them to institutional investors and high net worth investors. The debentures bear interest at a rate of 4.34 percent per annum and have a tenor of 3 year. The term of interest payment is semi-annual and the principal is to be redeemed on the debenture redemption date.

The debentures contain terms of issue relating to the transfer or disposal of assets, negative pledges of assets and the maintenance of a certain financial ratio at the end of each quarter.

As at 30 September 2015, detail of these debentures are as follow.

	(Unit: Thousand Baht)
	<u>Consolidated/Separate financial statements</u>
Debentures	800,000
Less: Deferred debenture issuing costs	(1,722)
Debentures - net	<u>798,278</u>

16. Income tax

Income tax expenses (revenues) for the nine-month periods ended 30 September 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	<u>For the nine-month periods ended 30 September</u>			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Interim corporate income tax charge	17,765	21,247	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(452)	(7,668)	(274)	(1,245)
Income tax expense (revenue) reported in the statement of income	<u>17,313</u>	<u>13,579</u>	<u>(274)</u>	<u>(1,245)</u>

17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

18. Dividend

On 25 April 2014, the Annual General Meeting of the Company's shareholders 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.

On 14 August 2014, the Board of Directors 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.

On 27 April 2015, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of a dividend of Baht 0.10 per share, or a total of approximately Baht 32 million. The payment was made in May 2015.

On 14 August 2015, the Board of Directors passed a resolution to approve the payment of an interim dividend of Baht 0.10 per share from the earnings of the first half of 2015, or a total of Baht 32 million. The payment was made in September 2015.

19. Commitment and contingent liabilities

19.1 Capital commitments

As at 30 September 2015, the Group had capital commitments of approximately Baht 4.8 million and RMB 1.9 million, totalling Baht 16 million (31 December 2014: Baht 21 million, USD 0.4 million and RMB 1.8 million, totalling Baht 44 million), relating to the purchase of land, the construction of factory buildings, and acquisition of machinery from the unrelated parties.

19.2 Uncalled portion of long-term investments

As at 30 September 2015, the Group had outstanding commitment of Baht 89 million and Baht 68 million in respect of uncalled portion of investments in their subsidiaries and a joint venture, respectively (31 December 2014: Baht 207 million in respect of uncalled portion of investments in their subsidiaries).

19.3 Operating lease and service commitments

The Group has entered into several operating 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 10 years.

Future minimum lease and service payments required under these non-cancellable operating leases and service agreement were as follows.

(Unit: Million Baht)

Payable	As at 30 September 2015	As at 31 December 2014
In up to 1 year	61	37
In over 1 and up to 5 years	72	64
In over 5 years	17	25

19.4 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 license 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 nine-month period ended 30 September 2015, amounting to approximately Baht 17 million (2014: Baht 21 million), were recognised as expenses.

19.5 Commitments from debentures

As at 30 September 2015, the Company has commitments in respect of the service fees payable to debenture holders' representative and registrar agent. These service fees are to be paid annually to each company at a rate of 0.004 percent of total outstanding principal amount of debentures, plus the related value added tax in accordance with tax legislation.

19.6 Guarantee

- a) As at 30 September 2015 and 31 December 2014, the Company had guaranteed bank credit facilities of its foreign subsidiary companies amounting to RMB 30 million, and its local associated company amounting to Baht 100 million.
- b) As at 30 September 2015, two foreign subsidiaries had provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 12 million and RM 9 million, respectively (31 December 2014: RM 13 million and RM 10 million, respectively).
- c) As at 30 September 2015 and 31 December 2014, 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, the 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 limited of Baht 200 million. As at 30 September 2015 and 31 December 2014, the Company and its subsidiary had no guarantee liabilities under these agreements.

19.7 Interest rate swap agreements

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

As at 30 September 2015

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

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)	(per annum)	(per annum)	
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

(Unaudited but reviewed)

As at 30 September 2015, the Company had unrealised loss from change in the fair value of interest rate swap agreements of approximately Baht 0.3 million (31 December 2014: Baht 1.9 million).

19.8 Forward foreign exchange contracts

Foreign exchange contracts outstanding are summarised below.

As at 30 September 2015			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4.9	33.25 - 34.20	April - May 2016

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

20. 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 the 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, calculated from the day following the date of the complaint until payment is complete. 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 has therefore recorded provision for compensation claim of approximately Baht 1 million in the 2014 financial statements. Subsequently, in May 2015, the subsidiary appealed this judgment of IP&IT Court to the Supreme Court. As of this report date, the case is being considered by the Supreme Court.

21. Fair value of financial instruments

The Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Group endeavors to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 September 2015, the Group had the financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held for trade investments			
Debt instruments	-	283,974	283,974
Available-for-sale investments			
Equity instruments	62,208	-	62,208
	(Unit: Thousand Baht)		
	Separate financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held for trade investments			
Debt instruments	-	246,623	246,623

(Unaudited but reviewed)

Valuation techniques and inputs to level 2 valuation

The fair value of investment in debt instruments - unit trust has been determined by using the net asset value as published by asset management companies.

During the current period, there were no transfer within the fair value hierarchy.

22. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2015 and 2014.

(Unit: Million Baht)

	Manufacture of automobiles assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated
Three months ended 30 September 2015					
Revenues					
External customers	2,382	1,178	3,560	-	3,560
Inter-segment	320	5	325	(325)	-
Total revenues	2,702	1,183	3,885	(325)	3,560
Operating results					
Segment profit	135	25	160	(35)	125
Share of profit/loss from investments in associates and joint venture					35
Finance cost					(42)
Profit before income tax expense					118
Income tax expense					(6)
Profit for the period					112

(Unaudited but reviewed)

(Unit: Million Baht)

	Manufacture of automobiles assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated
Three months ended 30 September 2014					
Revenues					
External customers	2,487	1,416	3,903	-	3,903
Inter-segment	559	13	572	(572)	-
Total revenues	3,046	1,429	4,475	(572)	3,903
Operating results					
Segment profit	95	35	130	(1)	129
Share of profit/loss from investments in associates and joint venture					22
Finance cost					(55)
Profit before income tax expense					96
Income tax expense					(4)
Profit for the period					92

(Unit: Million Baht)

	Manufacture of automobiles assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated
Nine months ended 30 September 2015					
Revenues					
External customers	7,101	3,566	10,667	-	10,667
Inter-segment	1,072	16	1,088	(1,088)	-
Total revenues	8,173	3,582	11,755	(1,088)	10,667
Operating results					
Segment profit	295	69	364	(75)	289
Share of profit/loss from investments in associates and joint venture					114
Finance cost					(133)
Profit before income tax expense					270
Income tax expense					(17)
Profit for the period					253

(Unaudited but reviewed)

(Unit: Million Baht)

	Manufacture of automobiles assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated
Nine months ended 30 September 2014					
Revenues					
External customers	6,909	4,202	11,111	-	11,111
Inter-segment	1,165	34	1,199	(1,199)	-
Total revenues	8,074	4,236	12,310	(1,199)	11,111
Operating results					
Segment profit	466	98	564	(143)	421
Share of profit/loss from investments in associates and joint venture					108
Finance cost					(162)
Profit before income tax expense					367
Income tax expense					(14)
Profit for the period					353

23. Event after the reporting period

In October 2015, a non-related company entered into an agreement to transfer all 49,000 ordinary shares of AAPICO Technology Co., Ltd. (a subsidiary) to the Company. Consequently, the Company's shareholding increased to 100%.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 13 November 2015.