

**AAPICO Hitech Public Company Limited and its subsidiaries**  
**Notes to consolidated interim financial statements**  
**For the three-month period ended 31 March 2017**

**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 2016) 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, 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 interim financial statements.

**1.2 Basis of consolidation**

These consolidated interim financial statements include the financial statements of AAPICO Hitech Public Company Limited (hereinafter called as “the Company”) 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 2016. During the current period, there was no change in the structure of the Group.

### 1.3 New financial reporting standards

During the period, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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.

### 1.4 Significant accounting policies

The interim financial statements are prepared using the same significant accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

## 2. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
<b>Held for trade investments</b>				
Unit trusts - fixed income fund, fair value	191,258	202,463	147,299	161,424
<b>Held to maturity investments</b>				
12-month fixed deposit	-	5,136	-	-
Total current investments	191,258	207,599	147,299	161,424

### 3. 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.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	45	52	Close to selling price to third party
Interest income	-	-	26	32	0.01% - 4.36% p.a.
Dividend income	-	-	200	200	As declared
Rental income	-	-	1	1	Close to rental rates for other building in the vicinity
Management fee income	-	-	15	16	Approximate cost
Other income	-	-	5	3	Approximate cost
Purchases of goods and services	-	-	48	107	Cost plus margin, averaging around 5% - 30%
Purchases of machinery and equipment	-	-	2	5	Cost plus margin, averaging around 1% - 20%
Interest expenses	-	-	4	2	0.50% - 4.36% p.a.
Other expenses	-	-	2	3	Approximate cost
<u>Transactions with associates and joint ventures</u>					
Sales of goods and services	55	51	-	1	Cost plus margin, averaging around 20% - 57%
Dividend income	76	76	75	75	As declared
Rental income	2	2	-	-	Close to rental rates for other building in the vicinity
Management fee income	1	1	1	1	Approximate cost
Other income	1	7	1	5	Approximate cost
Purchases of goods and services	79	78	52	50	Cost plus margin, averaging around -15% - 3% and 20% - 45%

(Unaudited but reviewed)

As at 31 March 2017 and 31 December 2016, the balances of the accounts between the Company and those related parties are as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b><u>Trade and other receivables - related parties (Note 4)</u></b>				
Subsidiaries	-	-	446,663	419,808
Associates	42,700	41,485	2,371	3,513
Joint venture	-	13	-	-
Related companies (common shareholder/director)	750	750	-	-
Total	<u>43,450</u>	<u>42,248</u>	<u>449,034</u>	<u>423,321</u>
<b><u>Trade and other payables - related parties</u></b>				
Subsidiaries	-	-	42,030	38,170
Associates	72,190	43,361	49,706	26,105
Total	<u>72,190</u>	<u>43,361</u>	<u>91,736</u>	<u>64,275</u>

**Loans to related parties and loans from related parties**

As at 31 March 2017 and 31 December 2016, the balance of loans between the Company and those related parties and their movements are as follows.

		(Unit: Thousand Baht)			
		Consolidated financial statements			
Related by	Balance as at 31 December 2016	Increase during the period	Decrease during the period	Unrealised gain on exchange	Balance as at 31 March 2017
<b><u>Long-term loans to</u></b>					
Thai Takagi Seiko Company Limited	Associate	-	14,000	-	14,000
Total		<u>-</u>	<u>14,000</u>	<u>-</u>	<u>14,000</u>
<b><u>Short-term loans from</u></b>					
Dee Mak SDN. BHD.	Related company by common director	4,794	-	(119)	4,675
Total		<u>4,794</u>	<u>-</u>	<u>(119)</u>	<u>4,675</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements				
		Balance as at			Unrealised	Balance as at
		31 December	Increase during	Decrease during	loss on	31 March
Related by		2016	the period	the period	exchange	2017
<u>Short-term loans to</u>						
New Era Sales Company Limited	Subsidiary	12,000	5,000	(5,000)	-	12,000
Able Motors Company Limited	Subsidiary	36,000	36,000	(36,000)	-	36,000
Katsuya (Thailand) Company Limited	Subsidiary	600	-	-	-	600
AAPICO Hitech Parts Company Limited	Subsidiary	36,000	36,000	(36,000)	-	36,000
AAPICO Hitech Tooling Company Limited	Subsidiary	6,000	6,000	(6,000)	-	6,000
AAPICO Forging Public Company Limited	Subsidiary	288,000	288,000	(288,000)	-	288,000
Total		378,600	371,000	(371,000)	-	378,600
<u>Long-term loans to</u>						
New Era Sales Company Limited	Subsidiary	257,000	-	(5,000)	-	252,000
Able Motors Company Limited	Subsidiary	57,000	34,000	(3,000)	-	88,000
AAPICO Forging Public Company Limited	Subsidiary	1,643,470	139,239	(141,029)	-	1,641,680
AAPICO Hitech Parts Company Limited	Subsidiary	61,815	134,577	(162,967)	-	33,425
AAPICO Hitech Tooling Company Limited	Subsidiary	15,461	23,651	(8,039)	-	31,073
Katsuya (Thailand) Company Limited	Subsidiary	2,800	-	-	-	2,800
AAPICO Investment Pte. Ltd.	Subsidiary	83,800	-	(2,871)	(465)	80,464
Thai Takagi Seiko Company Limited	Associate	-	14,000	-	-	14,000
Total		2,121,346	345,467	(322,906)	(465)	2,143,442
<u>Short-term loans from</u>						
AAPICO Engineering Company Limited	Subsidiary	9,800	-	-	-	9,800
AAPICO Structural Products Company Limited	Subsidiary	401,770	635,961	(717,020)	-	320,711
AAPICO Amata Company Limited	Subsidiary	9,570	118,362	(100,781)	-	27,151
Total		421,140	754,323	(817,801)	-	357,662

Directors and management's benefits

During the three-month periods ended 31 March 2017 and 2016, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	7,330	7,116	7,330	7,116
Post-employment benefits	45	43	45	43
Total	7,375	7,159	7,375	7,159

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 18.5 to financial statements.

**4. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	39,366	35,892	33,040	28,963
Total trade receivables - related parties	39,366	35,892	33,040	28,963
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	1,973,493	1,780,541	279,432	191,737
Past due 3 - 12 months	11,447	690	23	12
Past due more than 12 months	3,333	3,329	173	199
Total	1,988,273	1,784,560	279,628	191,948
Less: Allowance for doubtful accounts	(2,969)	(3,044)	(14)	(14)
Total trade receivables - unrelated parties, net	1,985,304	1,781,516	279,614	191,934
Total trade receivables - net	2,024,670	1,817,408	312,654	220,897
<u>Other receivables - net</u>				
Advances - related parties	2,748	5,193	2,432	3,513
Interest receivable - related parties	75	-	403,413	379,968
Advances - unrelated parties	16,827	18,607	-	-
Accrued income	17,502	23,406	-	-
Others - related parties	1,261	1,163	10,149	10,877
Others - unrelated parties	22,653	15,036	2,861	1,535
Total other receivables - net	61,066	63,405	418,855	395,893
Total trade and other receivables - net	2,085,736	1,880,813	731,509	616,790

**5. Inventories**

As at 31 March 2017, certain subsidiaries have pledged finished goods of approximately Baht 118 million (31 December 2016: Baht 158 million) to secure loans from banks.

## 6. Investments in associates

### 6.1 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	
			31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
			(%)	(%)				
Able Sanoh Industries (1996) Company Limited	Manufacture and distribution of autoparts	Thailand	46	46	30,700	30,700	556,316	508,899
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	20	20	29,250	29,250	83,815	78,073
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	40	40	151,400	151,400	132,757	135,406
Thai Takagi Seiko Company Limited	Distribution of dies	Thailand	49	49	49,587	49,587	29,000	31,486
Hyundai Motor (Thailand) Company Limited	Manufacture and distribution of vehicles and parts	Thailand	30	30	120,000	120,000	454,828	474,828
Edscha AAPICO Automotive Company Limited	Manufacture and distribution of autoparts	Thailand	49	49	25,480	25,480	48,137	44,534
Sumino AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	49	49	147,000	147,000	115,887	115,546
Quantum Inventions Pte. Ltd. (25 percent held by AAPICO Investment Pte. Ltd.)	Manufacture of car navigation systems	Singapore	25	25	76,085	76,085	83,040	82,311
Total					<u>629,502</u>	<u>629,502</u>	<u>1,503,780</u>	<u>1,471,083</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(%)	(%)						
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	49,587	-	-	49,587	49,587
Hyundai Motor (Thailand) Company Limited	30	30	120,000	120,000	-	-	120,000	120,000
Edscha AAPICO Automotive Company Limited	49	49	25,480	25,480	-	-	25,480	25,480
Sumino AAPICO (Thailand) Company Limited	49	49	147,000	147,000	-	-	147,000	147,000
Total			<u>553,417</u>	<u>553,417</u>	<u>-</u>	<u>-</u>	<u>553,417</u>	<u>553,417</u>

## 6.2 Share of comprehensive income and dividend income

During the periods, the Group has recognised its share of comprehensive income from investments in associate companies in the consolidated financial statements and the Company recognised dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 31 March							
	Consolidated financial statements				Separate financial statements			
	Share of other							
	Share of profit (loss) from investments in associates		comprehensive income from investments in associates		Dividend income during the period		Dividend income during the period	
	during the period	during the period	during the period	during the period	2017	2016	2017	2016
	2017	2016	2017	2016	2017	2016	2017	2016
Able Sanoh Industries (1996) Company Limited	47,417	39,314	-	-	-	-	-	-
Sanoh Industries (Thailand) Company Limited	5,742	1,904	-	-	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(2,649)	(2,290)	-	-	-	-	-	-
Thai Takagi Seiko Company Limited	(2,486)	(11,630)	-	-	-	-	-	-
Hyundai Motor (Thailand) Company Limited	55,000	6,720	-	-	75,000	75,000	75,000	75,000
Edscha AAPICO Automotive Company Limited	3,603	3,013	-	-	-	-	-	-
Sumino AAPICO (Thailand) Company Limited	341	(4,900)	-	-	-	-	-	-
Quantum Inventions Pte. Ltd.	2,156	(1,091)	(498)	1,782	929	991	-	-
Total	109,124	31,040	(498)	1,782	75,929	75,991	75,000	75,000

## 7. 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	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
			(%)	(%)		
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 8.1 million	USD 8.1 million	100	100	277,426	277,426
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 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



(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
			(%)	(%)		
AAPICO Structural Products Co., Ltd.	Baht 200 million	Baht 200 million	100	100	200,000	200,000
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	100	100	250	250
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
AAPICO Venture Co., Ltd.	Baht 20 million	Baht 20 million	100	100	20,000	20,000
Total					4,062,735	4,062,735
Less: Allowance for impairment					(1,336,608)	(1,336,608)
Net					2,726,127	2,726,127

During the three-month periods ended 31 March 2017 and 2016, the Company received dividend from AAPICO Structural Products Company Limited amounting to Baht 200 million.

## 8. Investments in joint ventures

### 8.1 Details of investments in joint ventures

Investments in joint ventures represents investments in entities which is jointly controlled by the Group and other company. Detail of these investments are as follows.

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March	31 December	31 March	31 December	31 March	31 December
			(%)	(%)				
AAPICO Sodexia (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	50	50	82,500	82,500	74,006	74,068
Mappico Company Limited (50 percent held by AAPICO Venture Company Limited)	Technology services	Thailand	50	50	200	200	179	196
Total					82,700	82,700	74,185	74,264

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(%)	(%)		
AAPICO Sodecia (Thailand) Company Limited	50	50	82,500	82,500

## 8.2 Share of comprehensive income and dividend income

During the periods, the Group recognised its share of comprehensive income from investments in joint ventures in the consolidated financial statements and the Company recognised dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 31 March					
	Consolidated financial statements				Separate financial statements	
	Share of loss from investments in joint ventures during the period		Share of other comprehensive income from investments in joint ventures during the period		Dividend income during the period	
	2017	2016	2017	2016	2017	2016
AAPICO Sodecia (Thailand) Company Limited	62	173	-	-	-	-
Mappico Company Limited (50 percent held by AAPICO Venture Company Limited)	17	-	-	-	-	-
Total	79	173	-	-	-	-

## 9. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2017	31 December 2016
<b>Investments in available-for-sale securities</b>		
Marketable equity securities	-	160,666
Allowance for change in value and exchange difference on translation of financial statements in foreign currency	-	(72,260)
	-	88,406
<b>Other investment</b>		
Equity securities	11,375	11,375
Total	11,375	99,781

(Unaudited but reviewed)

During the current period, a subsidiary has entered into an available-for-sale security selling agreement with an unrelated individual at a price of Baht 105 million (net of share transferring fees and other related expenses) and reclassified this investment as "Non-current assets classified as held for sale". The subsidiary will transfer the securities to the unrelated individual, and a payment will be made in May 2017. The subsidiary transferred loss from other comprehensive income to income statement amounting to Baht 62 million under the caption of "Loss from non-current assets classified as held for sale".

## 10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	5,298,283	1,144,424
Acquisitions during period - at cost	36,902	8,745
Transfers from inventories	4,005	-
Transfers to intangible assets	(9,431)	(9,431)
Capitalised interest	173	2
Disposals/write-off during period - net book value at disposal date/write-off date	(10,025)	-
Depreciation for the period	(155,450)	(30,120)
Exchange differences on translation of financial statements in foreign currency	(17,179)	-
Net book value as at 31 March 2017	<u>5,147,278</u>	<u>1,113,620</u>

Borrowing costs totaling approximately Baht 0.2 million was capitalised as cost of work under construction during the three-month period ended 31 March 2017 (2016: Baht 0.1 million).

As at 31 March 2017, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 21 million (31 December 2016: Baht 18 million).

(Unaudited but reviewed)

Certain subsidiaries have mortgaged building, certain machinery and factory equipment with a total net book value as at 31 March 2017 of Baht 77 million (31 December 2016: Baht 80 million) as collateral for credit facilities granted by banks.

#### 11. Leasehold rights

Subsidiary has pledged its land leasehold right with a net book value as at 31 March 2017 of Baht 75 million (31 December 2016: Baht 77 million) as collateral for credit facilities granted by banks.

#### 12. Goodwill

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2017	31 December 2016
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

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

The Company's short-term loans from banks are clean loans, while long-term loans from banks are clean loans with a negative pledge of assets belonging to the Company and its subsidiaries.

Certain subsidiaries' bank overdrafts, short-term loans and long-term loans from bank are secured by the pledge of inventories, leasehold land, buildings, machinery and factory equipment, a letter of guarantee, a letter of credit, and guarantees provided by the Company or subsidiaries, with a negative pledge of assets by the Group.

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.

**14. Debentures**

The Company issued the unsecured, senior, name-registered debentures and offered them to institutional and large investors by private placement as detailed below.

(Unit: Thousand Baht)

Long-term debentures				Consolidated/Separate financial statements	
Debentures	Interest rate	Term	Due date	31 March 2017	31 December 2016
Debentures No. 1/2015	4.34% p.a.	3 years	29 April 2018	800,000	800,000
Debentures No. 1/2016	3.10% p.a.	3 years	11 June 2019	300,000	300,000
Total debentures, at face value				1,100,000	1,100,000
Less: Deferred debenture issuing costs				(1,047)	(1,251)
Debentures - net				<u>1,098,953</u>	<u>1,098,749</u>

The debentures contain terms of issue relating to the transfer or disposal of assets that need to be used in or maintained for the operation of the business, negative pledges of assets and the maintenance of a certain financial ratio at the end of each quarter.

**15. Treasury shares**

On 26 February 2016, the Company's Board of Directors' meeting passed a resolution to approve a share repurchase program for financial management purposes for the amount not exceeding Baht 150 million. The number of ordinary shares to be repurchased did not exceed 14.5 million shares, with a par value of Baht 1 per share, equivalent to 4.5% of paid-up capital of the Company. The Company will repurchase its ordinary shares through the Stock Exchange of Thailand from 15 March 2016 to 14 September 2016 and resold these shares through the Stock Exchange of Thailand. Treasury shares could not be counted in determining a quorum and there were no voting or dividend rights.

As of the end of the repurchase period, the Company repurchased 6,007,700 of its shares under the share repurchase program, equivalent to 1.9% of its paid-up capital, at a total cost of Baht 76 million. At the same time, an equivalent amount was appropriated from retained earnings to treasury share reserve.

On 28 February 2017, the Company's Board of Directors' meeting passed a resolution to approve treasury shares sales through the Stock Exchange of Thailand from 15 March 2017 to 13 September 2019. If there are the remaining treasury shares after the end of sales period, the Company will register the decrease in its share capital with the Ministry of Commerce equivalent to the remaining balance of treasury shares.

As at 31 March 2017, the Company has yet to sale any treasury shares under the program.

**16. Income tax**

(Unaudited but reviewed)

Income tax expenses for the three-month periods ended 31 March 2017 and 2016 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
<b>Current income tax:</b>				
Interim corporate income tax charge	6,997	4,701	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	896	1,352	-	-
<b>Income tax expenses reported in the statement of income</b>	<b>7,893</b>	<b>6,053</b>	<b>-</b>	<b>-</b>

## 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, net of treasury shares held by the Company as follows.

	(Unit: Thousand Baht/Thousand Shares)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Profit attributable to shareholders of the Company	224,031	146,145	305,694	287,012
Number of ordinary shares net of treasury shares	316,576	322,584	316,576	322,584
<b>Earnings per share (Baht)</b>	<b>0.71</b>	<b>0.45</b>	<b>0.97</b>	<b>0.89</b>

## 18. Commitment and contingent liabilities

### 18.1 Capital commitments

As at 31 March 2017, the Group had capital commitments of approximately Baht 2.8 million, RMB 1.7 million and USD 0.1 million, totalling Baht 15 million (31 December 2016: Baht 3.5 million and RMB 2.5 million, totalling Baht 16 million), relating to the acquisition of machinery from the unrelated parties.

**18.2 Uncalled portion of long-term investments**

As at 31 March 2017 and 31 December 2016, the Group had outstanding commitment of Baht 89 million, Baht 25 million and Baht 68 million in respect of uncalled portion of investments in their subsidiaries, associates and joint venture, respectively.

**18.3 Operating leases and service commitments**

The Group has entered into several lease agreements in respect of the lease of land, building, office building space, motor vehicle and equipment and service agreements. The terms of the agreements are generally between 1 and 10 years.

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

	(Unit: Million Baht)	
Payable	As at 31 March 2017	As at 31 December 2016
In up to 1 year	57	59
In over 1 to up to 5 years	72	73
In over 5 years	40	43

**18.4 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 royalty fees at certain rates on sales of particular products. These agreements are effective for as long as the products are sold.

The fees for the three-month period ended 31 March 2017 amounting to approximately Baht 6 million (2016: Baht 8 million) were recognised as expenses.

**18.5 Guarantee**

- a) As at 31 March 2017 and 31 December 2016, the Company had guaranteed bank credit facilities of its foreign subsidiary companies amounting to RMB 18 million and its local associated company amounting to Baht 100 million.
- b) As at 31 March 2017, two foreign subsidiaries has provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 12 million and RM 8 million, respectively (31 December 2016: RM 13 million and RM 8 million, respectively).
- c) As at 31 March 2017, there were outstanding bank guarantees of approximately Baht 54 million and RM 0.3 million (31 December 2016: Baht 54 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 24 million (31 December 2016: Baht 24 million) to guarantee contractual performance, and Baht 30 million and RM 0.3 million (31 December 2016: Baht 30 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 31 March 2017 and 31 December 2016, the Company and a subsidiary had no guarantee liabilities under these agreements.

**18.6 Forward foreign exchange contracts**

Foreign exchange contracts outstanding as at 31 December 2016 are summarised below.

Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.9	35.08 - 35.87	January - September 2017

There were no foreign exchange contracts outstanding as at 31 March 2017.



## **18.7 Contingent liabilities**

A subsidiary in China calculates social welfare payments for employees based on the minimum rate stipulated by the Labour and Social Security Bureau in the precinct in which it is located. However, according to central government regulations on this issue, the subsidiary should pay social welfare based on the actual salary of staff, if those salaries are between the lowest and highest salary rates stipulated. The subsidiary could therefore potentially be at risk of additional assessment by the Chinese authorities, which the subsidiary's management has assessed, as at 31 March 2017, would not exceed RMB 4.4 million (31 December 2016: would not exceed RMB 3.6 million). However, the subsidiary's management believes that the practice is in line with that of other international firms situated in the same precinct, and the likelihood of such assessment is remote.

## **19. 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 judgement in favor of the subsidiary. Therefore, the criminal case was finalised. In the civil case, the IP&IT Court rendered a judgement in favor of the plaintiff and the subsidiary was ordered to pay compensation of approximately Baht 1 million plus interest at a rate of 7.5 percent per annum from the date the lawsuit was filed until the payment is made. 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 judgement of IP&IT Court to the Supreme Court. As of this report date, the case is being considered by the Supreme Court.

**20. Fair value hierarchy**

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	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b>Financial assets measured at fair value</b>						
Held for trade investments						
Debt instruments	-	-	191,258	202,463	191,258	202,463
Available for sale investments						
Equity instruments	-	88,406	-	-	-	88,406

(Unit: Thousand Baht)

	Separate financial statements					
	Level 1		Level 2		Total	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b>Financial assets measured at fair value</b>						
Held for trade investments						
Debt instruments	-	-	147,299	161,424	147,299	161,424

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

The fair value of investments in marketable equity securities is based on the latest bid price of the last working day of the period/year.

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

## 21. 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 periods ended 31 March 2017 and 2016.

(Unit: Million Baht)

	Sales of				Adjustments	
	Manufacture of automobiles and automobiles assembly tools and parts	the provision of automobiles repair service	Others	Total	and	Consolidate
	segment	segment	Others	segment	eliminations	d
<b>For the three-month period ended 31 March 2017</b>						
<b>Revenues</b>						
External customers	2,470	1,355	4	3,829	-	3,829
Inter-segment	289	8	2	299	(299)	-
<b>Total revenues</b>	<b>2,759</b>	<b>1,363</b>	<b>6</b>	<b>4,128</b>	<b>(299)</b>	<b>3,829</b>
<b>Operating results</b>						
<b>Segment profit</b>	293	18	(7)	304	(88)	216
Share of profit from investments in associates and joint ventures						109
Loss from impairment of non-current assets classified as held for sale						(62)
Finance cost						(27)
<b>Profit before income tax expenses</b>						<b>236</b>
Income tax expenses						(8)
<b>Profit for the period</b>						<b>228</b>
<b>For the three-month period ended 31 March 2016</b>						
<b>Revenues</b>						
External customers	2,615	1,195	8	3,818	-	3,818
Inter-segment	430	6	2	438	(438)	-
<b>Total revenues</b>	<b>3,045</b>	<b>1,201</b>	<b>10</b>	<b>4,256</b>	<b>(438)</b>	<b>3,818</b>
<b>Operating results</b>						
<b>Segment profit</b>	242	28	(5)	265	(98)	167
Share of profit from investments in associates and joint venture						31
Finance cost						(36)
<b>Profit before income tax expenses</b>						<b>162</b>
Income tax expenses						(6)

**22. Events after the reporting period**

On 20 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of a dividend of Baht 0.33 per share, totalling Baht 104.5 million, to be paid in May 2017.

**23. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Board of Directors of the Company on 15 May 2017.