

AAPICO Hitech Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of AAPICO Hitech Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of AAPICO Hitech Public Company Limited and its subsidiaries (collectively "the Group") as at 30 June 2020, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial information. I have also reviewed the separate financial information of AAPICO Hitech Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

Except as described in the basis for qualified conclusion paragraph, I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Basis for Qualified Conclusion

- a) As at 30 June 2020, the Group had an investment in an overseas associate, Sakthi Auto Component Limited (“SACL”), of which the value was Baht 2,470 million under the equity method (Baht 2,576 million under the cost method) which was included in investments in associates in the consolidated statement of financial position. The Group’s share of associate’s net loss of Baht 42 million and Baht 32 million were included in the consolidated statements of income for the three-month and six-month periods then ended, respectively, and the share of associate’s net loss on translation adjustment of Baht 152 million and Baht 96 million were included in the consolidated statements of comprehensive income for the three-month and six-month periods then ended, respectively, as mentioned in the Note 6 to interim financial information. The investment in the associate accounted for under the equity method was valued based on the associate’s management accounts. I was unable to obtain a review report on the consolidated financial information of this associate for the three-month and six-month periods ended 30 June 2020 from the associate’s auditor and was also unable to apply other review procedures to reach a conclusion regarding the consolidated financial position and the consolidated financial performance of the associate. I am therefore unable to determine whether and to what extent it is necessary to adjust the value of the investment in the associate at equity method, share of profit or loss and share of gain or loss on the translation adjustment of the associate in the consolidated financial information for the three-month and six-month periods ended 30 June 2020. This matter is regarded as a scope limitation imposed by circumstance.
- b) Furthermore, as at 30 June 2020, the Company had an investment in an overseas subsidiary, Sakthi Global Auto Holdings Limited (“SGAH”) and loans to and interest receivable from SGAH of Baht 779 million and Baht 1,888 million, respectively, which were included in investments in subsidiaries and loans to related parties and other receivables, respectively, in the separate statement of financial position. Because the main business of SGAH is to invest in SACL, the recoverable amount of these accounts mainly depends on the financial position and financial performance of SACL. As a result of the scope limitation imposed by circumstance, as described in a), I am unable to determine whether and to what extent it is necessary to adjust the recoverable amount of investment in SGAH and loans to and interest receivable from SGAH, together with related expenses, in the separate financial information for the three-month and six-month periods ended 30 June 2020.

- c) As at 30 June 2020, the Company had a balance of loans to and interest receivable from Sakthi Automotive Group USA, Inc. ("SAGUSA") of Baht 826 million (net of allowance for expected credit losses), which was included in loans to related parties and other receivables in the consolidated and separate statements of financial position. The Company has set aside allowance for expected credit losses of Baht 290 million for these loans. At present, SAGUSA is in receivership in the United States of America and awaiting the liquidation process. As a result, the recoverable amount of the loans and interest receivable cannot be determined and I am unable to determine whether and to what extent it is necessary to adjust this amount in the consolidated and separate financial information for the three-month and six-month periods ended 30 June 2020. This matter is regarded as a scope limitation imposed by circumstance.
- d) In the course of my audit of the consolidated and separate financial statements for the year 2019, I did not receive the auditor's report on the 2019 consolidated financial statements of SACL. The Group presented the investment in SACL as an investment in associate in the consolidated statement of financial position, and I was unable to apply other audit procedures to satisfy myself as to the consolidated financial position and financial performance of that associate. As a result, my opinion on the Group's consolidated financial statements for the year 2019 was qualified in respect of the investment in this associate recorded under the equity method.

In addition, I was unable to obtain sufficient appropriate audit evidence related to the recoverable amount of the loans to SAGUSA, which was included in loans to related parties in the Company's consolidated and separate financial statements, for the same reason as described in c). As a result, my opinion on the consolidated and separate financial statements for the year 2019 was qualified in respect of this matter.

In the course of my review of the consolidated financial information for the three-month and six-month periods ended 30 June 2019, I did not receive the auditor's report on the consolidated financial information of SGAH (previously an associate, which changed status to a subsidiary in October 2019) for the second quarter of the year 2019, and I was unable to apply other review procedures to satisfy myself as to the consolidated financial position and financial performance of that associate. As a result, my conclusion on the Group's consolidated financial information for the three-month and six-month periods ended 30 June 2019 was qualified in respect of the share of loss and share of gain on the translation adjustment of the associate that were included in the consolidated statements of income and comprehensive income.

To date, the above limitations on scope imposed by circumstance have not been resolved. My conclusion on the consolidated and separate financial information for the current period is, therefore, also qualified in respect of the effects of the above matters, since they affect the comparability of the current period's figures and the comparative figures.

Qualified Conclusion

Based on my review, except for the possible effects on the matters described in the basis for qualified conclusion paragraph, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Emphasis of Matters

- a) I draw attention to Notes 1.2 and 1.6 to the interim financial information. The Coronavirus disease 2019 (COVID-19) pandemic is adversely impacting the automotive industry. This has resulted in a decrease in the Group's orders from customers, which significantly impacts the Group's financial position, operating results, and cash flows at present, and it is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so. Due to the impact of the COVID-19 pandemic, in preparing the interim financial information for the three-month and six-month periods ended 30 June 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus Disease 2019 (COVID-19) Pandemic issued by the Federation of Accounting Professions.
- b) I draw attention to Note 1.3 to the interim financial information regarding the changes in estimated useful lives of certain building, machinery and assets recognised from the costs to fulfill a contract with a customer of an overseas subsidiary. The changes were effective from 1 April 2020.
- c) I draw attention to Note 12 to the interim financial information regarding the acquisition of investment in an overseas subsidiary. The Company is in the process of measuring fair value at the acquisition date of the identifiable assets acquired, the liabilities assumed and goodwill, and has not yet completed the measures.

My conclusion is not qualified in respect of the above matters.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

EY Office Limited
Bangkok: 14 August 2020

AAPICO Hitech Public Company Limited and its subsidiaries
Statement of financial position
As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial information		Separate financial information	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		985,018	537,807	361,690	38,935
Current investments		-	54,474	-	-
Trade and other receivables	3, 4	1,363,205	1,968,152	1,394,855	1,570,501
Short-term loans to related parties	3	-	-	336,000	363,600
Inventories	5	2,287,693	2,908,727	128,218	134,835
Other current financial assets		336,049	-	282,697	-
Other current assets		383,765	386,495	87,584	79,485
Total current assets		5,355,730	5,855,655	2,591,044	2,187,356
Non-current assets					
Long-term loans to related parties	3	808,155	489,567	4,803,554	4,654,876
Other non-current financial assets		-	-	-	-
Investments in associates	6	3,485,029	3,876,118	558,283	558,283
Investments in joint ventures	7	151,278	118,041	175,250	135,250
Investments in subsidiaries	8	-	-	4,698,446	4,681,946
Property, plant and equipment	9	7,732,194	8,028,141	1,020,857	1,078,874
Leasehold rights	10	-	109,900	-	-
Right-of-use assets	11	449,152	-	26,364	-
Deposits for purchases of assets		1,200	1,530	-	-
Goodwill	12	1,997,675	1,948,367	-	-
Other intangible assets	13	135,242	150,495	12,077	15,300
Assets recognised from the costs to fulfill					
a contract with a customer	14	364,061	359,543	-	-
Deferred tax assets		225,630	224,397	41,691	18,668
Other non-current assets		86,954	84,152	8,841	9,314
Total non-current assets		15,436,570	15,390,251	11,345,363	11,152,511
Total assets		20,792,300	21,245,906	13,936,407	13,339,867

The accompanying notes are an integral part of the financial information.

AAPICO Hitech Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial information		Separate financial information	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	15	3,682,342	1,800,279	2,275,000	743,000
Trade and other payables	3	2,653,108	4,397,197	388,833	811,041
Current portion of long-term loans	15	1,156,560	1,389,601	926,971	1,179,521
Current portion of long-term debentures	16	299,975	299,925	299,975	299,925
Current portion of lease liabilities	9	100,907	31,020	7,381	612
Short-term loans from related parties	3	32,131	32,613	543,348	868,994
Provision for product warranty		22,183	21,468	-	-
Income tax payable		41,690	122,526	-	87,749
Other current liabilities		350,636	304,768	112,030	79,638
Total current liabilities		8,339,532	8,399,397	4,553,538	4,070,480
Non-current liabilities					
Long-term loans	15	2,481,234	2,590,185	1,907,570	1,998,525
Long-term debentures	16	2,198,610	2,198,310	2,198,610	2,198,310
Lease liabilities	9	225,954	77,352	17,924	151
Provision for long-term employee benefits		248,189	243,487	40,952	38,938
Other non-current liabilities		285,914	257,595	-	-
Total non-current liabilities		5,439,901	5,366,929	4,165,056	4,235,924
Total liabilities		13,779,433	13,766,326	8,718,594	8,306,404

The accompanying notes are an integral part of the financial information.

AAPICO Hitech Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
322,649,160 ordinary shares of Baht 1 each	322,649	322,649	322,649	322,649
Issued and paid-up				
322,583,844 ordinary shares of Baht 1 each	322,584	322,584	322,584	322,584
Premium on ordinary shares	2,164,354	2,164,354	2,164,354	2,164,354
Premium on treasury shares	33,580	33,580	33,580	33,580
Retained earnings				
Appropriated				
Statutory reserve - the Company	59,541	59,541	59,541	59,541
- subsidiaries	153,094	153,094	-	-
Unappropriated	4,317,675	4,693,041	2,637,754	2,453,404
Other components of shareholders' equity	(279,385)	(198,239)	-	-
Equity attributable to owners of the Company	6,771,443	7,227,955	5,217,813	5,033,463
Non-controlling interests of the subsidiaries	241,424	251,625	-	-
Total shareholders' equity	7,012,867	7,479,580	5,217,813	5,033,463
Total liabilities and shareholders' equity	20,792,300	21,245,906	13,936,407	13,339,867
	-	-	-	-

The accompanying notes are an integral part of the financial information.

Directors

AAPICO Hitech Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 June 2020

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial information		Separate financial information	
		2020	2019	2020	2019
Revenues					
Revenues from contracts with customers		1,982,959	4,613,368	160,108	1,260,662
Other income					
Dividend income	6, 8	-	-	285,973	1,084,858
Interest income		10,405	5,226	52,077	39,165
Others		136,071	139,916	46,021	55,062
Total		146,476	145,142	384,071	1,179,085
Total revenues		<u>2,129,435</u>	<u>4,758,510</u>	<u>544,179</u>	<u>2,439,747</u>
Expenses					
Cost of sales and services		2,244,552	4,257,679	209,476	1,041,182
Selling and distribution expenses		37,931	68,008	5,944	10,530
Administrative expenses		208,880	196,683	48,577	71,826
Loss on exchange rate		137,928	76,611	128,450	84,490
Total expenses		<u>2,629,291</u>	<u>4,598,981</u>	<u>392,447</u>	<u>1,208,028</u>
Profit (loss) from operating activities		<u>(499,856)</u>	<u>159,529</u>	<u>151,732</u>	<u>1,231,719</u>
Share of profit (loss) from investments in associates	6	(85,864)	72,211	-	-
Share of loss from investments in joint ventures	7	(4,854)	(3,965)	-	-
Finance cost		(88,017)	(64,633)	(67,316)	(64,900)
Profit (loss) before tax income (expenses)		<u>(678,591)</u>	<u>163,142</u>	<u>84,416</u>	<u>1,166,819</u>
Tax income (expenses)	17	43,905	(24,790)	49,388	(14,860)
Profit (loss) for the period		<u>(634,686)</u>	<u>138,352</u>	<u>133,804</u>	<u>1,151,959</u>
Profit (loss) attributable to					
Equity holders of the Company		(631,261)	140,367	133,804	1,151,959
Non-controlling interests of the subsidiaries		(3,425)	(2,015)		
		<u>(634,686)</u>	<u>138,352</u>		
Basic earnings (loss) per share	18				
Profit (loss) attributable to equity holders of the Company		<u>(1.957)</u>	<u>0.443</u>	<u>0.415</u>	<u>3.639</u>

The accompanying notes are an integral part of the financial information.

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	2020	2019	2020	2019
Profit (loss) for the period	(634,686)	138,352	133,804	1,151,959
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Translation adjustments	(30,718)	(73,840)	-	-
Share of other comprehensive income from associates and joint ventures	(152,904)	(26,255)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial losses - net of income tax	-	(25,834)	-	(1,665)
Share of other comprehensive income from associates and joint ventures	-	(1,365)	-	-
Other comprehensive income for the period	(183,622)	(127,294)	-	(1,665)
Total comprehensive income for the period	(818,308)	11,058	133,804	1,150,294
Total comprehensive income attributable to				
Equity holders of the Company	(804,103)	23,689	133,804	1,150,294
Non-controlling interests of the subsidiaries	(14,205)	(12,631)		
	(818,308)	11,058		

The accompanying notes are an integral part of the financial information.

AAPICO Hitech Public Company Limited and its subsidiaries

Income statement

For the six-month period ended 30 June 2020

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

		Consolidated financial information		Separate financial information	
	Note	2020	2019	2020	2019
Revenues					
Revenues from contracts with customers		6,833,400	8,843,418	790,285	2,095,259
Other income					
Dividend income	6, 8	-	-	285,973	1,183,289
Interest income		20,283	119,709	106,008	106,434
Gain on exchange rate		60,751	-	40,378	-
Others		294,483	273,975	101,227	109,365
Total		375,517	393,684	533,586	1,399,088
Total revenues		7,208,917	9,237,102	1,323,871	3,494,347
Expenses					
Cost of sales and services		6,665,072	8,112,662	755,028	1,715,414
Selling and distribution expenses		119,735	129,921	15,494	20,993
Administrative expenses		516,332	357,376	114,796	145,492
Loss on exchange rate		-	109,836	-	108,948
Total expenses		7,301,139	8,709,795	885,318	1,990,847
Profit (loss) from operating activities		(92,222)	527,307	438,553	1,503,500
Share of profit from investments in associates	6	531	47,123	-	-
Share of loss from investments in joint ventures	7	(6,763)	(4,591)	-	-
Finance cost		(182,354)	(129,894)	(135,366)	(129,808)
Profit (loss) before tax income (expenses)		(280,808)	439,945	303,187	1,373,692
Tax income (expenses)	17	(22,226)	(85,534)	2,850	(32,874)
Profit (loss) for the period		(303,034)	354,411	306,037	1,340,818
Profit (loss) attributable to					
Equity holders of the Company		(300,503)	356,932	306,037	1,340,818
Non-controlling interests of the subsidiaries		(2,531)	(2,521)		
		(303,034)	354,411		
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company	18	(0.932)	1.127	0.949	4.235

The accompanying notes are an integral part of the financial information.

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	2020	2019	2020	2019
Profit (loss) for the period	(303,034)	354,411	306,037	1,340,818
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Translation adjustments	6,474	(79,707)	-	-
Share of other comprehensive income from associates and joint ventures	(95,290)	215,163	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial losses - net of income tax	-	(25,834)	-	(1,665)
Share of other comprehensive income from associates and joint ventures	-	(1,365)	-	-
Other comprehensive income for the period	(88,816)	108,257	-	(1,665)
Total comprehensive income for the period	(391,850)	462,668	306,037	1,339,153
Total comprehensive income attributable to				
Equity holders of the Company	(381,649)	476,661	306,037	1,339,153
Non-controlling interests of the subsidiaries	(10,201)	(13,993)		
	(391,850)	462,668		

The accompanying notes are an integral part of the financial information.

AAPICO Hitech Public Company Limited and its subsidiaries

Cash flow statement

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before tax	(280,808)	439,945	303,187	1,373,692
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	448,369	291,087	64,428	53,180
Unrealised loss (gain) on exchange rate from loan receivables/payables	7,840	53,110	(40,746)	98,986
Gains on sales/written-off of equipment and other intangible assets	(9,175)	(3,626)	(8,870)	(1,809)
Share of loss (profit) from investments in associates and joint ventures	6,232	(42,532)	-	-
Loss on other assets written-off	215	-	-	-
Reduction of inventory cost to net realisable value (reversal)	(21,875)	2,519	(553)	(557)
Allowance for expected credit losses (reversal)	4,690	(8,012)	2,890	(200)
Provision for product warranty	1,483	3,488	-	-
Provision for long-term employee benefits	14,992	56,205	2,245	9,143
Dividend income from subsidiaries and associates	-	-	(285,973)	(1,183,289)
Interest income	(20,283)	(119,709)	(106,008)	(106,434)
Interest expenses	181,372	128,960	135,182	129,485
Profit from operating activities before changes in operating assets and liabilities	333,052	801,435	65,782	372,197
Operating assets (increase) decrease				
Investments in debt instruments	(281,575)	18,165	(282,697)	18,002
Trade and other receivables	537,745	(259,823)	270,748	(337,252)
Inventories	623,425	(200,111)	7,170	(28,289)
Other current assets	9,375	(34,944)	(7,756)	(50,102)
Other non-current assets	(5,073)	46,438	473	(2,070)
Operating liabilities increase (decrease)				
Trade and other payables	(1,679,793)	331,485	(422,504)	404,947
Other current liabilities	45,868	(21,607)	32,392	(10,717)
Other non-current liabilities	25,883	-	-	-
Cash flows from (used in) operating activities	(391,093)	681,038	(336,392)	366,716
Cash paid for long-term employee benefits	(10,290)	(511)	(231)	(392)
Cash paid for income tax	(96,943)	(35,318)	(77,842)	(10,903)
Cash received from tax refund	2,616	-	-	-
Cash paid for product warranty	(768)	(1,614)	-	-
Net cash flows from (used in) operating activities	(496,478)	643,595	(414,465)	355,421

The accompanying notes are an integral part of the financial information.

AAPICO Hitech Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in loans to related parties	(310,853)	(309,860)	(214,757)	(385,429)
Acquisitions of investments in subsidiary and joint venture	(40,000)	(325,734)	(56,500)	(325,734)
Dividend received from associates and subsidiaries	285,973	309,469	285,973	1,158,500
Proceeds from sales of equipment and other intangible assets	48,513	11,697	24,889	1,913
Acquisitions of plant, equipment, other intangible assets and assets recognised from the costs to fulfill a contract with a customer	(288,560)	(241,226)	(17,113)	(49,057)
Cash received from interest income	7,289	9,837	5,905	12,899
Net cash flows from (used in) investing activities	(297,638)	(545,817)	28,397	413,092
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	1,882,063	(326,974)	1,532,000	(335,100)
Increase (decrease) in loans from related parties	-	10,183	(325,646)	(577,108)
Cash received from long-term loans	52,602	365,322	-	350,000
Repayments of long-term loans	(429,908)	(607,007)	(359,393)	(594,385)
Cash received from issuance of debentures	-	1,300,000	-	1,300,000
Repayments of debentures	-	(300,000)	-	(300,000)
Repayments of lease liabilities	(37,062)	(3,456)	(3,916)	(854)
Dividends paid	-	(189,960)	-	(189,960)
Dividend paid to non-controlling interest of subsidiary	-	(15,913)	-	-
Cash paid for interest	(181,199)	(126,410)	(134,222)	(128,354)
Net cash flows from (use in) financing activities	1,286,496	105,785	708,823	(475,761)
Increase (decrease) in translation adjustments	(45,169)	36,409	-	-
Net increase in cash and cash equivalents	447,211	239,972	322,755	292,752
Cash and cash equivalents at beginning of period	537,807	537,443	38,935	54,414
Cash and cash equivalents at end of period	985,018	777,415	361,690	347,166
	-	-	-	-

The accompanying notes are an integral part of the financial information.

AAPICO Hitech Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	2020	2019	2020	2019
Supplemental cash flows information				
Non-cash items consist of				
Decrease in accounts payable for purchases and construction of assets	(64,114)	(20,631)	-	-
Purchase of equipment under finance lease agreements	-	3,157	-	-
Increase (decrease) in deposits for purchases of assets	(330)	4,739	-	-
Transfer inventories to equipment	19,484	10,390	-	-
Transfer other intangible assets to assets recognised from the costs to fulfill a contract with a customer	-	50,504	-	-
Transfer equipment and leasehold rights to right-of-use assets	233,019	-	2,132	-
Increase in dividend receivable	-	24,789	-	24,789
Increase in share subscription payable	-	-	-	1,000
Increase in right-of-use assets	19,593	-	-	-

The accompanying notes are an integral part of the financial information.

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

Consolidated financial information

	Equity attributable to the Company's shareholders												Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Equity attributable to the Company's shareholders								Other components of equity - other						
									comprehensive income						
											Share of other comprehensive income from associates and joint ventures				
												Translation adjustments			
Issued and paid-up share capital	Premium on ordinary shares	Treasury shares	Premium on treasury shares	Appropriated		Treasury share reserve	Unappropriated	Translation adjustments	Share of other comprehensive income from associates and joint ventures	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity			
				Statutory reserve											
				The Company	Subsidiaries										
Balance as at 1 January 2019	322,584	2,164,354	(75,397)	646	59,541	153,094	75,397	5,155,619	(55,457)	(110,530)	7,689,851	256,780	7,946,631		
Profit for the period	-	-	-	-	-	-	-	356,932	-	-	356,932	(2,521)	354,411		
Other comprehensive income for the period	-	-	-	-	-	-	-	(27,199)	(68,235)	215,163	119,729	(11,472)	108,257		
Total comprehensive income for the period	-	-	-	-	-	-	-	329,733	(68,235)	215,163	476,661	(13,993)	462,668		
Dividend paid (Note 19)	-	-	-	-	-	-	-	(189,960)	-	-	(189,960)	-	(189,960)		
Dividend paid by subsidiary	-	-	-	-	-	-	-	-	-	-	-	(15,913)	(15,913)		
Balance as at 30 June 2019	322,584	2,164,354	(75,397)	646	59,541	153,094	75,397	5,295,392	(123,692)	104,633	7,976,552	226,874	8,203,426		
Balance as at 1 January 2020	322,584	2,164,354	-	33,580	59,541	153,094	-	4,693,041	(130,101)	(68,138)	7,227,955	251,625	7,479,580		
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	-	-	-	(74,863)	-	-	(74,863)	-	(74,863)		
Balance as at 1 January 2020 - as restated	322,584	2,164,354	-	33,580	59,541	153,094	-	4,618,178	(130,101)	(68,138)	7,153,092	251,625	7,404,717		
Loss for the period	-	-	-	-	-	-	-	(300,503)	-	-	(300,503)	(2,531)	(303,034)		
Other comprehensive income for the period	-	-	-	-	-	-	-	-	14,144	(95,290)	(81,146)	(7,670)	(88,816)		
Total comprehensive income for the period	-	-	-	-	-	-	-	(300,503)	14,144	(95,290)	(381,649)	(10,201)	(391,850)		
Balance as at 30 June 2020	322,584	2,164,354	-	33,580	59,541	153,094	-	4,317,675	(115,957)	(163,428)	6,771,443	241,424	7,012,867		
	-	-	-	-	-	-	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-	-	-	-	-		

The accompanying notes are an integral part of the financial information.

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

Separate financial information

	Issued and paid-up share capital	Premium on ordinary shares	Treasury shares	Premium on treasury shares	Retained earnings			Total shareholders' equity
					Appropriated		Unappropriated	
					Statutory reserve	Treasury share reserve		
Balance as at 1 January 2019	322,584	2,164,354	(75,397)	646	59,541	75,397	3,083,488	5,630,613
Profit for the period	-	-	-	-	-	-	1,340,818	1,340,818
Other comprehensive income for the period	-	-	-	-	-	-	(1,665)	(1,665)
Total comprehensive income for the period	-	-	-	-	-	-	1,339,153	1,339,153
Dividend paid (Note 19)	-	-	-	-	-	-	(189,960)	(189,960)
Balance as at 30 June 2019	322,584	2,164,354	(75,397)	646	59,541	75,397	4,232,681	6,779,806
Balance as at 1 January 2020	322,584	2,164,354	-	33,580	59,541	-	2,453,404	5,033,463
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	-	-	(121,687)	(121,687)
Balance as at 1 January 2020 - as restated	322,584	2,164,354	-	33,580	59,541	-	2,331,717	4,911,776
Profit for the period	-	-	-	-	-	-	306,037	306,037
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	306,037	306,037
Balance as at 30 June 2020	322,584	2,164,354	-	33,580	59,541	-	2,637,754	5,217,813
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial information.

AAPICO Hitech Public Company Limited and its subsidiaries

Notes to interim financial information

For the three-month and six-month periods ended 30 June 2020

1. General information

1.1 Basis for the preparation of interim financial information

These interim financial information are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial information. However, the Company has presented the information 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 information 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 information should therefore be read in conjunction with the latest annual financial statements.

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

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve and is adversely impacting the automotive industry. This has resulted in a decrease in the Group's orders from customers, which significantly impacts the Group's financial position, operating results, and cash flows at present, and it is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

1.3 Changes in estimated useful lives of assets

In April 2020, an overseas subsidiary changed the estimated useful lives of certain assets, while continuing to apply the straight-line basis to depreciate and amortise the assets. The changes were effective from 1 April 2020.

	Former useful lives	New useful lives
Building	7 - 30 years	14 - 40 years
Machine	3 - 20 years	6 - 40 years
Assets recognised from costs to fulfill		
a contract with a customer	3 years	6 years

The subsidiary used the prospective method, and the effects of the changes on the financial statements for the second quarter ended 30 June 2020 are presented below.

(Unit: Million Baht)

	Consolidated financial information		
	Net book value	Net book value	
	under former	under new	
	useful lives	useful lives	Difference
Statement of financial position			
as at 30 June 2020			
Property, plant and equipment	2,978	2,978	-
Less: Accumulated depreciation	1,131	1,102	(29)
Net book value	1,847	1,876	29
Assets recognised from the costs to fulfill			
a contract with a customer	666	666	-
Less: Accumulated amortisation	385	349	(36)
Net book value	281	317	36
Income statement for the six-month			
period ended 30 June 2020			
Depreciation	114	85	(29)
Amortisation	105	69	(36)

Depreciation and amortisation based on the new estimated useful lives amounted to Baht 112 million and Baht 66 million per year, respectively.

1.4 Basis of consolidation

These interim consolidated financial information include the financial information 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 2019. During the current period, there was no significant change in the structure of the Group, except for the addition of a subsidiary as described in Note 8.2 to the interim financial information.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of 5 accounting standards and interpretations, as follows.

Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Group's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption on the Group's financial information is as follows.

- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach and general approach to determine whether there is impairment of trade receivables and loan receivables, respectively.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised through profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020 and comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 2 to interim financial information.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the Group's assets and liabilities as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 2 to interim financial information.

1.6 Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of Coronavirus Disease 2019 (COVID-19) Pandemic

The Federation of Accounting Professions announced the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus Disease 2019 (COVID-19) Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures for accounting alternatives.

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill.

1.7 Significant accounting policies

The interim financial information are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except for the following changes in accounting policies that were applied from 1 January 2020.

1.7.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.7.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the interim financial information, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

Amount of adjustments that have an impact on the statement of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial information			
		The impacts of		
	31	Financial		1
	December	reporting		January
	2019	standards		2020
		related to		
		financial	TFRS 16	
		instruments		
</				

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial information			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	1,570,501	(4,210)	-	1,566,291
Short-term loans to related parties	363,600	(24,000)	-	339,600
Derivative assets	-	2,101	-	2,101
Non-current assets				
Long-term loans to related parties	4,654,876	(126,000)	-	4,528,876
Property, plant and equipment	1,078,874	-	(2,132)	1,076,742
Right-of-use assets	-	-	30,590	30,590
Deferred tax assets	18,668	30,422	-	49,090
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	612	-	7,031	7,643
Non-current liabilities				
Lease liabilities	151	-	21,427	21,578
Shareholders' equity				
Retained earnings - unappropriated	2,453,404	(121,687)	-	2,331,717

2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows.

(Unit: Thousand Baht)

	Consolidated financial information	Separate financial information
	Increase (decrease)	Increase (decrease)
Recognition of an allowance for expected credit losses on financial assets - net of income tax	(63,751)	(123,368)
Recognition of derivatives at fair value through profit or loss - net of income tax	(11,112)	1,681
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(74,863)	(121,687)

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows.

(Unit: Thousand Baht)

Consolidated financial information				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at				
1 January 2020				
Cash and cash equivalents	537,807	-	537,807	537,807
Current investments	54,474	54,474	-	54,474
Trade and other receivables	1,968,152	-	1,968,152	1,968,152
Loans to related parties	489,567	-	489,567	489,567
Derivative assets	-	2,101	-	2,101
Other long-term investments	-	-	-	-
Total financial assets	3,050,000	56,575	2,995,526	3,052,101

(Unit: Thousand Baht)

Separate financial information				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at				
1 January 2020				
Cash and cash equivalents	38,935	-	38,935	38,935
Trade and other receivables	1,570,501	-	1,570,501	1,570,501
Loans to related parties	5,018,476	-	5,018,476	5,018,476
Derivative assets	-	2,101	-	2,101
Total financial assets	6,627,912	2,101	6,627,912	6,630,013

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

2.2 Leases

Upon initial adoption of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial adoption of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial information	Separate financial information
Operating lease commitments as at 31 December 2019	227,358	16,584
Add: Option to extend lease term	51,280	22,038
Less: Short-term leases and leases of low-value assets	(3,366)	(91)
Contracts reassessed as service agreements	(15,825)	(7,762)
Deferred interest expense	(20,498)	(2,311)
Others	(2,992)	-
Increase in lease liabilities due to TFRS 16 adoption	235,957	28,458
Liabilities under finance lease agreements		
as at 31 December 2019	108,372	763
Lease liabilities as at 1 January 2020	344,329	29,221
Comprise of		
Current lease liabilities	86,118	7,643
Non-current lease liabilities	258,211	21,578
	344,329	29,221

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial information	Separate financial information
Land	112,804	-
Building and building improvement	176,782	28,458
Machinery and equipment	163,030	1,040
Furniture, fixtures and office equipment	16,360	1,092
Total right-of-use assets	468,976	30,590

(Unaudited but reviewed)

3. Related party transactions

- 3.1 During the periods, significant business transactions with related parties, 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		Separate		
	financial information		financial information		
	For the three-month periods ended 30 June				
	2020	2019	2020	2019	Transfer pricing policy
Transactions with subsidiaries					
(eliminated from the consolidated financial information)					
Sales of goods and services	-	-	20	53	Close to selling price to third party
Dividend income	-	-	-	834	As declared
Interest income	-	-	43	38	3.74% and 4% p.a. (2019: 3.59% and 5% p.a.)
Rental income	-	-	-	1	Close to rental rates for other building in the vicinity
Management fee income	-	-	21	22	Approximate cost
Other income	-	-	3	5	Approximate cost
Purchases of goods and services	-	-	22	81	Cost plus margin, averaging around 17% (2019: 1%)
Purchases of machine and equipment	-	-	-	7	Close to selling price to third party
Other expenses	-	-	4	-	Approximate cost
Interest expense	-	-	4	5	3.74% p.a. (2019: 0.90% and 3.59% p.a.)
Transactions with associates and joint ventures					
Sales of goods and services	14	216	-	161	Close to selling price to third party
Dividend income	286	251	286	251	As declared
Interest income	-	3	-	1	3.59%, 8% and 10% p.a.
Rental income	3	6	1	-	Close to rental rates for other building in the vicinity
Management fee income	2	3	2	3	Approximate cost
Other income	3	6	1	1	Approximate cost
Purchases of goods and services	13	79	15	59	Cost plus margin, averaging around 3% - 5%, 20% and 37% (2019: 1% - 2%, 13% - 20% and 27%)
Transactions with related company					
Interest income	9	-	8	-	4% p.a.

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		
	financial information		financial information		
	For the six-month periods ended 30 June				
	2020	2019	2020	2019	Transfer pricing policy
Transactions with subsidiaries					
(eliminated from the consolidated financial information)					
Sales of goods and services	-	-	87	111	Close to selling price to third party
Dividend income	-	-	-	849	As declared
Interest income	-	-	89	74	3.74%, 3.77% and 4% p.a. (2019: 3.59% and 5% p.a.)
Rental income	-	-	1	1	Close to rental rates for other building in the vicinity
Management fee income	-	-	40	44	Approximate cost
Other income	-	-	7	10	Approximate cost
Purchases of goods and services	-	-	121	136	Cost plus margin, averaging around 18% (2019: 1%)
Purchases of machine and equipment	-	-	-	7	Close to selling price to third party
Other expenses	-	-	8	1	Approximate cost
Interest expense	-	-	8	10	3.74% and 3.77% p.a. (2019: 0.90% and 3.59% p.a.)
Transactions with associates and joint ventures					
Sales of goods and services	69	329	-	161	Close to selling price to third party
Dividend income	286	334	286	334	As declared
Interest income	-	116	-	32	3.59%, 8%, 10% and 20% p.a.
Rental income	7	7	1	-	Close to rental rates for other building in the vicinity
Management fee income	6	7	6	7	Approximate cost
Other income	8	8	2	2	Approximate cost
Purchases of goods and services	95	169	72	123	Cost plus margin, averaging around 3% - 5%, 20% and 37% (2019: 1% - 2%, 13% - 20% and 31%)
Transactions with related company					
Interest income	17	-	16	-	4% p.a.

(Unaudited but reviewed)

3.2 The balances of the accounts between the Company and those related parties as at 30 June 2020 and 31 December 2019

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial information		financial information	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Trade and other receivables - related parties (Note 4)				
Subsidiaries	-	-	925,563	915,625
Associates	12,934	95,916	3,246	3,233
Joint ventures	187	435	187	12
Related company (common directors)	89,819	52,600	15,550	-
Less: Conversion of interest receivable to investment	-	(59,737)	-	(59,737)
Less: Allowance for expected credit losses	(50,773)	(50,773)	-	-
Total	52,167	38,441	944,546	859,133
Trade and other payables - related parties				
Subsidiaries	-	-	51,451	113,052
Associates	24,446	78,774	18,487	50,861
Total	24,446	78,774	69,938	163,913

3.3 The balances of loans between the Company and those related parties as at 30 June 2020 and 31 December 2019

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial information		financial information	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Short-term loans to related parties				
Subsidiaries	-	-	360,000	363,600
Less: Allowance for expected credit losses	-	-	(24,000)	-
Total	-	-	336,000	363,600

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Long-term loans to related parties				
Subsidiaries	-	-	4,146,153	4,184,809
Associates	14,000	14,000	14,000	14,000
Related company	1,223,719	905,131	1,079,552	749,418
Less: Allowance for expected credit losses	(429,564)	(429,564)	(436,151)	(293,351)
Total	808,155	489,567	4,803,554	4,654,876
Short-term loans from related parties				
Subsidiaries	-	-	543,348	868,994
Related company (common directors)	32,131	32,613	-	-
Total	32,131	32,613	543,348	868,994

- 3.4 The movements of loans between the Company and those related parties during the six-month period ended 30 June 2020

(Unit: Thousand Baht)

Loans to related parties	Consolidated	Separate
	financial information	financial information
Balance as at 1 January 2020	489,567	5,018,476
Adjustments due to TFRS 9 adoption	-	(150,000)
Increase during period	310,853	1,076,205
Decrease during period	-	(861,448)
Unrealised gain on exchange rate	7,735	56,321
Balance as at 30 June 2020	808,155	5,139,554

(Unit: Thousand Baht)

Loans from related parties	Consolidated	Separate
	financial information	financial information
Balance as at 1 January 2020	32,613	868,994
Increase during period	-	2,140,651
Decrease during period	-	(2,466,297)
Translation adjustments	(482)	-

(Unaudited but reviewed)

Balance as at 30 June 2020	32,131	543,348
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3.5 Directors and management's benefits

During the three-month and six-month periods ended 30 June 2020 and 2019, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the three-month periods ended 30 June			
	2020	2019	2020	2019
Short-term employee benefits	7,489	7,949	7,489	7,949
Post-employee and other long-term benefits	51	628	51	628
Total	7,540	8,577	7,540	8,577

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the six-month periods ended 30 June			
	2020	2019	2020	2019
Short-term employee benefits	15,615	16,412	15,615	16,412
Post-employee and other long-term benefits	101	655	101	655
Total	15,716	17,067	15,716	17,067

3.6 Guarantee obligations with related parties

The Company has outstanding guarantee obligations for credit facilities of its related parties, as described in Note 20.5 to the financial information.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	9,663	28,333	10,069	24,878
Past due 3 - 12 months	46,394	46,394	-	-
Total	56,057	74,727	10,069	24,878

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Less: Allowance for expected credit losses	(46,394)	(46,394)	-	-
Total trade receivables - related parties	9,663	28,333	10,069	24,878
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	955,569	1,555,163	146,260	370,906
Past due 3 - 12 months	55,034	47,946	5,082	4,528
Past due more than 12 months	48,585	38,554	3,403	773
Total	1,059,188	1,641,663	154,745	376,207
Less: Allowance for expected credit losses	(91,208)	(33,618)	(1,737)	(834)
Total trade receivables - unrelated parties, net	967,980	1,608,045	153,008	375,373
Total trade receivables - net	977,643	1,636,378	163,077	400,251
Other receivables				
Receivable from sale of investment	31,140	31,140	31,140	31,140
Advances - unrelated parties	13,097	14,704	-	-
Interest receivable - related parties	22,014	64,437	916,317	869,627
Accrued income - related parties	100	-	-	2,701
Accrued income - unrelated parties	287,450	225,410	271,280	271,838
Others - related parties	24,769	9,787	18,160	21,664
Others - unrelated parties	86,051	116,690	20,506	52,445
Total	464,621	462,168	1,257,403	1,249,415
Less: Conversion of interest receivable to investment	-	(59,737)	-	(59,737)
Less: Allowance for expected credit losses	(79,069)	(70,657)	(25,625)	(19,428)
Total other receivables - net	385,552	331,774	1,231,778	1,170,250
Total trade and other receivables - net	1,363,195	1,968,152	1,394,855	1,570,501

5. Inventories

Movements in the allowance for reduction of cost of inventories to net realisable value account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial information	Separate financial information
Balance as at 1 January 2020	82,637	16,313
Decrease during period	(21,875)	(553)
Balance as at 30 June 2020	60,762	15,760

As at 30 June 2020, certain subsidiaries have pledged finished goods of Baht 177 million (31 December 2019: Baht 183 million) to secure loans from banks.

6. Investments in associates

6.1 Details of investments in associates

(Unit: Thousand Baht)

Company	Consolidated financial information					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(%)	(%)				
Associates in Thailand						
Able Sanoh Industries (1996) Company Limited	45.62	45.62	30,700	30,700	435,754	691,206
Sanoh Industries (Thailand) Company Limited	20	20	29,250	29,250	102,700	103,232
MINTH AAPICO (Thailand) Company Limited	40	40	115,400	115,400	80,313	83,844
Thai Takagi Seiko Company Limited	49	49	49,587	49,587	-	7,903
Hyundai Motor (Thailand) Company Limited	20	20	110,000	110,000	143,960	134,640
Edscha AAPICO Automotive Company Limited	49	49	25,480	25,480	31,461	42,529
Sumino AAPICO (Thailand) Company Limited	49	49	147,000	147,000	177,440	170,576
Associate in overseas						
Nuro Technology Incorporated	20.36	20.36	50,866	50,866	43,611	44,290
Associate in overseas held by a subsidiary						
Sakthi Auto Component Limited (77.04% held by Sakthi Global Auto Holdings Limited)	77.04	77.04	2,575,977	2,575,977	2,469,790	2,597,898
Total			3,134,260	3,134,260	3,485,029	3,876,118

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company	Separate financial information							
	Shareholding		Cost		Allowance for		Carrying amounts based	
	percentage				impairment		on cost method - net	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
2020	2019	2020	2019	2020	2019	2020	2019	
	(%)	(%)						
Associates in Thailand								
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	115,400	115,400	-	-	115,400	115,400
Thai Takagi Seiko Company Limited	49	49	49,587	49,587	-	-	49,587	49,587
Hyundai Motor (Thailand) Company Limited	20	20	110,000	110,000	-	-	110,000	110,000
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
Associate in overseas								
Nuro Technology Incorporated	20.36	20.36	50,866	50,866	-	-	50,866	50,866
Total			558,283	558,283	-	-	558,283	558,283

6.2 Share of profit (loss), share of other comprehensive income and dividend income

During the periods, the Group recognised its share of profit (loss), share of other comprehensive income from investments in associates in the consolidated financial information, and the Company recognised dividend income in the separate financial information as follows.

(Unit: Thousand Baht)

Company	Consolidated financial information						Separate financial information	
	Share of other						Dividend income	
	Share of profit (loss)	comprehensive income		Dividend income				
		For the three-month periods ended 30 June						
		2020	2019	2020	2019	2020		2019
Associates in Thailand								
Able Sanoh Industries (1996) Company Limited	(20,559)	35,857	-	(1,158)	271,067	226,069	271,067	226,069
Sanoh Industries (Thailand) Company Limited	(3,975)	(575)	-	(48)	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(1,320)	(1,016)	-	454	-	-	-	-
Thai Takagi Seiko Company Limited	(2,004)	579	-	(392)	-	-	-	-
Hyundai Motor (Thailand) Company Limited	(15,637)	45,282	-	-	-	-	-	-
Edscha AAPICO Automotive Company Limited	(345)	(348)	-	(26)	14,906	24,789	14,906	24,789
Sumino AAPICO (Thailand) Company Limited	700	4,198	-	(195)	-	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company	Consolidated financial information						Separate financial information	
	Share of other						Dividend income	Dividend income
	Share of profit (loss)		comprehensive income		Dividend income			
	For the three-month periods ended 30 June							
	2020	2019	2020	2019	2020	2019	2020	2019
Associates in overseas								
Nuro Technology Incorporated	(855)	(863)	(669)	(1,778)	-	-	-	-
Sakthi Global Auto Holdings Limited	-	(10,903)	-	(849)	-	-	-	-
Sakthi Auto Component Limited			(152,235)					
	(41,869)	-)	-	-	-	-	-
Total			(152,904)					
	(85,864)	72,211)	(3,992)	285,973	250,858	285,973	250,858

(Unit: Thousand Baht)

Company	Consolidated financial information						Separate financial information	
	Share of profit (loss)		Share of other		Dividend income		Dividend income	
			comprehensive income					
	For the six-month periods ended 30 June							
	2020	2019	2020	2019	2020	2019	2020	2019
Associates in Thailand								
Able Sanoh Industries (1996) Company Limited	15,615	119,139	-	(1,158)	271,067	226,069	271,067	226,069
Sanoh Industries (Thailand) Company Limited	(532)	3,193	-	(48)	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(3,531)	(6,722)	-	454	-	-	-	-
Thai Takagi Seiko Company Limited	(10,339)	(196)	-	(392)	-	-	-	-
Hyundai Motor (Thailand) Company Limited	22,113	94,864	-	-	-	83,400	-	83,400
Edscha AAPICO Automotive Company Limited	3,838	5,389	-	(26)	14,906	24,789	14,906	24,789
Sumino AAPICO (Thailand) Company Limited	6,864	5,575	-	(195)	-	-	-	-
Associates in overseas								
Nuro Technology Incorporated	(1,750)	(3,548)	1,071	(1,718)	-	-	-	-
Sakthi Global Auto Holdings Limited	-	(170,571)	-	233,592	-	-	-	-
Sakthi Auto Component Limited	(31,747)	-	(96,361)	-	-	-	-	-
Total	531	47,123	(95,290)	230,509	285,973	334,258	285,973	334,258

The value of the investment under the equity method of Sakthi Auto Component Limited ("SACL") as at 30 June 2020 including share of loss and share of other comprehensive income for the three-month and six-month periods then ended prepared by the management of the associate that has not been audited or reviewed by the auditor of SACL.

In addition, the share of loss and share of other comprehensive income from investment in Sakthi Global Auto Holdings Limited ("SGAH") for the three-month and six-month periods ended 30 June 2019 were valued based on SGAH's management accounts.

7. Investments in joint ventures

7.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Group and other companies. Details of these investments are as follows.

(Unit: Thousand Baht)

Joint venture	Consolidated financial information					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	30 June	31 December	30 June	31 December	30 June	31 December
	2020	2019	2020	2019	2020	2019
	(%)	(%)				
Joint ventures in Thailand						
AAPICO Sodecia (Thailand) Company Limited	50	50	82,500	82,500	73,638	73,712
AAPICO Electronics Company Limited	51	51	12,750	12,750	5,989	7,084
Vroom Company Limited	40	40	80,000	40,000	71,651	37,245
Joint venture in overseas						
AAPICO VinFast Auto Parts Co., Ltd.	-	-	-	-	-	-
Total			175,250	135,250	151,278	118,041

(Unit: Thousand Baht)

Joint venture	Separate financial information			
	Shareholding percentage		Carrying amounts based on cost method	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	(%)	(%)		
Joint ventures in Thailand				
AAPICO Sodecia (Thailand) Company Limited	50	50	82,500	82,500
AAPICO Electronics Company Limited	51	51	12,750	12,750
Vroom Company Limited	40	40	80,000	40,000
Joint venture in overseas				
AAPICO VinFast Auto Parts Co., Ltd.	-	-	-	-
Total			175,250	135,250

7.2 Changes in investments in joint ventures

On 27 January 2020, the Extraordinary General Meeting of Shareholders of Vroom Company Limited passed a resolution to approve an increase in its registered capital, from Baht 100 million to Baht 200 million, by issuing 10,000,000 new ordinary shares with a par value of Baht 10 each, in order to support the expansion and growth of the business. The Company purchased the additional share capital increase in order to maintain its shareholding percentage.

7.3 Share of profit (loss), share of other comprehensive income and dividend income

During the periods, the Group recognised its share of profit (loss), share of other comprehensive income from investments in joint ventures in the consolidated financial information, and the Company recognised dividend income in the separate financial information as follows.

					(Unit: Thousand Baht)	
	Consolidated financial information				Separate financial information	
			Share of other comprehensive income		Dividend income	
Joint venture	Share of loss					
	For the three-month periods ended 30 June					
	2020	2019	2020	2019	2020	2019
AAPICO Sodecia (Thailand) Company Limited	(44)	(26)	-	-	-	-
AAPICO Electronics Company Limited	(591)	(510)	-	-	-	-
Vroom Company Limited	(4,219)	-	-	-	-	-
AAPICO VinFast Auto Parts Co., Ltd.	-	(3,429)	-	(23,628)	-	-
Total	(4,854)	(3,965)	-	(23,628)	-	-

	(Unit: Thousand Baht)					
	Consolidated financial information				Separate financial information	
	Share of loss		Share of other comprehensive income		Dividend income	
Joint venture						
	For the six-month periods ended 30 June					
	2020	2019	2020	2019	2020	2019
AAPICO Sodecia (Thailand) Company Limited	(74)	(62)	-	-	-	-
AAPICO Electronics Company Limited	(1,095)	(1,088)	-	-	-	-
Vroom Company Limited	(5,594)	-	-	-	-	-
AAPICO VinFast Auto Parts	-	(3,441)	-	(16,711)	-	-

(Unaudited but reviewed)

Co., Ltd.

Total

<u>(6,763)</u>	<u>(4,591)</u>	<u>-</u>	<u>(16,711)</u>	<u>-</u>	<u>-</u>
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8. Investments in subsidiaries

8.1 Details of investments in subsidiaries

(Unit: Thousand Baht)

Company	Separate financial information					
	Called-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2020	2019	2020	2019	2020	2019
			(%)	(%)		
Subsidiaries in Thailand						
New Era Sales Company Limited	Baht 20 million	Baht 20 million	100	100	20,000	20,000
AAPICO Amata Company Limited	Baht 800 million	Baht 800 million	100	100	1,164,139	1,164,139
Able Motors Company Limited	Baht 20 million	Baht 20 million	100	100	19,999	19,999
AAPICO Hitech Parts Company Limited	Baht 120 million	Baht 120 million	100	100	120,000	120,000
AAPICO Hitech Tooling Company Limited	Baht 65 million	Baht 65 million	100	100	65,000	65,000
AAPICO Forging Public Company Limited	Baht 500 million	Baht 500 million	100	100	1,823,907	1,823,907
AAPICO Structural Products Company Limited	Baht 200 million	Baht 200 million	100	100	200,000	200,000
AAPICO Technology Company Limited	Baht 0.25 million	Baht 0.25 million	100	100	250	250
AAPICO Training Center Company Limited	Baht 3 million	Baht 3 million	100	100	3,000	3,000
AAPICO Venture Company Limited	Baht 20 million	Baht 20 million	100	100	20,000	20,000
Able Motors Pakkret Company Limited	Baht 15 million	Baht 15 million	100	100	15,000	15,000
Able Motors Pathumthani Company Limited	Baht 15 million	Baht 15 million	100	100	15,000	15,000
Foton Passenger Vehicles Distribution (Thailand) Company Limited	Baht 25 million	Baht 25 million	97	97	24,250	24,250
AERP Company Limited	Baht 1.25 million	Baht 1.25 million	94	94	1,175	1,175
Katsuya (Thailand) Company Limited	Baht 28.5 million	Baht 28.5 million	76	76	15,675	15,675
AAPICO Lemtech (Thailand) Company Limited	Baht 40 million	Baht 40 million	60	60	24,000	24,000
AAPICO ITS Company Limited	Baht 100 million	Baht 100 million	60	60	62,175	62,175
AAPICO Mitsuike (Thailand) Company Limited	Baht 33 million	Baht 33 million	51	51	16,830	16,830
AAPICO Hyojin Auto tech Company Limited	Baht 33 million	-	55	-	16,500	-
Subsidiaries in overseas						
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	USD 8.1 million	USD 8.1 million	100	100	277,426	277,426
AAPICO Investment Pte., Ltd.	SGD 6.97 million	SGD 6.97 million	100	100	167,950	167,950
Tenaga Setia Resources Sdn. Bhd.	RM 6 million	RM 6 million	49	49	31,393	31,393
New Era Sales (M) Sdn. Bhd.	RM 1.5 million	RM 1.5 million	49	49	8,263	8,263
AAPICO Motors Sdn. Bhd.	RM 2 million	RM 2 million	49	49	7,650	7,650
AAPICO Maia, S.A.	EUR 6 million	EUR 6 million	100	100	1,136,810	1,136,810
Sakthi Global Auto Holdings Limited	USD 0.015 million	USD 0.015 million	100	100	2,877,855	2,877,855
Total					8,134,247	8,117,747
Less: Allowance for impairment					(3,435,801)	(3,435,801)
Net					4,698,446	4,681,946

8.2 Changes in investments in subsidiaries

- a) In August 2018, Katsuya (Thailand) Company Limited registered its dissolution with the Ministry of Commerce and is currently in the process of liquidation.
- b) In January 2020, the Company acquired 55% of registered capital in AAPICO Hyojin Autotech Company Limited, a newly established company in Thailand that is engaged in the design and manufacturing of automotive assembly jigs. The company has a registered share capital of Baht 30 million, which is fully paid-up.

8.3 Dividend income from subsidiaries

(Unit: Thousand Baht)

Company	Separate financial information	
	For the three-month period ended	For the six-month period ended
	30 June 2019	30 June 2019
AAPICO Hitech Parts Co., Ltd.	84,000	84,000
AAPICO Amata Co., Ltd.	150,000	150,000
AAPICO Structural Products Co., Ltd.	600,000	600,000
Tenaga Setia Resources Sdn. Bhd.	-	15,031
Total	834,000	849,031

During the three-month and six-month periods ended 30 June 2020, the subsidiaries did not pay dividend to the Company.

9. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

Movements	Consolidated financial information	Separate financial information
Net book value as at 1 January 2020	8,028,141	1,078,874
Adjustments due to TFRS 16 adoption	(120,851)	(2,132)
Acquisitions during period - at cost	160,847	17,113
Transfer from inventories	19,484	-
Disposals/written-off during period - net book value at disposal/written-off date	(38,622)	(16,019)
Depreciation for the period	(319,491)	(56,979)
Translation adjustments	2,686	-
Net book value as at 30 June 2020	7,732,194	1,020,857

(Unaudited but reviewed)

As at 31 December 2019, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 105 million (The Company only: Baht 2 million).

Two subsidiaries have mortgaged their land, building and machinery with a net book value as at 30 June 2020 of Baht 1,044 million (31 December 2019: Baht 1,279 million) to secure the credit facilities granted by banks.

10. Leasehold rights

Movements in the leasehold rights account during the six-month period ended 30 June 2020 are summarised below.

Movements	(Unit: Thousand Baht)
	Consolidated financial information
Net book value as at 1 January 2020	109,900
Adjustments due to TFRS 16 adoption	(109,900)
Net book value as at 30 June 2020	-

A subsidiary has pledged its land leasehold right with a net book value as at 31 December 2019 of Baht 66 million to secure the credit facilities granted by a bank.

11. Right-of-use assets

Movements in the right-of-use assets account during the six-month period ended 30 June 2020 are summarised below.

Movements	(Unit: Thousand Baht)	
	Consolidated financial information	Separate financial information
Net book value as at 1 January 2020	-	-
Adjustments due to TFRS 16 adoption	468,976	30,590
Increase during the period	19,593	-
Written-off	(716)	-
Depreciation for the period	(43,113)	(4,226)
Translation adjustments	4,412	-
Net book value as at 30 June 2020	449,152	26,364

Two subsidiaries have mortgaged their right-of-use assets in land and machinery with a net book value as at 30 June 2020 of Baht 173 million to secure the credit facilities granted by banks.

12. Goodwill

(Unit: Thousand Baht)

Goodwill from purchases of subsidiaries	Consolidated financial information	
	30 June 2020	31 December 2019
AAPICO Amata Company Limited	229,368	229,368
AAPICO Forging Public Company Limited	1,152,332	1,152,332
AAPICO Maia, S.A.	1,763,145	1,713,837
Other companies	5,162	5,162
Total	3,150,007	3,100,699
Less: Allowance for impairment	(1,152,332)	(1,152,332)
Net	1,997,675	1,948,367

As at 30 June 2020, the Company is in the process of measuring the fair value of identifiable assets acquired, liabilities assumed from AAPICO Maia, S.A. at the acquisition date and the goodwill, and has not yet completed the measures.

13. Other intangible assets

Movements in the other intangible assets account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

Movements	Consolidated financial information	Separate financial information
Net book value as at 1 January 2020	150,495	15,300
Acquisitions during period - at cost	1,232	-
Amortisation for the period	(20,163)	(3,223)
Translation adjustments	3,678	-
Net book value as at 30 June 2020	135,242	12,077

14. Assets recognised from the costs to fulfill a contract with a customer

Movements in the assets recognised from the costs to fulfill a contract with a customer account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)	
	Consolidated
Movements	financial information
Net book value as at 1 January 2020	359,543
Acquisitions during period - at cost	62,037
Amortisation for the period	(65,602)
Translation adjustments	8,083
Net book value as at 30 June 2020	364,061

15. Loans from banks

Movements in the loans from banks account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)		
	Consolidated	Separate
Movements	financial information	financial information
Balance as at 1 January 2020	3,981,545	3,179,804
Additions during period	52,602	-
Repayments during period	(429,908)	(359,393)
Unrealised loss on exchange rate	15,575	15,575
Translation adjustments	19,425	-
Balance as at 30 June 2020	3,639,239	2,835,986
Less: Deferred financing fees	(1,445)	(1,445)
Long-term loans - net	3,637,794	2,834,541
Less: Portion due within one year	(1,156,560)	(926,971)
Portion due more than one year	2,481,234	1,907,570

During the current period, the Company and a subsidiary received a relaxation letter from banks, granting 6-month and 12-month, respectively, pause in long-term loan repayment.

The Company

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.

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.

The subsidiaries

Certain subsidiaries' bank overdrafts, short-term loans and long-term loans from banks are secured by the pledge of inventories, land leasehold right, buildings, 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.

16. Long-term debentures

Balance of long-term debentures are unsecured, name-registered debentures and unsubordinated and offered to institutional and large investors by private placement, and carried interest rate at fixed rates.

The debentures contain terms of issuer 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.

17. Tax expenses (income)

Tax expenses (income) for the three-month and six-month periods ended 30 June 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial information		financial information	
	For the three-month periods ended 30 June			
	2020	2019	2020	2019
Current income tax	(47,476)	34,027	(41,295)	16,550
Adjustment in respect of income tax of previous year	(11,585)	-	(11,585)	-
Deferred tax relating to origination and reversal of temporary difference	15,156	(9,237)	3,492	(1,690)
Tax expenses (income)	(43,905)	24,790	(49,388)	14,860

(Unaudited but reviewed)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the six-month periods ended 30 June			
	2020	2019	2020	2019
Current income tax	18,519	91,069	1,336	34,357
Adjustment in respect of income tax of previous year	(11,585)	-	(11,585)	-
Deferred tax relating to origination and reversal of temporary difference	15,292	(5,535)	7,399	(1,483)
Tax expenses (income)	22,226	85,534	(2,850)	32,874

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the three-month periods ended 30 June			
	2020	2019	2020	2019
Deferred tax on actuarial loss	-	(5,880)	-	(416)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the six-month periods ended 30 June			
	2020	2019	2020	2019
Deferred tax on actuarial loss	-	(5,880)	-	(416)

18. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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)			
	Consolidated		Separate	
	financial information		financial information	
	For the three-month periods ended 30 June			
	2020	2019	2020	2019
Profit (loss) attributable to shareholders of the Company	(631,261)	140,367	133,804	1,151,959
Number of ordinary shares issued	322,584	322,584	322,584	322,584
Effect of treasury shares	-	(5,983)	-	(5,983)
Weighted average number of ordinary shares	322,584	316,601	322,584	316,601
Earnings (loss) per share (Baht)	(1.957)	0.443	0.415	3.639

	(Unit: Thousand Baht/Thousand Shares)			
	Consolidated		Separate	
	financial information		financial information	
	For the six-month periods ended 30 June			
	2020	2019	2020	2019
Profit (loss) attributable to shareholders of the Company	(300,503)	356,932	306,037	1,340,818
Number of ordinary shares issued	322,584	322,584	322,584	322,584
Effect of treasury shares	-	(5,983)	-	(5,983)
Weighted average number of ordinary shares	322,584	316,601	322,584	316,601
Earnings (loss) per share (Baht)	(0.932)	1.127	0.949	4.235

19. Dividends

Dividends	Approved by	Dividend per share (Baht)	Total dividends (Thousand Baht)
Dividends for 2018	Annual General Meeting of the shareholders on 24 April 2019	0.60	189,960

20. Commitments and contingent liabilities**20.1 Capital commitments**

As at 30 June 2020 and 31 December 2019, the Group had capital commitments relating to installation of computer software and acquisitions of machinery from unrelated parties as follows.

(Unit: Million)

Currency	Consolidated		Separate	
	financial information		financial information	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
THB	220.4	29.7	0.2	2.3
RMB	17.6	17.1	-	-
USD	-	0.1	-	0.1

20.2 Long-term investment commitments

As at 30 June 2020 and 31 December 2019, the Group had outstanding commitments in respect of uncalled portion of investments as follows.

(Unit: Million Baht)

Investment type	Consolidated		Separate	
	financial information		financial information	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Subsidiaries	223	223	77	77
Associate	25	25	25	25
Joint venture	68	68	68	68

20.3 Service commitments

As at 30 June 2020, the Group has entered into service agreements in respect of its operation. The term of the agreements are generally between 1 and 3 years. The Group had future minimum payments required under these agreements as follows.

(Unit: Million Baht)

Payable	Consolidated financial information	Separate financial information
In up to 1 year	9	4
In over 1 and up to 3 years	1	1

20.4 Long-term service commitments

Two local 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 2027. Other two local subsidiaries have entered into memorandums with two Japanese companies, under which the subsidiaries have 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 six-month period ended 30 June 2020 amounting to Baht 4 million (2019: Baht 11 million) were recognised as expenses.

20.5 Guarantees

- a) As at 30 June 2020 and 31 December 2019, the Company has guaranteed bank credit facilities of its foreign subsidiary amounting to RMB 18 million and its local associate amounting to Baht 100 million.
- b) As at 30 June 2020, two foreign subsidiaries have provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 10 million and RM 11 million, respectively (31 December 2019: RM 10 million and RM 8 million, respectively).
- c) As at 30 June 2020 and 31 December 2019, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows.

	Consolidated		Separate	
	financial information		financial information	
	30 June	31 December	30 June	31 December
Letter of guarantee	2020	2019	2020	2019
Contractual performance	Baht 31 million	Baht 31 million	-	-
Electricity use and others	Baht 33 million	Baht 30 million	Baht 6 million	Baht 6 million
	RM 0.5 million	RM 0.5 million		

- 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 facilities of Baht 200 million. As at 30 June 2020 and 31 December 2019, the Company and the subsidiary had no guarantee liabilities under these agreements.

20.6 Forward foreign exchange contracts

Outstanding forward foreign exchange contracts of the Group as at 31 December 2019 were summarised below.

Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	10.0	30.08 - 30.14	January 2020

20.7 Contingent liabilities

A subsidiary in China calculates social welfare payments for its 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 30 June 2020, would not exceed RMB 17.1 million (31 December 2019: not exceed RMB 16.7 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.

21. Fair value hierarchy

The Group had the financial assets that were measured at fair value using level 2 of inputs as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial information		financial information	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Financial assets measured at fair value				
Investments in debt instruments, open-end fund	336,049	54,474	282,697	-

During the current period, there were no transfers 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 (loss) information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods ended 30 June											
	Manufacture of automobile parts segment		Car dealerships and after-sale service segment		Others		Total segments		Adjustments and eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from contracts with customers												
External customers	1,268	3,128	714	1,484	1	1	1,983	4,613	-	-	1,983	4,613
Inter-segment	150	344	141	6	1	5	292	355	(292)	(355)	-	-
Total revenues	1,418	3,472	855	1,490	2	6	2,275	4,968	(292)	(355)	1,983	4,613
Operating results												
Segment profit (loss)	(491)	160	3	5	(12)	(6)	(500)	159	-	1	(500)	160
Share of profit (loss) from investments in associates and joint ventures											(91)	68
Finance cost											(88)	(65)
Profit (loss) before tax income (expenses)											(679)	163
Tax income (expenses)											44	(25)
Profit (loss) for the period											(635)	138

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June											
	Manufacture of automobile parts segment		Car dealerships and after-sale service segment		Others		Total segments		Adjustments and eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from contracts with customers												
External customers	5,012	6,123	1,820	2,717	1	3	6,833	8,843	-	-	6,833	8,843
Inter-segment	581	670	288	12	3	8	872	690	(872)	(690)	-	-
Total revenues	5,593	6,793	2,108	2,729	4	11	7,705	9,533	(872)	(690)	6,833	8,843
Operating results												
Segment profit (loss)	(109)	435	13	23	4	66	(92)	524	-	4	(92)	528
Share of profit (loss) from investments in associates and joint ventures											(7)	42
Finance cost											(182)	(130)
Profit (loss) before income tax expenses											(281)	440
Income tax expenses											(22)	(86)
Profit (loss) for the period											(303)	354

23. Events after the reporting period

On 14 August 2020, the Board of Directors' Meeting of the Company passed a resolution approving AAPICO Motors Sdn. Bhd., a subsidiary of the Company, to establish 2 new subsidiaries in Malaysia namely AAPICO Motors (Kuantan) Sdn. Bhd. and AAPICO Motors (Temerloh) Sdn. Bhd. with a registered share capital of RM 2 million each, in order to purchase the assets of the car dealership business of an unrelated company. The transaction value is to be not more than RM 6.6 million or Baht 47 million.

24. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 14 August 2020.