

AAPICO Hitech Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 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 September 2020, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 September 2020, the Group had an investment in an overseas associate, Sakthi Auto Component Limited (“SACL”), of which the value was Baht 2,593 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 profit for the three-month period of Baht 10 million and share of net loss for the nine-month period of Baht 22 million were included in the consolidated statements of income, and the share of associate’s net gain on translation adjustment of Baht 113 million and Baht 17 million were included in the consolidated statements of comprehensive income for the three-month and nine-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 nine-month periods ended 30 September 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 on translation adjustment of the associate in the consolidated financial information for the three-month and nine-month periods ended 30 September 2020. This matter is regarded as a scope limitation imposed by circumstance.
- b) Furthermore, as at 30 September 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 1,952 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 nine-month periods ended 30 September 2020.

- c) As at 30 September 2020, the Company had a balance of loans to and interest receivable from Sakthi Automotive Group USA, Inc. (“SAGUSA”) of Baht 740 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 315 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 nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 third 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 nine-month periods ended 30 September 2019 was qualified in respect of the share of loss and share of gain or loss on 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. 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 nine-month periods ended 30 September 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: 13 November 2020

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

(Unit: Thousand Baht)

Note	Consolidated financial information		Separate financial information		
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
<b>Assets</b>					
<b>Current assets</b>					
	Cash and cash equivalents	1,080,539	537,807	334,847	38,935
21	Current investments	-	54,474	-	-
3, 4	Trade and other receivables	2,663,901	1,968,152	1,584,941	1,570,501
3	Short-term loans to related parties	-	-	336,000	363,600
5	Inventories	2,479,886	2,908,727	169,299	134,835
21	Other current financial assets	119,574	-	66,999	-
	Other current assets	389,133	386,495	76,913	79,485
	<b>Total current assets</b>	<b>6,733,033</b>	<b>5,855,655</b>	<b>2,568,999</b>	<b>2,187,356</b>
<b>Non-current assets</b>					
3	Long-term loans to related parties	765,623	489,567	4,589,071	4,654,876
	Other non-current financial assets	-	-	-	-
6	Investments in associates	3,651,804	3,876,118	558,283	558,283
7	Investments in joint ventures	147,468	118,041	175,250	135,250
8	Investments in subsidiaries	-	-	4,698,446	4,681,946
9	Property, plant and equipment	7,805,622	8,028,141	1,002,387	1,078,874
10	Leasehold rights	-	109,900	-	-
11	Right-of-use assets	446,796	-	24,232	-
	Deposits for purchases of assets	1,200	1,530	-	-
12	Goodwill	2,122,324	1,948,367	-	-
13	Other intangible assets	150,115	150,495	10,449	15,300
	Assets recognised from the costs to fulfill				
14	a contract with a customer	397,741	359,543	-	-
	Deferred tax assets	235,068	224,397	41,463	18,668
	Other non-current assets	91,857	84,152	10,783	9,314
	<b>Total non-current assets</b>	<b>15,815,618</b>	<b>15,390,251</b>	<b>11,110,364</b>	<b>11,152,511</b>
	<b>Total assets</b>	<b>22,548,651</b>	<b>21,245,906</b>	<b>13,679,363</b>	<b>13,339,867</b>

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 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>		
	<b>Note</b>	<b>30 September 2020</b>	<b>31 December 2019</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
		<b>(Unaudited but reviewed)</b>	<b>(Audited)</b>	<b>(Unaudited but reviewed)</b>	<b>(Audited)</b>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	15	3,488,106	1,800,279	1,875,000	743,000
Trade and other payables	3	3,764,221	4,397,197	588,301	811,041
Current portion of long-term loans	15	1,344,433	1,389,601	1,102,501	1,179,521
Current portion of long-term debentures	16	899,800	299,925	899,800	299,925
Current portion of lease liabilities	9	103,476	31,020	7,270	612
Short-term loans from related parties	3	33,932	32,613	456,910	868,994
Provision for product warranty		19,955	21,468	-	-
Income tax payable		27,665	122,526	13,922	87,749
Derivative liabilities		1,190	-	1,190	-
Other current liabilities		347,972	304,768	84,992	79,638
<b>Total current liabilities</b>		<b>10,030,750</b>	<b>8,399,397</b>	<b>5,029,886</b>	<b>4,070,480</b>
<b>Non-current liabilities</b>					
Long-term loans	15	2,431,951	2,590,185	1,694,717	1,998,525
Long-term debentures	16	1,598,959	2,198,310	1,598,959	2,198,310
Lease liabilities	9	220,438	77,352	16,218	151
Provision for long-term employee benefits		252,168	243,487	42,075	38,938
Other non-current liabilities		375,703	257,595	-	-
<b>Total non-current liabilities</b>		<b>4,879,219</b>	<b>5,366,929</b>	<b>3,351,969</b>	<b>4,235,924</b>
<b>Total liabilities</b>		<b>14,909,969</b>	<b>13,766,326</b>	<b>8,381,855</b>	<b>8,306,404</b>

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 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
<b>Shareholders' equity</b>				
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	4,619,452	4,693,041	2,717,449	2,453,404
Other components of shareholders' equity	20,727	(198,239)	-	-
Equity attributable to owners of the Company	7,373,332	7,227,955	5,297,508	5,033,463
Non-controlling interests of the subsidiaries	265,350	251,625	-	-
<b>Total shareholders' equity</b>	<b>7,638,682</b>	<b>7,479,580</b>	<b>5,297,508</b>	<b>5,033,463</b>
<b>Total liabilities and shareholders' equity</b>	<b>22,548,651</b>	<b>21,245,906</b>	<b>13,679,363</b>	<b>13,339,867</b>
	-	-	-	-

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

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Directors  
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## AAPICO Hitech Public Company Limited and its subsidiaries

## Income statement

For the three-month period ended 30 September 2020

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

	Note	Consolidated financial information		Separate financial information	
		2020	2019	2020	2019
<b>Revenues</b>					
Revenues from contracts with customers		4,682,319	4,317,926	492,899	1,069,531
Other income					
Dividend income	6	-	-	4,734	464,880
Interest income		9,344	-	50,605	39,974
Gains on changes in interests in investments in associate and joint venture		-	150,671	-	154,019
Gains on exchange rate		52,105	-	56,913	-
Others		153,385	134,378	44,971	53,090
Total		214,834	285,049	157,223	711,963
<b>Total revenues</b>		<b>4,897,153</b>	<b>4,602,975</b>	<b>650,122</b>	<b>1,781,494</b>
<b>Expenses</b>					
Cost of sales and services		4,213,847	3,934,975	435,147	919,825
Selling and distribution expenses		69,220	64,005	8,222	10,222
Administrative expenses		230,353	169,233	45,856	71,420
Loss on exchange rate		-	21,545	-	24,800
<b>Total expenses</b>		<b>4,513,420</b>	<b>4,189,758</b>	<b>489,225</b>	<b>1,026,267</b>
<b>Profit from operating activities</b>		<b>383,733</b>	<b>413,217</b>	<b>160,897</b>	<b>755,227</b>
Share of profit (loss) from investments in associates	6	52,884	(73,908)	-	-
Share of loss from investments in joint ventures	7	(3,810)	(17,664)	-	-
Finance cost		(93,219)	(72,244)	(65,287)	(69,233)
<b>Profit before income tax expenses</b>		<b>339,588</b>	<b>249,401</b>	<b>95,610</b>	<b>685,994</b>
Income tax expenses	17	(28,667)	(43,957)	(15,915)	(25,869)
<b>Profit for the period</b>		<b>310,921</b>	<b>205,444</b>	<b>79,695</b>	<b>660,125</b>
<b>Profit attributable to</b>					
Equity holders of the Company		301,777	203,803	79,695	660,125
Non-controlling interests of the subsidiaries		9,144	1,641		
		<u>310,921</u>	<u>205,444</u>		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	18	0.935	0.641	0.247	2.077

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 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	2020	2019	2020	2019
<b>Profit for the period</b>	310,921	205,444	79,695	660,125
<b>Other comprehensive income</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Translation adjustments	200,541	(31,333)	-	-
Share of other comprehensive income from associates and joint ventures	114,353	14,410	-	-
<b>Other comprehensive income for the period</b>	314,894	(16,923)	-	-
<b>Total comprehensive income for the period</b>	625,815	188,521	79,695	660,125
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	601,889	176,382	79,695	660,125
Non-controlling interests of the subsidiaries	23,926	12,139		
	625,815	188,521		

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

## AAPICO Hitech Public Company Limited and its subsidiaries

## Income statement

For the nine-month period ended 30 September 2020

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

	Note	Consolidated financial information		Separate financial information	
		2020	2019	2020	2019
<b>Revenues</b>					
Revenues from contracts with customers		11,515,719	13,161,344	1,283,184	3,164,790
Other income					
Dividend income	6, 8	-	-	290,707	1,648,169
Interest income		29,627	119,709	156,613	146,408
Gains on changes in interests in investments in associate and joint venture		-	150,671	-	154,019
Gains on exchange rate		112,856	-	97,291	-
Others		447,868	408,353	146,198	162,455
Total		590,351	678,733	690,809	2,111,051
<b>Total revenues</b>		<b>12,106,070</b>	<b>13,840,077</b>	<b>1,973,993</b>	<b>5,275,841</b>
<b>Expenses</b>					
Cost of sales and services		10,878,919	12,047,637	1,190,175	2,635,239
Selling and distribution expenses		188,955	193,926	23,716	31,215
Administrative expenses		746,685	526,609	160,652	216,912
Loss on exchange rate		-	131,381	-	133,748
<b>Total expenses</b>		<b>11,814,559</b>	<b>12,899,553</b>	<b>1,374,543</b>	<b>3,017,114</b>
<b>Profit from operating activities</b>		<b>291,511</b>	<b>940,524</b>	<b>599,450</b>	<b>2,258,727</b>
Share of profit (loss) from investments in associates	6	53,415	(26,785)	-	-
Share of loss from investments in joint ventures	7	(10,573)	(22,255)	-	-
Finance cost		(275,573)	(202,138)	(200,653)	(199,041)
<b>Profit before income tax expense</b>		<b>58,780</b>	<b>689,346</b>	<b>398,797</b>	<b>2,059,686</b>
Income tax expenses	17	(50,893)	(129,491)	(13,065)	(58,743)
<b>Profit for the period</b>		<b>7,887</b>	<b>559,855</b>	<b>385,732</b>	<b>2,000,943</b>
<b>Profit attributable to</b>					
Equity holders of the Company		1,274	560,735	385,732	2,000,943
Non-controlling interests of the subsidiaries		6,613	(880)		
		7,887	559,855		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	18	0.004	1.769	1.196	6.312

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 nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Profit for the period</b>	<b>7,887</b>	<b>559,855</b>	<b>385,732</b>	<b>2,000,943</b>
<b>Other comprehensive income</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Translation adjustments	207,015	(111,039)	-	-
Share of other comprehensive income from associates and joint ventures	19,063	229,573	-	-
<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)	-	-
<b>Other comprehensive income for the period</b>	<b>226,078</b>	<b>91,335</b>	<b>-</b>	<b>(1,665)</b>
<b>Total comprehensive income for the period</b>	<b>233,965</b>	<b>651,190</b>	<b>385,732</b>	<b>1,999,278</b>
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	220,240	653,044	<u>385,732</u>	<u>1,999,278</u>
Non-controlling interests of the subsidiaries	13,725	(1,854)		
	<u>233,965</u>	<u>651,190</u>		

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

(Unaudited but reviewed)

**AAPICO Hitech Public Company Limited and its subsidiaries****Cash flow statement****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit before tax	58,780	689,346	398,797	2,059,686
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	763,366	442,108	97,945	80,702
Unrealised loss (gain) on exchange rate from loan receivables/payables	2,605	69,704	(88,767)	115,388
Unrealised loss from derivatives	1,190	-	1,190	-
Gains on sales/written-off of equipment right-of-use assets and other intangible assets	(4,780)	(7,828)	(8,980)	(3,915)
Gains on changes in interests in investments in associate and joint venture	-	(150,671)	-	(154,019)
Share of loss (profit) from investments in associates and joint ventures	(42,842)	49,041	-	-
Loss on other assets written-off	983	-	-	-
Reduction of inventory cost to net realisable value (reversal)	(16,709)	7,129	201	1,842
Reversal allowance for expected credit losses	(866)	(8,162)	(957)	(350)
Provision for product warranty	2,451	4,803	-	-
Provision for long-term employee benefits	21,033	61,186	3,368	10,173
Dividend income from subsidiaries and associates	-	-	(290,707)	(1,648,169)
Interest income	(29,627)	(119,709)	(156,613)	(146,408)
Interest expenses	274,458	198,255	199,709	195,697
Profit from operating activities before changes in operating assets and liabilities	1,030,042	1,235,202	155,186	510,627
Operating assets (increase) decrease				
Investments in debt instruments	(65,100)	(2,204)	(66,999)	(1,998)
Trade and other receivables	(762,653)	(55,672)	119,852	(313,676)
Inventories	412,366	(403,308)	(34,665)	(54,206)
Other current assets	2,425	140,954	1,148	117,493
Other non-current assets	(9,974)	46,743	(1,469)	(1,158)
Operating liabilities increase (decrease)				
Trade and other payables	(554,622)	103,604	(223,296)	260,791
Other current liabilities	43,204	(118,193)	5,354	(131,619)
Other non-current liabilities	111,400	-	-	-
Cash flows from (used in) operating activities	207,088	947,126	(44,889)	386,254
Cash paid for long-term employee benefits	(12,352)	(1,186)	(231)	(392)
Cash paid for income tax	(138,418)	(117,847)	(77,842)	(48,588)
Cash received from tax refund	7,608	-	-	-
Cash paid for product warranty	(3,964)	(4,057)	-	-
<b>Net cash flows from (used in) operating activities</b>	<b>59,962</b>	<b>824,036</b>	<b>(122,962)</b>	<b>337,274</b>

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

(Unaudited but reviewed)

**AAPICO Hitech Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Decrease (increase) in loans to related parties	(250,547)	(927,081)	60,286	(910,310)
Acquisitions of investments in subsidiary and joint venture	(40,000)	(325,734)	(56,500)	(326,734)
Cash paid for share subscription of a subsidiary	-	-	-	(12,622)
Advance for purchase of investment	-	(253,086)	-	(253,086)
Cash received from capital reduction of associate	-	458,614	-	458,614
Dividend received from associates and subsidiaries	290,707	799,138	290,707	1,648,169
Proceeds from sales of equipment and other intangible assets	75,785	26,341	25,000	4,055
Acquisitions of plant, equipment, other intangible assets and assets recognised from the costs to fulfill a contract with a customer	-449,482	(375,181)	(28,401)	(64,841)
Cash received from interest income	19,535	11,516	21,171	6,351
<b>Net cash flows from (used in) investing activities</b>	<b>(354,002)</b>	<b>(585,473)</b>	<b>312,263</b>	<b>549,596</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from banks	1,687,827	(224,812)	1,132,000	(335,100)
Increase (decrease) in loans from related parties	-	10,183	(412,084)	(492,322)
Cash received from long-term loans	186,460	565,348	-	550,000
Repayments of long-term loans	(494,698)	(1,254,590)	(409,393)	(1,236,178)
Cash received from issuance of debentures	-	1,300,000	-	1,300,000
Repayments of debentures	-	(300,000)	-	(300,000)
Cash received from sales of treasury shares	-	108,331	-	108,331
Repayments of lease liabilities	(40,636)	(5,191)	(5,733)	(1,259)
Dividends paid	-	(303,932)	-	(303,932)
Dividend paid to non-controlling interest of subsidiary	-	(15,913)	-	-
Cash paid for interest	(273,495)	(195,772)	(198,179)	(194,644)
<b>Net cash flows from (use in) financing activities</b>	<b>1,065,458</b>	<b>(316,348)</b>	<b>106,611</b>	<b>(905,104)</b>
Increase (decrease) in translation adjustments	(228,686)	6,354	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>542,732</b>	<b>(71,431)</b>	<b>295,912</b>	<b>(18,234)</b>
Cash and cash equivalents at beginning of period	537,807	537,443	38,935	54,414
<b>Cash and cash equivalents at end of period</b>	<b>1,080,539</b>	<b>466,012</b>	<b>334,847</b>	<b>36,180</b>
	-	-	-	-

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

(Unaudited but reviewed)

**AAPICO Hitech Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Supplemental cash flows information</b>				
Non-cash items consist of				
Increase (decrease) in accounts payable for purchases and construction of assets	(78,792)	33,535	-	-
Purchase of equipment under finance lease agreements	-	3,763	-	-
Increase (decrease) in deposits for purchases of assets	(330)	(18,898)	-	8,060
Transfer inventories to equipment	33,184	15,324	-	-
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	-
Receivable from sale of investment	-	31,140	-	31,140
Increase in right-of-use assets	20,221	-	-	-

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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

Consolidated financial information															
Equity attributable to the Company's shareholders															
									Other components of equity - other						
									comprehensive income			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Retained earnings		Share of other comprehensive income from associates and joint ventures	Translation adjustments	Total										
	Issued and paid-up share capital	Premium on ordinary shares				Treasury shares	Premium on treasury shares	Appropriated		Treasury share reserve	Unappropriated				
Statutory reserve															
The Company		Subsidiaries		The Company		Subsidiaries		The Company		Subsidiaries		The Company		Subsidiaries	
<b>Balance as at 1 January 2019</b>	322,584	2,164,354	(75,397)	646	59,541	153,094	75,397	5,155,619	(55,457)	(110,530)	(165,987)	7,689,851	256,780	7,946,631	
Profit for the period	-	-	-	-	-	-	-	560,735	-	-	-	560,735	(880)	559,855	
Other comprehensive income for the period	-	-	-	-	-	-	-	(27,199)	(110,065)	229,573	119,508	92,309	(974)	91,335	
Total comprehensive income for the period	-	-	-	-	-	-	-	533,536	(110,065)	229,573	119,508	653,044	(1,854)	651,190	
Sales of treasury shares	-	-	75,397	32,934	-	-	(75,397)	75,397	-	-	-	108,331	-	108,331	
Dividend paid (Note 19)	-	-	-	-	-	-	-	(303,932)	-	-	-	(303,932)	-	(303,932)	
Dividend paid by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(15,913)	(15,913)	
<b>Balance as at 30 September 2019</b>	<u>322,584</u>	<u>2,164,354</u>	<u>-</u>	<u>33,580</u>	<u>59,541</u>	<u>153,094</u>	<u>-</u>	<u>5,460,620</u>	<u>(165,522)</u>	<u>119,043</u>	<u>(46,479)</u>	<u>8,147,294</u>	<u>239,013</u>	<u>8,386,307</u>	
<b>Balance as at 1 January 2020</b>	322,584	2,164,354	-	33,580	59,541	153,094	-	4,693,041	(130,101)	(68,138)	(198,239)	7,227,955	251,625	7,479,580	
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	-	-	-	(74,863)	-	-	-	(74,863)	-	(74,863)	
<b>Balance as at 1 January 2020 - as restated</b>	<u>322,584</u>	<u>2,164,354</u>	<u>-</u>	<u>33,580</u>	<u>59,541</u>	<u>153,094</u>	<u>-</u>	<u>4,618,178</u>	<u>(130,101)</u>	<u>(68,138)</u>	<u>(198,239)</u>	<u>7,153,092</u>	<u>251,625</u>	<u>7,404,717</u>	
Profit for the period	-	-	-	-	-	-	-	1,274	-	-	-	1,274	6,613	7,887	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	199,903	19,063	218,966	218,966	7,112	226,078	
Total comprehensive income for the period	-	-	-	-	-	-	-	1,274	199,903	19,063	218,966	220,240	13,725	233,965	
<b>Balance as at 30 September 2020</b>	<u>322,584</u>	<u>2,164,354</u>	<u>-</u>	<u>33,580</u>	<u>59,541</u>	<u>153,094</u>	<u>-</u>	<u>4,619,452</u>	<u>69,802</u>	<u>(49,075)</u>	<u>20,727</u>	<u>7,373,332</u>	<u>265,350</u>	<u>7,638,682</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 changes in shareholders' equity

For the nine-month period ended 30 September 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		
<b>Balance as at 1 January 2019</b>	322,584	2,164,354	(75,397)	646	59,541	75,397	3,083,488	5,630,613
Profit for the period	-	-	-	-	-	-	2,000,943	2,000,943
Other comprehensive income for the period	-	-	-	-	-	-	(1,665)	(1,665)
Total comprehensive income for the period	-	-	-	-	-	-	1,999,278	1,999,278
Sales of treasury shares	-	-	75,397	32,934	-	(75,397)	75,397	108,331
Dividend paid (Note 19)	-	-	-	-	-	-	(303,932)	(303,932)
<b>Balance as at 30 September 2019</b>	<u>322,584</u>	<u>2,164,354</u>	<u>-</u>	<u>33,580</u>	<u>59,541</u>	<u>-</u>	<u>4,854,231</u>	<u>7,434,290</u>
<b>Balance as at 1 January 2020</b>	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)
<b>Balance as at 1 January 2020 - as restated</b>	<u>322,584</u>	<u>2,164,354</u>	<u>-</u>	<u>33,580</u>	<u>59,541</u>	<u>-</u>	<u>2,331,717</u>	<u>4,911,776</u>
Profit for the period	-	-	-	-	-	-	385,732	385,732
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	385,732	385,732
<b>Balance as at 30 September 2020</b>	<u>322,584</u>	<u>2,164,354</u>	<u>-</u>	<u>33,580</u>	<u>59,541</u>	<u>-</u>	<u>2,717,449</u>	<u>5,297,508</u>
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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 nine-month periods ended 30 September 2020****1. General information****1.1 Basis for the preparation of interim financial information**

This interim financial information is prepared in accordance with Thai Accounting Standard 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 is 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. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has 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

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated financial information		
	Net book value	Net book value	Difference
	under former useful lives	under new useful lives	
<b>Statement of financial position</b>			
<b>as at 30 September 2020</b>			
Property, plant and equipment	2,978	2,978	-
Less: Accumulated depreciation	1,188	1,131	(57)
Net book value	1,790	1,847	57
Assets recognised from the costs to fulfill			
a contract with a customer	666	666	-
Less: Accumulated amortisation	438	365	(73)
Net book value	228	301	73
<b>Income statement for the three-month</b>			
<b>period ended 30 September 2020</b>			
Depreciation	57	29	(28)
Amortisation	53	16	(37)
<b>Income statement for the nine-month</b>			
<b>period ended 30 September 2020</b>			
Depreciation	171	114	(57)
Amortisation	158	85	(73)

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

This interim consolidated financial information includes the financial information of AAPICO Hitech Public Company Limited (hereinafter called as “the Company”) and its subsidiaries (hereinafter called as “the Group”) and has 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

### a) 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
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##### 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.

### **b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **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 is 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.

(Unit: Thousand Baht)

	Consolidated financial information			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	54,474	(54,474)	-	-
Trade and other receivables	1,968,152	(80,696)	-	1,887,456
Derivative assets	-	2,101	-	2,101
Other current financial assets	-	54,474	-	54,474
Other current assets	386,495	-	(2,268)	384,227
<b>Non-current assets</b>				
Investments in associates	3,876,118	(12,793)	-	3,863,325
Property, plant and equipment	8,028,141	-	(120,851)	7,907,290
Leasehold rights	109,900	-	(109,900)	-
Right-of-use assets	-	-	468,976	468,976
Deferred tax assets	224,397	16,525	-	240,922
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	31,020	-	55,098	86,118
<b>Non-current liabilities</b>				
Lease liabilities	77,352	-	180,859	258,211
<b>Shareholders' equity</b>				



(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial information

	The impacts of			
	31	Financial reporting standards related to financial instruments	TFRS 16	1
	December 2019			January 2020
Retained earnings - unappropriated	4,693,041	(74,863)	-	4,618,178

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial information			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
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
<b>Non-current assets</b>				
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
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	612	-	7,031	7,643
<b>Non-current liabilities</b>				
Lease liabilities	151	-	21,427	21,578
<b>Shareholders' equity</b>				
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		
		Fair value through profit or loss	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
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	-	-	-	-
<b>Total financial assets</b>	<b>3,050,000</b>	<b>56,575</b>	<b>2,995,526</b>	<b>3,052,101</b>

(Unit: Thousand Baht)

	Separate financial information			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value		
		Fair value through profit or loss	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
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
<b>Total financial assets</b>	<b>6,627,912</b>	<b>2,101</b>	<b>6,627,912</b>	<b>6,630,013</b>

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	<u>344,329</u>	<u>29,221</u>
Comprise of		
Current lease liabilities	86,118	7,643
Non-current lease liabilities	258,211	21,578
	<u>344,329</u>	<u>29,221</u>

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	<u>468,976</u>	<u>30,590</u>

(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		Transfer pricing policy
	financial information		financial information		
	For the three-month periods ended 30 September				
	2020	2019	2020	2019	
<b>Transactions with subsidiaries</b>					
(eliminated from the consolidated financial information)					
Sales of goods and services	-	-	73	46	Close to selling price to third party
Interest income	-	-	43	39	3.71% p.a. (2019: 3.80% and 5% p.a.)
Management fee income	-	-	10	23	Approximate cost
Other income	-	-	4	5	Approximate cost
Purchases of goods and services	-	-	108	195	Cost plus margin, averaging around 3% - 16% (2019: 3% - 42%)
Purchases of machine and equipment	-	-	3	-	Close to selling price to third party
Other expenses	-	-	3	3	Approximate cost
Interest expense	-	-	3	2	3.71% p.a. (2019: 0.05% and 3.80% p.a.)
<b>Transactions with associates and joint ventures</b>					
Sales of goods and services	42	83	1	14	Close to selling price to third party
Dividend income	5	465	5	465	As declared
Interest income	-	-	-	1	3.80% p.a.
Rental income	3	4	-	-	Close to rental rates for other building in the vicinity
Management fee income	3	4	3	4	Approximate cost
Other income	5	2	1	1	Approximate cost
Purchases of goods and services	81	92	46	53	Cost plus margin, averaging around 2% - 45% (2019: 2% - 22%)
<b>Transactions with related companies</b>					
Interest income	8	-	8	-	4% p.a.

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial information		financial information		
	For the nine-month periods ended 30 September				
	2020	2019	2020	2019	
<b>Transactions with subsidiaries</b>					
(eliminated from the consolidated financial information)					
Sales of goods and services	-	-	160	157	Close to selling price to third party
Dividend income	-	-	-	849	As declared
Interest income	-	-	132	113	3.71% - 3.77% 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	-	-	50	67	Approximate cost
Other income	-	-	11	15	Approximate cost
Purchases of goods and services	-	-	229	331	Cost plus margin, averaging around 3% - 16% (2019: 3% - 42%)
Purchases of machine and equipment	-	-	3	7	Close to selling price to third party
Other expenses	-	-	11	4	Approximate cost
Interest expense	-	-	11	12	3.71% - 3.77% p.a. (2019: 0.05% and 3.80% p.a.)
<b>Transactions with associates and joint ventures</b>					
Sales of goods and services	111	412	1	175	Close to selling price to third party
Dividend income	291	799	291	799	As declared
Interest income	-	120	-	33	3.59% - 5% and 10% and 20% p.a.
Rental income	10	11	1	-	Close to rental rates for other building in the vicinity
Management fee income	9	11	9	11	Approximate cost
Other income	13	10	3	3	Approximate cost
Purchases of goods and services	176	261	118	176	Cost plus margin, averaging around 2% - 45% (2019: 1% - 29%)
<b>Transactions with related companies</b>					
Interest income	25	-	24	-	4% p.a.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Trade and other receivables - related parties (Note 4)</b>				
Subsidiaries	-	-	992,655	915,625
Associates	27,999	95,916	4,183	3,233
Joint ventures	489	435	160	12
Related companies (common directors)	86,572	52,600	13,757	-
Less: Conversion of interest receivable to investment	-	(59,737)	-	(59,737)
Less: Allowance for expected credit losses	(54,281)	(50,773)	(3,508)	-
Total	<u>60,779</u>	<u>38,441</u>	<u>1,007,247</u>	<u>859,133</u>
<b>Trade and other payables - related parties</b>				
Subsidiaries	-	-	77,814	113,052
Associates	72,593	78,774	53,171	50,861
Total	<u>72,593</u>	<u>78,774</u>	<u>130,985</u>	<u>163,913</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Short-term loans to related parties</b>				
Subsidiaries	-	-	360,000	363,600
Less: Allowance for expected credit losses	-	-	(24,000)	-
Total	<u>-</u>	<u>-</u>	<u>336,000</u>	<u>363,600</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Long-term loans to related parties</b>				
Subsidiaries	-	-	3,971,502	4,184,809
Associates	14,000	14,000	14,000	14,000
Related companies	1,205,737	905,131	1,044,469	749,418
Less: Allowance for expected credit losses	(454,114)	(429,564)	(440,900)	(293,351)
<b>Total</b>	<b>765,623</b>	<b>489,567</b>	<b>4,589,071</b>	<b>4,654,876</b>
<b>Short-term loans from related parties</b>				
Subsidiaries	-	-	456,910	868,994
Related company (common directors)	33,932	32,613	-	-
<b>Total</b>	<b>33,932</b>	<b>32,613</b>	<b>456,910</b>	<b>868,994</b>

- 3.4 The movements of loans between the Company and those related parties during the nine-month period ended 30 September 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	311,154	1,252,083
Decrease during period	(60,607)	(1,312,369)
Unrealised gain on exchange rate	25,509	116,881
<b>Balance as at 30 September 2020</b>	<b>765,623</b>	<b>4,925,071</b>

(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	-	2,602,513
Decrease during period	-	(3,014,597)
Translation adjustments	1,319	-
<b>Balance as at 30 September 2020</b>	<b>33,932</b>	<b>456,910</b>



(Unaudited but reviewed)

## 3.5 Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 September				
	2020	2019	2020	2019
Short-term employee benefits	7,403	7,627	7,403	7,627
Post-employee and other long-term benefits	50	607	50	607
<b>Total</b>	<b>7,453</b>	<b>8,234</b>	<b>7,453</b>	<b>8,234</b>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
For the nine-month periods ended 30 September				
	2020	2019	2020	2019
Short-term employee benefits	23,018	24,039	23,018	24,039
Post-employee and other long-term benefits	151	1,262	151	1,262
<b>Total</b>	<b>23,169</b>	<b>25,301</b>	<b>23,169</b>	<b>25,301</b>

## 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		Separate	
	financial information		financial information	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	23,662	28,333	35,105	24,878
Past due 3 - 12 months	255	46,394	-	-
Past due more than 12 months	46,394	-	-	-
<b>Total</b>	<b>70,311</b>	<b>74,727</b>	<b>35,105</b>	<b>24,878</b>
Less: Allowance for expected credit losses	(46,394)	(46,394)	-	-
<b>Total trade receivables - related parties, net</b>	<b>23,917</b>	<b>28,333</b>	<b>35,105</b>	<b>24,878</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	2,213,125	1,555,163	265,214	370,906
Past due 3 - 12 months	46,230	47,946	5,588	4,528
Past due more than 12 months	40,487	38,554	3,504	773
Total	2,299,842	1,641,663	274,306	376,207
Less: Allowance for expected credit losses	(73,704)	(33,618)	(1,288)	(834)
Total trade receivables - unrelated parties, net	2,226,138	1,608,045	273,018	375,373
Total trade receivables - net	2,250,055	1,636,378	308,123	400,251
<b>Other receivables</b>				
Receivable from sale of investment	31,140	31,140	31,140	31,140
Advances - unrelated parties	18,105	14,704	-	-
Interest receivable - related parties	17,237	64,437	957,539	869,627
Accrued income - related parties	300	-	-	2,701
Accrued income - unrelated parties	303,477	225,410	271,280	271,838
Others - related parties	27,212	9,787	18,111	21,664
Others - unrelated parties	92,368	116,690	20,975	52,445
Total	489,839	462,168	1,299,045	1,249,415
Less: Conversion of interest receivable to investment	-	(59,737)	-	(59,737)
Less: Allowance for expected credit losses	(75,993)	(70,657)	(22,227)	(19,428)
Total other receivables - net	413,846	331,774	1,276,818	1,170,250
Total trade and other receivables - net	2,663,901	1,968,152	1,584,941	1,570,501

## 5. Inventories

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

(Unit: Thousand Baht)

	Consolidated financial information	Separate financial information
Balance as at 1 January 2020	82,637	16,313
Increase (decrease) during period	(16,709)	201
Balance as at 30 September 2020	65,928	16,514

As at 30 September 2020, certain subsidiaries have pledged finished goods of Baht 175 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 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(%)	(%)				
<b>Associates in Thailand</b>						
Able Sanoh Industries (1996) Company Limited	45.62	45.62	30,700	30,700	459,266	691,206
Sanoh Industries (Thailand) Company Limited	20	20	29,250	29,250	102,988	103,232
MINTH AAPICO (Thailand) Company Limited	40	40	115,400	115,400	73,738	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	166,569	134,640
Edscha AAPICO Automotive Company Limited	49	49	25,480	25,480	34,498	42,529
Sumino AAPICO (Thailand) Company Limited	49	49	147,000	147,000	177,787	170,576
<b>Associate in overseas</b>						
Nuro Technology Incorporated	20.36	20.36	50,866	50,866	43,672	44,290
<b>Associate in overseas held by a subsidiary</b>						
Sakthi Auto Component Limited (77.04% held by Sakthi Global Auto Holdings Limited)	77.04	77.04	2,575,977	2,575,977	2,593,286	2,597,898
Total			3,134,260	3,134,260	3,651,804	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
	September	December	September	December	September	December	September	December
2020	2019	2020	2019	2020	2019	2020	2019	
	(%)	(%)						
<b>Associates in Thailand</b>								
Able Sanoh Industries (1996) Company Limited	45.62	45.62	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
<b>Associate in overseas</b>								
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.

Company	Consolidated financial information						Separate financial information	
	Share of other						Dividend income	
	Share of profit (loss)		comprehensive income		Dividend income		Dividend income	
	For the three-month periods ended 30 September							
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Associates in Thailand</b>								
Able Sanoh Industries (1996) Company Limited	23,511	51,556	-	-	-	-	-	-
Sanoh Industries (Thailand) Company Limited	288	-	-	-	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(6,575)	(637)	-	-	-	-	-	-
Thai Takagi Seiko Company Limited	(4,272)	-	-	-	-	-	-	-
Hyundai Motor (Thailand) Company Limited	22,609	3,248	-	-	-	464,880	-	464,880
Edscha AAPICO Automotive Company Limited	3,017	6,731	-	-	-	-	-	-
Sumino AAPICO (Thailand) Company Limited	5,081	11,168	-	-	4,734	-	4,734	-

(Unaudited but reviewed)

Company	Consolidated financial information						Separate financial information	
	Share of other						Dividend income	
	Share of profit (loss)		comprehensive income		Dividend income		Dividend income	
	For the three-month periods ended 30 September							
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Associates in overseas</b>								
Nuro Technology Incorporated	(854)	(871)	916	(188)	-	-	-	-
Sakthi Global Auto Holdings Limited	-	(145,103)	-	(2,113)	-	-	-	-
Sakthi Auto Component Limited	10,059	-	113,437	-	-	-	-	-
<b>Total</b>	<b>52,884</b>	<b>(73,908)</b>	<b>114,353</b>	<b>(2,301)</b>	<b>4,734</b>	<b>464,880</b>	<b>4,734</b>	<b>464,880</b>

Company	Consolidated financial information						Separate financial information	
	Share of other						Dividend income	
	Share of profit (loss)		comprehensive income		Dividend income		Dividend income	
	For the nine-month periods ended 30 September							
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Associates in Thailand</b>								
Able Sanoh Industries (1996) Company Limited	39,126	170,695	-	(1,158)	271,067	226,069	271,067	226,069
Sanoh Industries (Thailand) Company Limited	(244)	3,193	-	(48)	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(10,106)	(7,359)	-	454	-	-	-	-
Thai Takagi Seiko Company Limited	(14,611)	(196)	-	(392)	-	-	-	-
Hyundai Motor (Thailand) Company Limited	44,722	98,112	-	-	-	548,280	-	548,280
Edscha AAPICO Automotive Company Limited	6,875	12,120	-	(26)	14,906	24,789	14,906	24,789
Sumino AAPICO (Thailand) Company Limited	11,945	16,743	-	(195)	4,734	-	4,734	-
<b>Associates in overseas</b>								
Nuro Technology Incorporated	(2,604)	(4,419)	1,987	(1,906)	-	-	-	-
Sakthi Global Auto Holdings Limited	-	(315,674)	-	231,479	-	-	-	-
Sakthi Auto Component Limited	(21,688)	-	17,076	-	-	-	-	-
<b>Total</b>	<b>53,415</b>	<b>(26,785)</b>	<b>19,063</b>	<b>228,208</b>	<b>290,707</b>	<b>799,138</b>	<b>290,707</b>	<b>799,138</b>

The value of the investment under the equity method of Sakthi Auto Component Limited (“SACL”) as at 30 September 2020 including share of profit and loss and share of other comprehensive income for the three-month and nine-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 nine-month periods ended 30 September 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 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(%)	(%)				
<b>Joint ventures in Thailand</b>						
AAPICO Sodecia (Thailand) Company Limited	50	50	82,500	82,500	73,602	73,712
AAPICO Electronics Company Limited	51	51	12,750	12,750	5,323	7,084
Vroom Company Limited	40	40	80,000	40,000	68,543	37,245
<b>Joint venture in overseas</b>						
AAPICO VinFast Auto Parts Co., Ltd.	-	-	-	-	-	-
Total			<u>175,250</u>	<u>135,250</u>	<u>147,468</u>	<u>118,041</u>

(Unit: Thousand Baht)

Joint venture	Separate financial information			
	Shareholding percentage		Carrying amounts based on cost method	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(%)	(%)		
<b>Joint ventures in Thailand</b>				
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
<b>Joint venture in overseas</b>				
AAPICO VinFast Auto Parts Co., Ltd.	-	-	-	-
Total			<u>175,250</u>	<u>135,250</u>

## 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.

Joint venture	Consolidated financial information				(Unit: Thousand Baht) Separate financial information	
	Share of loss		Share of other comprehensive income		Dividend income	
	For the three-month periods ended 30 September					
	2020	2019	2020	2019	2020	2019
AAPICO Sodecia (Thailand) Company Limited	(35)	(30)	-	-	-	-
AAPICO Electronics Company Limited	(666)	(1,198)	-	-	-	-
Vroom Company Limited	(3,109)	-	-	-	-	-
AAPICO VinFast Auto Parts Co., Ltd.	-	(16,436)	-	16,711	-	-
<b>Total</b>	<b>(3,810)</b>	<b>(17,664)</b>	<b>-</b>	<b>16,711</b>	<b>-</b>	<b>-</b>

  

Joint venture	Consolidated financial information				(Unit: Thousand Baht) Separate financial information	
	Share of loss		Share of other comprehensive income		Dividend income	
	For the nine-month periods ended 30 September					
	2020	2019	2020	2019	2020	2019
AAPICO Sodecia (Thailand) Company Limited	(109)	(92)	-	-	-	-
AAPICO Electronics Company Limited	(1,761)	(2,286)	-	-	-	-
Vroom Company Limited	(8,703)	-	-	-	-	-
AAPICO VinFast Auto Parts Co., Ltd.	-	(19,877)	-	-	-	-
<b>Total</b>	<b>(10,573)</b>	<b>(22,255)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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 September	31 December	30 September	31 December	30 September	31 December
	2020	2019	2020	2019	2020	2019
			(%)	(%)		
<b>Subsidiaries in Thailand</b>						
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 Autotech Company Limited	Baht 30 million	-	55	-	16,500	-
<b>Subsidiaries in overseas</b>						
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 nine-month period ended 30 September 2019	
AAPICO Hitech Parts Co., Ltd.	84,000	
AAPICO Amata Co., Ltd.	150,000	
AAPICO Structural Products Co., Ltd.	600,000	
Tenaga Setia Resources Sdn. Bhd.	15,031	
Total	849,031	

During the three-month and nine-month periods ended 30 September 2020 and during the three-month period ended 30 September 2019, the subsidiaries did not pay dividend to the Company.

## 9. Property, plant and equipment

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

Movements	(Unit: Thousand Baht)	
	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	256,450	28,401
Transfer from inventories	33,184	-
Disposals/written-off during period - net book value at disposal/written-off date	(69,699)	(16,020)
Depreciation for the period	(581,699)	(86,736)
Translation adjustments	260,096	-
Net book value as at 30 September 2020	7,805,622	1,002,387

(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 September 2020 of Baht 1,094 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 nine-month period ended 30 September 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 September 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 nine-month period ended 30 September 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	20,221	-
Written-off	(1,306)	-
Depreciation for the period	(65,378)	(6,358)
Translation adjustments	24,283	-
Net book value as at 30 September 2020	446,796	24,232

Two subsidiaries have mortgaged their right-of-use assets in land and machinery with a net book value as at 30 September 2020 of Baht 184 million to secure the credit facilities granted by banks.

**12. Goodwill**

(Unit: Thousand Baht)

Goodwill from purchases of subsidiaries	Consolidated financial information	
	30 September 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.	1,887,794	1,713,837
Other companies	5,162	5,162
Total	3,274,656	3,100,699
Less: Allowance for impairment	(1,152,332)	(1,152,332)
Net	2,122,324	1,948,367

As at 30 September 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 nine-month period ended 30 September 2020 are summarised below.

Movements	(Unit: Thousand Baht)	
	Consolidated financial information	Separate financial information
Net book value as at 1 January 2020	150,495	15,300
Acquisitions during period - at cost	19,146	-
Amortisation for the period	(30,909)	(4,851)
Translation adjustments	11,383	-
Net book value as at 30 September 2020	150,115	10,449

**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 nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Movements	Consolidated financial information
Net book value as at 1 January 2020	359,543
Acquisitions during period - at cost	95,424
Amortisation for the period	(85,380)
Translation adjustments	28,154
Net book value as at 30 September 2020	<u>397,741</u>

**15. Loans from banks**

15.1 Movements in the long-term loans from banks account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)	
Movements	Consolidated financial information	Separate financial information
Balance as at 1 January 2020	3,981,545	3,179,804
Additions during period	186,460	-
Repayments during period	(494,698)	(409,393)
Unrealised loss on exchange rate	28,114	28,114
Translation adjustments	76,270	-
Balance as at 30 September 2020	<u>3,777,691</u>	<u>2,798,525</u>
Less: Deferred financing fees	(1,307)	(1,307)
Long-term loans - net	<u>3,776,384</u>	<u>2,797,218</u>
Less: Portion due within one year	(1,344,433)	(1,102,501)
Portion due more than one year	<u>2,431,951</u>	<u>1,694,717</u>

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.

- 15.2 As at 30 September 2020, the short-term and long-term credit facilities of the Group which have not been drawn down amounted to Baht 4,062 million.

**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. Income tax expenses**

Income tax expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial information		Separate financial information	
	For the three-month periods ended 30 September			
	2020	2019	2020	2019
Current income tax	25,699	42,733	15,688	26,679
Deferred tax relating to origination and reversal of temporary difference	2,968	1,224	227	(810)
Income tax expenses	<u>28,667</u>	<u>43,957</u>	<u>15,915</u>	<u>25,869</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information	financial information	financial information	financial information
For the nine-month periods ended 30 September				
	2020	2019	2020	2019
Current income tax	44,218	133,802	17,023	61,036
Adjustment in respect of income tax of previous year	(11,585)	-	(11,585)	-
Deferred tax relating to origination and reversal of temporary difference	18,260	(4,311)	7,627	(2,293)
Income tax expenses	<u>50,893</u>	<u>129,491</u>	<u>13,065</u>	<u>58,743</u>

### 18. 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)

	Consolidated		Separate	
	financial information	financial information	financial information	financial information
For the three-month periods ended 30 September				
	2020	2019	2020	2019
Profit attributable to shareholders of the Company	<u>301,777</u>	<u>203,803</u>	<u>79,695</u>	<u>660,125</u>
Number of ordinary shares issued	322,584	322,584	322,584	322,584
Effect of treasury shares	-	(4,777)	-	(4,777)
Weighted average number of ordinary shares	<u>322,584</u>	<u>317,807</u>	<u>322,584</u>	<u>317,807</u>
<b>Earnings per share (Baht)</b>	<u>0.935</u>	<u>0.641</u>	<u>0.247</u>	<u>2.077</u>

(Unaudited but reviewed)

	(Unit: Thousand Baht/Thousand Shares)			
	Consolidated		Separate	
	financial information		financial information	
	For the nine-month periods ended 30 September			
	2020	2019	2020	2019
Profit attributable to shareholders of the Company	1,274	560,735	385,732	2,000,943
Number of ordinary shares issued	322,584	322,584	322,584	322,584
Effect of treasury shares	-	(5,576)	-	(5,576)
Weighted average number of ordinary shares	322,584	317,008	322,584	317,008
<b>Earnings per share (Baht)</b>	<b>0.004</b>	<b>1.769</b>	<b>1.196</b>	<b>6.312</b>

**19. Dividends**

Dividend	Approved by	Dividend per share (Baht)	Dividend paid (Thousand Baht)
Final dividend for 2018	The Annual General Meeting of shareholders on 24 April 2019	0.60	189,960
Interim dividend for 2019	The Board of Directors' Meeting on 14 August 2019	0.36	113,972
Total dividends for 2019			303,932

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

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

Currency	(Unit: Million)			
	Consolidated		Separate	
	financial information		financial information	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
THB	286.1	29.7	38.6	2.3
RMB	12.8	17.1	-	-
USD	-	0.1	-	0.1

**20.2 Long-term investment commitments**

As at 30 September 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 September 2020	31 December 2019	30 September 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 September 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	Separate
	financial information	financial information
In up to 1 year	6	2
In over 1 and up to 3 years	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 nine-month period ended 30 September 2020 amounting to Baht 6 million (2019: Baht 17 million) were recognised as expenses.



## 20.5 Guarantees

- a) As at 30 September 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 September 2020, two foreign subsidiaries have provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 9 million and RM 10 million, respectively (31 December 2019: RM 10 million and RM 8 million, respectively).
- c) As at 30 September 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 September	31 December	30 September	31 December
Letter of guarantee	2020	2019	2020	2019
Contractual performance	Baht 31 million	Baht 31 million	-	-
Electricity use and others	Baht 32 million RM 0.5 million	Baht 30 million RM 0.5 million	Baht 6 million	Baht 6 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 September 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 September 2020, would not exceed RMB 19.0 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 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Financial assets measured at fair value</b>				
Investments in debt instruments, open-end fund	119,574	54,474	66,999	-

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 revenues and profit (loss) information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	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
<b>Revenues from contracts with customers</b>												
External customers	3,189	2,991	1,492	1,321	1	6	4,682	4,318	-	-	4,682	4,318
Inter-segment	315	464	209	8	3	1	527	473	(527)	(473)	-	-
<b>Total revenues</b>	<b>3,504</b>	<b>3,455</b>	<b>1,701</b>	<b>1,329</b>	<b>4</b>	<b>7</b>	<b>5,209</b>	<b>4,791</b>	<b>(527)</b>	<b>(473)</b>	<b>4,682</b>	<b>4,318</b>
<b>Operating results</b>												
<b>Segment profit (loss)</b>	367	255	28	10	(11)	6	384	271	-	(9)	384	262
Gains on changes in interests in investments in associate and joint venture											-	151
Share of profit (loss) from investments in associates and joint ventures											49	(92)
Finance cost											(93)	(72)
<b>Profit before income tax expenses</b>											340	249
Income tax expenses											(29)	(44)
<b>Profit for the period</b>											<b>311</b>	<b>205</b>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	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
<b>Revenues from contracts with customers</b>												
External customers	8,202	9,114	3,312	4,038	2	9	11,516	13,161	-	-	11,516	13,161
Inter-segment	896	1,134	497	20	6	9	1,399	1,163	(1,399)	(1,163)	-	-
<b>Total revenues</b>	<b>9,098</b>	<b>10,248</b>	<b>3,809</b>	<b>4,058</b>	<b>8</b>	<b>18</b>	<b>12,915</b>	<b>14,324</b>	<b>(1,399)</b>	<b>(1,163)</b>	<b>11,516</b>	<b>13,161</b>
<b>Operating results</b>												
<b>Segment profit (loss)</b>	258	690	41	33	(7)	72	292	795	-	(5)	292	790
Gains on changes in interests in investments in associate and joint venture											-	150
Share of profit (loss) from investments in associates and joint ventures											43	(49)
Finance cost											(276)	(202)
<b>Profit before income tax expenses</b>											59	689
Income tax expenses											(51)	(129)
<b>Profit for the period</b>											<b>8</b>	<b>560</b>

**23. Events after the reporting period**

On 13 November 2020, the Company's Board of Directors' Meeting passed a resolution to approve investment of Baht 10 million in an increase in the registered capital of Thai Takagi Seiko Company Limited (an associate). The associate will increase its registered capital by Baht 20 million, from Baht 101.2 million to Baht 121.2 million, by issuing 20,000 new ordinary shares with a par value of Baht 1,000 each. This investment in the additional registered capital will result in an increase in the Company's shareholding from 49% to 49.2%.

**24. Approval of interim financial information**

These interim financial information were authorised for issue by the Company's Board of Directors on 13 November 2020.