

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 2021

## **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 2021, 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 statements (collectively "interim financial information"). I have also reviewed the separate interim financial information of AAPICO Hitech Public Company Limited for the same periods. 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 2021, the Group had an investment in an overseas associate, Sakthi Auto Component Limited ("SACL"), of which the value was Baht 2,794 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 loss of Baht 12 million and share of profit of Baht 17 million were included in the consolidated statements of income for the three-month and nine-month periods then ended, respectively, and the share of gain on translation adjustment of Baht 185 million and Baht 322 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 statements. The investment in the associate accounted for under the equity method was valued based on the associate's

management accounts since the associate had not engaged an auditor to review the consolidated financial information for the three-month and nine-month periods ended 30 September 2021 for group reporting purposes and I was 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 accounted for under the 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 2021. This matter is regarded as a scope limitation imposed by circumstance.

- b) Furthermore, as at 30 September 2021, the Company had an investment in an overseas subsidiary, Sakthi Global Auto Holdings Limited ("SGAH") and the loans (including interest receivable) provided directly and indirectly through the Company's subsidiary to SGAH of Baht 779 million and Baht 2,167 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 2021.
- c) In the course of my audit of the consolidated and separate financial statements for the year 2020, I was unable to obtain sufficient appropriate audit evidence related to the investment in SACL under the equity method, presented as investments in associates in the consolidated statement of financial position. This is because the associate's auditor had not yet been engaged by the associate to audit the associate's consolidated financial statements for the year 2020 for the purpose of reporting to me, as group auditor for the consolidated financial statements for the year 2020. Furthermore, I did not receive any notification that this associate had appointed a replacement auditor and I was unable to obtain sufficient appropriate audit evidence related to the consolidated financial position and financial performance of the associate. This scope limitation also affected collection of evidence for a review of impairment of the investment in SGAH and the loans (including interest receivable) provided directly and indirectly through the Company's subsidiary to SGAH, in the separate statement of financial position as described in b). My opinion on the consolidated and separate financial statements for the year 2020 was qualified in respect of the investment in this associate under the equity method in the consolidated statement of financial position and investments in subsidiaries and loans to related parties and other receivables in the separate statement of financial position. To date, the above limitations on scope imposed by circumstance have not been resolved.

In the course of my review of the consolidated and separate financial information for the three-month and nine-month periods ended 30 September 2020, the investment in SACL under the equity method was valued based on the associate's management accounts. I did not receive the auditor's report on the consolidated financial information of the associate for the three-month and nine-month periods ended 30 September 2020. I was unable to apply other review procedures to satisfy myself as to the consolidated financial position and financial performance of that associate. This scope limitation also affected collection of evidence for a review of impairment of the investment in SGAH and the loans (including interest receivable) provided directly and indirectly through the Company's subsidiary to SGAH, in the separate financial information as described in b). As a result, my conclusion on the Company's consolidated and separate financial information for the three-month and nine-month periods ended 30 September 2020 was qualified in respect of the share of profit or loss and share of gain or loss on translation adjustment that were included in the consolidated statements of income and comprehensive income, respectively, other expenses relating to the investment in SGAH and the loan and interest receivables that were included in the separate income statements.

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 Matter**

I draw attention to Note 2.2 to the interim financial statements regarding the litigation cases between the Group and Sakthi group relating to the appropriation of collateral shares of SGAH. My conclusion is not qualified in respect of this matter.

Sumalee Reewarabandith  
Certified Public Accountant (Thailand) No. 3970

EY Office Limited  
Bangkok: 12 November 2021

**AAPICO Hitech Public Company Limited and its subsidiaries**
**Statement of financial position**
**As at 30 September 2021**

(Unit: Thousand Baht)

	Note	Consolidated financial information		Separate financial information	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		707,819	651,781	105,743	68,888
Trade and other receivables	2, 3	2,326,627	2,846,045	1,319,117	1,351,846
Short-term loans to related parties	2	-	-	336,000	336,000
Inventories	4	3,244,082	2,595,736	157,330	145,657
Other current financial assets		47,143	37,797	88	11,000
Other current assets					
Advances for purchases of goods		28,434	21,075	14,411	10,235
Others		359,397	413,517	27,662	89,901
<b>Total current assets</b>		<b>6,713,502</b>	<b>6,565,951</b>	<b>1,960,351</b>	<b>2,013,527</b>
<b>Non-current assets</b>					
Restricted bank deposit	5	27,000	-	-	-
Long-term loans to related parties	2	69,804	637,152	3,809,543	4,356,578
Other non-current financial assets		-	-	-	-
Investments in associates	6	4,017,788	3,579,023	568,283	568,283
Investments in joint ventures	7	125,881	137,255	177,600	175,250
Investments in subsidiaries	8	-	-	4,703,947	4,682,947
Property, plant and equipment	9	8,225,868	7,773,139	1,021,144	1,025,305
Right-of-use assets	10	621,352	473,083	15,560	21,049
Goodwill	11	1,152,247	1,094,249	-	-
Other intangible assets	12	1,641,346	1,575,584	5,061	8,876
Assets recognised from the costs to fulfill					
a contract with a customer	13	542,364	434,604	-	-
Deferred tax assets		-	-	68,896	66,882
Other non-current assets		64,229	76,014	7,641	12,964
<b>Total non-current assets</b>		<b>16,487,879</b>	<b>15,780,103</b>	<b>10,377,675</b>	<b>10,918,134</b>
<b>Total assets</b>		<b>23,201,381</b>	<b>22,346,054</b>	<b>12,338,026</b>	<b>12,931,661</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 2021**

(Unit: Thousand Baht)

		Consolidated financial information		Separate financial information	
	Note	30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	14	2,324,120	1,918,214	450,000	175,500
Trade and other payables	2	4,529,380	4,118,763	469,265	557,859
Current portion of long-term loans	14	1,317,831	1,300,826	1,057,220	1,115,266
Current portion of long-term debentures	15	499,958	599,830	499,958	599,830
Current portion of lease liabilities		87,637	81,770	6,183	6,366
Short-term loans from related parties	2	36,074	33,119	338,218	747,634
Provision for product warranty		36,386	19,229	-	-
Other current liabilities					
Income tax payable		21,792	15,796	13,967	-
Advances received from customers		175,063	142,599	58,597	20,388
Others		268,032	216,130	15,984	3,304
Total current liabilities		9,296,273	8,446,276	2,909,392	3,226,147
Non-current liabilities					
Long-term loans	14	3,433,176	3,997,519	2,061,978	2,865,436
Long-term debentures	15	1,099,400	1,599,079	1,099,400	1,599,079
Lease liabilities		203,740	237,025	9,584	14,241
Provision for long-term employee benefits		264,362	251,468	45,917	42,588
Deferred tax liabilities		38,063	23,324	-	-
Other non-current liabilities		55,298	50,075	-	-
Total non-current liabilities		5,094,039	6,158,490	3,216,879	4,521,344
Total liabilities		14,390,312	14,604,766	6,126,271	7,747,491

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 2021**

(Unit: Thousand Baht)

		Consolidated financial information		Separate financial information	
	Note	30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	16				
Registered					
354,842,012 ordinary shares of Baht 1 each					
(31 December 2020: 322,649,160 ordinary shares					
of Baht 1 each)		354,842	322,649	354,842	322,649
Issued and paid-up					
354,842,012 ordinary shares of Baht 1 each					
(31 December 2020: 322,583,844 ordinary shares					
of Baht 1 each)		354,842	322,584	354,842	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
Deficit from the change in the interests in a subsidiary	8.2	(1,533)	-	-	-
Retained earnings					
Appropriated					
Statutory reserve - the Company		59,541	59,541	59,541	59,541
Statutory reserve - subsidiaries		159,594	159,594	-	-
Unappropriated		5,409,103	4,761,037	3,599,438	2,604,111
Other components of shareholders' equity		340,572	(27,548)	-	-
Equity attributable to owners of the Company		8,520,053	7,473,142	6,211,755	5,184,170
Non-controlling interests of the subsidiaries		291,016	268,146	-	-
Total shareholders' equity		8,811,069	7,741,288	6,211,755	5,184,170
Total liabilities and shareholders' equity		23,201,381	22,346,054	12,338,026	12,931,661

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

Directors

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 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	2021	2020	2021	2020
<b>Profit for the period</b>	231,582	310,921	79,580	79,695
<b>Other comprehensive income</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Translation adjustments	34,504	200,541	-	-
Share of other comprehensive income from associates	186,064	114,353	-	-
<b>Other comprehensive income for the period</b>	220,568	314,894	-	-
<b>Total comprehensive income for the period</b>	452,150	625,815	79,580	79,695
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	443,472	601,889	79,580	79,695
Non-controlling interests of the subsidiaries	8,678	23,926		
	452,150	625,815		

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

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## AAPICO Hitech Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	2021	2020	2021	2020
<b>Profit for the period</b>	895,605	7,887	1,242,748	385,732
<b>Other comprehensive income</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Translation adjustments	70,798	207,015	-	-
Share of other comprehensive income from associates	324,541	19,063	-	-
<b>Other comprehensive income for the period</b>	395,339	226,078	-	-
<b>Total comprehensive income for the period</b>	1,290,944	233,965	1,242,748	385,732
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	1,263,607	220,240	1,242,748	385,732
Non-controlling interests of the subsidiaries	27,337	13,725		
	1,290,944	233,965		

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

**AAPICO Hitech Public Company Limited and its subsidiaries****Cash flow statement****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before tax	975,042	58,780	1,282,463	398,797
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	768,127	763,366	95,799	97,945
Unrealised loss (gain) on exchange rate from loan receivables/payables	35,087	2,605	(177,964)	(88,767)
Unrealised loss from derivatives	-	1,190	-	1,190
Gains on sales/write-off of equipment, right-of-use asset and other intangible assets	(4,035)	(4,780)	(697)	(8,980)
Share of profit from investments in associates and joint ventures	(208,982)	(42,842)	-	-
Loss on write-off of other assets	738	983	-	-
Reduction of inventory cost to net realisable value (reversal)	20,777	(16,709)	(1,871)	201
Allowance for expected credit losses (reversal)	(19,650)	(866)	1,713	(957)
Provision for product warranty	18,248	2,451	-	-
Provision for long-term employee benefits	17,839	21,033	3,435	3,368
Dividend income from associates and subsidiaries	-	-	(1,028,532)	(290,707)
Finance income	(3,836)	(29,627)	(118,829)	(156,613)
Finance cost	263,511	274,458	176,980	199,709
Profit from operating activities before changes in operating assets and liabilities	1,862,866	1,030,042	232,497	155,186
Operating assets (increase) decrease				
Trade and other receivables	543,214	(762,653)	150,797	119,852
Inventories	(669,123)	412,366	(9,802)	(34,665)
Other current financial assets	(9,346)	(65,100)	10,912	(66,999)
Other current assets	48,108	2,425	49,840	1,148
Other non-current assets	11,828	(9,974)	5,324	(1,469)
Operating liabilities increase (decrease)				
Trade and other payables	356,419	(554,622)	(98,632)	(223,296)
Other current liabilities	84,366	43,204	50,889	5,354
Other non-current liabilities	5,223	111,400	-	-
Cash flows from (used in) operating activities	2,233,555	207,088	391,825	(44,889)
Cash paid for long-term employee benefits	(4,945)	(12,352)	(106)	(231)
Cash paid for product warranty	(1,091)	(3,964)	-	-
Cash paid for income tax	(76,498)	(138,418)	(27,762)	(77,842)
Cash received from tax refund	17,125	7,608	9,636	-
<b>Net cash flows from (used in) operating activities</b>	<b>2,168,146</b>	<b>59,962</b>	<b>373,593</b>	<b>(122,962)</b>

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

## AAPICO Hitech Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	2021	2020	2021	2020
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposit	(27,000)	-	-	-
Decrease (increase) in loans to related parties	583,970	(250,547)	776,708	60,286
Acquisitions of investments in joint venture and subsidiary	(2,350)	(40,000)	(17,350)	(56,500)
Acquisitions of investments in non-controlling of subsidiary	(6,000)	-	(6,000)	-
Dividend received from associates and subsidiaries	106,331	290,707	1,026,381	290,707
Proceeds from sales of equipment	43,432	75,785	1,467	25,000
Acquisitions of property, plant and equipment, other intangible assets and assets recognised from the costs to fulfill a contract with a customer	(948,895)	(449,482)	(67,842)	(28,401)
Cash paid for investments in right-of-use assets	(170,711)	-	-	-
Interest received	47,109	19,535	1,199	21,171
<b>Net cash flows from (used in) investing activities</b>	<b>(374,114)</b>	<b>(354,002)</b>	<b>1,714,563</b>	<b>312,263</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from banks	405,906	1,687,827	274,500	1,132,000
Decrease in loans from related parties	-	-	(409,416)	(412,084)
Cash received from long-term loans	249,505	186,460	-	-
Repayments of long-term loans	(941,540)	(494,698)	(914,627)	(409,393)
Repayments of long-term debentures	(600,000)	-	(600,000)	-
Payments of lease liabilities	(53,915)	(40,636)	(4,840)	(5,733)
Dividends paid	(215,163)	-	(215,163)	-
Interest paid	(268,364)	(273,495)	(181,755)	(198,179)
<b>Net cash flows from (use in) financing activities</b>	<b>(1,423,571)</b>	<b>1,065,458</b>	<b>(2,051,301)</b>	<b>106,611</b>
Decrease in translation adjustments	(314,423)	(228,686)	-	-
<b>Net increase in cash and cash equivalents</b>	<b>56,038</b>	<b>542,732</b>	<b>36,855</b>	<b>295,912</b>
Cash and cash equivalents at beginning of period	651,781	537,807	68,888	38,935
<b>Cash and cash equivalents at end of period</b>	<b>707,819</b>	<b>1,080,539</b>	<b>105,743</b>	<b>334,847</b>
	-	-	-	-

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

## AAPICO Hitech Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial information		Separate financial information	
	2021	2020	2021	2020
<b>Supplemental cash flows information</b>				
Non-cash items consist of				
Increase in accounts payable for purchase				
and construction of assets	(59,501)	(78,792)	(15,262)	-
Increase (decrease) in deposits for purchases of assets	43	(330)	-	-
Transfer inventories to equipment	-	33,184	-	-
Transfer equipment, leasehold rights and				
other current assets to right-of-use assets	-	233,019	-	2,132
Transfer assets recognised from costs to fulfill a contract				
with a customer to equipment	4,680	-	-	-
Transfer equipment to other intangible assets	180	-	-	-
Transfer right-of-use assets to equipment	1,566	-	-	-
Increase in right-of-use assets from lease liabilities	26,497	20,221	-	-
Increase in dividend receivable	2,151	-	2,151	-
Stock dividends	32,258	-	32,258	-

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 2021

(Unit: Thousand Baht)

## Consolidated financial information

	Equity attributable to the Company's shareholders												
	Other components of equity - other												
	comprehensive income												
				Deficit from the change in the interests in a subsidiary	Retained earnings			Translation adjustments	Share of other comprehensive income from associates	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders'	
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury shares		Appropriated - Statutory reserve								
					The Company	Subsidiaries	Unappropriated			Total			equity
Balance as at 1 January 2020	322,584	2,164,354	33,580	-	59,541	153,094	4,618,178	(130,101)	(68,138)	(198,239)	7,153,092	251,625	7,404,717
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
Balance as at 30 September 2020	322,584	2,164,354	33,580	-	59,541	153,094	4,619,452	69,802	(49,075)	20,727	7,373,332	265,350	7,638,682
Balance as at 1 January 2021	322,584	2,164,354	33,580	-	59,541	159,594	4,761,037	161,822	(189,370)	(27,548)	7,473,142	268,146	7,741,288
Profit for the period	-	-	-	-	-	-	895,487	-	-	-	895,487	118	895,605
Other comprehensive income for the period	-	-	-	-	-	-	-	43,579	324,541	368,120	368,120	27,219	395,339
Total comprehensive income for the period	-	-	-	-	-	-	895,487	43,579	324,541	368,120	1,263,607	27,337	1,290,944
Purchase of non-controlling interests of the subsidiary (Note 8.2)	-	-	-	(1,533)	-	-	-	-	-	-	(1,533)	(4,467)	(6,000)
Dividends paid (Note 17)	-	-	-	-	-	-	(215,163)	-	-	-	(215,163)	-	(215,163)
Stock dividends (Note 16 and 17)	32,258	-	-	-	-	-	(32,258)	-	-	-	-	-	-
Balance as at 30 September 2021	354,842	2,164,354	33,580	(1,533)	59,541	159,594	5,409,103	205,401	135,171	340,572	8,520,053	291,016	8,811,069
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

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 2021**

(Unit: Thousand Baht)

	Separate financial information					
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury shares	Retained earnings Appropriated - Statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2020	322,584	2,164,354	33,580	59,541	2,331,717	4,911,776
Profit for the period	-	-	-	-	385,732	385,732
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	385,732	385,732
Balance as at 30 September 2020	322,584	2,164,354	33,580	59,541	2,717,449	5,297,508
Balance as at 1 January 2021	322,584	2,164,354	33,580	59,541	2,604,111	5,184,170
Profit for the period	-	-	-	-	1,242,748	1,242,748
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,242,748	1,242,748
Dividends paid (Note 17)	-	-	-	-	(215,163)	(215,163)
Stock dividends (Note 16 and 17)	32,258	-	-	-	(32,258)	-
Balance as at 30 September 2021	354,842	2,164,354	33,580	59,541	3,599,438	6,211,755
	-	-	-	-	-	-
	-	-	-	-	-	-

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



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

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021**

**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 statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial 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**

A second wave of the Coronavirus disease 2019 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**1.3 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 2020. During the current period, there was no significant change in the structure of the Group, except for the addition of subsidiaries as described in Note 8.2 to the interim financial statements.

**1.4 New financial reporting standards****a) Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

**1.5 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 2020.

**2. Related party transactions**

- 2.1 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.

Transactions	Transfer pricing policies
Sales of goods and services	Close to selling price to third party
Dividend income	As declared
Interest income	3.20% to 4% p.a. (2020: 3.71% to 4% p.a.)
Rental income	Contract price
Management fee income	Contract price
Other income	Approximate cost
Purchases of goods and services	Cost plus margin, averaging around 2% to 45% depend on product type
Other expenses	Contract price
Interest expense	3.20% to 3.67% p.a. (2020: 3.71% to 3.77% p.a.)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the three-month periods ended 30 September			
	2021	2020	2021	2020
<b>Sales of goods and services</b>				
Subsidiaries	-	-	61,429	72,566
Associates	61,671	41,206	2,457	659
Total	61,671	41,206	63,886	73,225
<b>Dividend income</b>				
Associates	-	-	-	4,734
Total	-	-	-	4,734
<b>Interest income</b>				
Subsidiaries	-	-	34,518	42,540
Associates	40	131	40	131
Joint ventures	441	-	441	-
Related company (common director)	-	8,138	-	7,934
Total	481	8,269	34,999	50,605
<b>Rental income</b>				
Subsidiaries	-	-	390	444
Associates	3,531	2,781	333	333
Total	3,531	2,781	723	777
<b>Management fee income</b>				
Subsidiaries	-	-	15,052	9,678
Associates	3,553	3,077	3,553	3,077
Joint ventures	32	32	32	32
Total	3,585	3,109	18,637	12,787
<b>Other income</b>				
Subsidiaries	-	-	4,405	3,936
Associates	2,444	1,878	1,274	1,110
Joint ventures	122	1,089	26	39
Related company (common director)	2,203	1,751	-	-
Total	4,769	4,718	5,705	5,085
<b>Purchases of goods and services</b>				
Subsidiaries	-	-	67,346	227,076
Associates	81,358	175,518	57,819	117,805
Joint ventures	167	14	-	-
Total	81,525	175,532	125,165	344,881

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the three-month periods ended 30 September			
	2021	2020	2021	2020
<b>Other expenses</b>				
Subsidiaries	-	-	4,128	2,674
Associates	23	201	9	16
Total	23	201	4,137	2,690
<b>Interest expense</b>				
Subsidiaries	-	-	1,060	3,070
Total	-	-	1,060	3,070

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the nine-month periods ended 30 September			
	2021	2020	2021	2020
<b>Sales of goods and services</b>				
Subsidiaries	-	-	221,953	159,979
Associates	170,656	110,564	5,058	702
Joint ventures	775	-	-	-
Total	171,431	110,564	227,011	160,681
<b>Dividend income</b>				
Subsidiaries	-	-	920,050	-
Associates	-	-	108,482	290,707
Total	-	-	1,028,532	290,707
<b>Interest income</b>				
Subsidiaries	-	-	117,498	131,846
Associates	118	393	118	393
Joint ventures	988	-	988	-
Related company (common director)	-	24,726	-	24,146
Total	1,106	25,119	118,604	156,385
<b>Rental income</b>				
Subsidiaries	-	-	1,170	1,332
Associates	10,592	9,842	999	999
Total	10,592	9,842	2,169	2,331

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial information		financial information	
	For the nine-month periods ended 30 September			
	2021	2020	2021	2020
<b>Management fee income</b>				
Subsidiaries	-	-	55,893	49,735
Associates	10,598	8,797	10,598	8,797
Joint ventures	96	107	96	107
Total	10,694	8,904	66,587	58,639
<b>Other income</b>				
Subsidiaries	-	-	13,037	11,202
Associates	6,620	5,197	3,188	3,146
Joint ventures	1,682	2,925	77	125
Related company (common director)	6,519	4,661	-	-
Total	14,821	12,783	16,302	14,473
<b>Purchases of goods and services</b>				
Subsidiaries	-	-	221,054	235,724
Associates	256,583	175,751	169,575	117,875
Joint ventures	615	14	16	-
Total	257,198	175,765	390,645	353,599
<b>Other expenses</b>				
Subsidiaries	-	-	12,487	10,901
Associates	296	434	39	86
Total	296	434	12,526	10,987
<b>Interest expense</b>				
Subsidiaries	-	-	13,665	11,216
Total	-	-	13,665	11,216

2.2 The balances of the accounts between the Group and those related parties as at 30 September 2021 and 31 December 2020

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial information		financial information	
	30	31	30	31
	September	December	September	December
	2021	2020	2021	2020
<b>Trade and other receivables - related parties (Note 3)</b>				
Subsidiaries	-	-	1,173,775	1,027,509
Associates	53,257	56,760	9,357	4,420
Joint ventures	798	284	713	10
Related company (common directors)	74,437	73,193	21,053	19,034
Less: Allowance for expected credit losses	(72,184)	(70,163)	(83,602)	(81,580)
Total	56,308	60,074	1,121,296	969,393
<b>Trade and other payables - related parties</b>				
Subsidiaries	-	-	60,635	92,077
Associates	75,905	97,687	60,394	78,225
Related company (common director)	5,014	4,603	-	-
Total	80,919	102,290	121,029	170,302
<b>Short-term loans to related parties</b>				
Subsidiaries	-	-	360,000	360,000
Less: Allowance for expected credit losses	-	-	(24,000)	(24,000)
Total	-	-	336,000	336,000
<b>Long-term loans to related parties</b>				
Subsidiaries	-	-	3,887,793	3,870,480
Associates	4,000	4,000	4,000	4,000
Joint ventures	43,750	13,750	43,750	13,750
Related company (common director)	535,021	1,089,269	374,329	928,577
Less: Allowance for expected credit losses	(512,967)	(469,867)	(500,329)	(460,229)
Total	69,804	637,152	3,809,543	4,356,578
<b>Short-term loans from related parties</b>				
Subsidiaries	-	-	338,218	747,634
Related company (common directors)	36,074	33,119	-	-
Total	36,074	33,119	338,218	747,634

## **The appropriation shares of SGAH**

### **2017 Loan Agreement**

During the 2<sup>nd</sup> quarter of 2017, the Group granted SGAH a synthetic convertible loan of USD 50 million, or Baht 1,530 million, carrying interest at a rate of 20% per annum, due and payable in full on 31 March 2020.

### **2018 Loan Agreement**

During the 3<sup>rd</sup> quarter of 2018, the Company granted SGAH a loan of USD 40 million, or Baht 1,217 million, carrying interest at a rate of 10% per annum, due and payable within 3 years.

Both loans are fully guaranteed by individual directors of SGAH's parent company and the parent company of SGAH (ABT Auto Investments Limited or "ABT"). Both loans are also secured by, among other things, a charge (the Share Charge) over 50.01% of the shares in SGAH owned by ABT.

As of 31 March 2019, SGAH had failed to make the principal repayment due in March 2019 in accordance with the 2018 Loan Agreement signed with the Company. The Company, as a lender, served acceleration notices and demand letters on SGAH and ABT, requiring immediate repayment of all outstanding amounts under the 2017 Loan Agreement and the 2018 Loan Agreement. SGAH again failed to pay the outstanding amounts, and ABT also failed to pay the outstanding amounts. As a result, the security over the remaining 50.01% shares of SGAH owned by ABT, created under the Share Charge became enforceable. In August 2019, the Company exercised its rights as secured lender, and in October 2019 completed the process of appropriating the remaining 50.01% shareholding held by ABT in SGAH, in accordance with the Share Charge, resulting an increase in the Company's shareholding in SGAH from 49.99% to 100%. SGAH holds interests in the following companies.

- a) 77.04% in Sakthi Auto Component Limited ("SACL"), a company incorporated in India. SGAH determined that the Company has no control over SACL. Even though the Company holds more than half of shares and voting rights. The Company is still in the process of legally taking control over SACL.

In addition, Oxy Capital ("OXY"), a secured creditor of Sakthi Services, S.A. ("SS") and a company incorporated in Portugal that is 100% held by SACL, exercised its rights under a pledge it held in respect of the shares of Sakthi Portugal, S.A. ("SP"). The Company subsequently acquired 100% of shares from OXY at a purchase price of EUR 24.5 million or Baht 823 million. Previously, the Company held 77.04% of shares in SP through SGAH and SACL.

- b) 100% in Sakthi Automotive Group USA, Inc. ("SAGUSA"), a company incorporated in the United States of America. SAGUSA is currently under receivership and in the process of liquidation. SGAH had set up full allowance for impairment loss on the investment.

There are a number of legal cases proceeding between the Group and Sakthi Group ("Sakthi"). As of 30 September 2021, there are two relevant cases that have been advanced and the results of which may directly affect the total amount of outstanding debt owed by Sakthi to the Group, including interest, default interest and costs. The details of these two cases are as follows.

- a) Legal proceeding by ABT, which is a company within Sakthi, against the Group challenging the value of SGAH shares which have been appropriated by the Group as enforcement of security.

ABT has brought a legal case in the English Commercial Court to challenge the valuation of SGAH's shares by the independent appraiser assigned by the Group. The Group is vigorously contesting ABT's claims.

Should the English Commercial Court rule in favor of the Group, there will be no change to the Group's current position, where it has appropriated SGAH's shares and applied a value for those shares in accordance with a valuation by an independent appraiser. Should the English Commercial Court rule in favor of ABT, the value of SGAH shares appropriated by the Group will be adjusted as per the Court ruling.

In the worst-case scenario where the English Commercial Court agrees entirely with ABT and decides the value of SGAH's shares should be adjusted as claimed by ABT, the Group will need to adjust value of SGAH's shares in its statement of financial position. An account will need to be taken of the difference between the valuation applied and the valuation decided. If the English Commercial Court agrees that some other adjustment should be made, an account will need to be taken of that difference.

At present, the case is in the stage where ABT and the Group are stating the outlines of their case. The trial and hearing process are expected to be held in the second half of 2022.

- b) Legal proceeding by the Group to enforce four personal guarantees

The Group is pursuing arbitration proceedings at the Singapore International Arbitration Centre (SIAC) under four personal guarantees issued by individuals currently and/or formerly connected to Sakthi as security for loans from the Group.

In considering this case, the arbitrator will consider 1) whether the guarantors must make a payment to the Group in accordance with their personal guarantees and 2) if so, how much.

Among other things, the personal guarantors have argued that the arbitrator should await the ruling of the English Commercial Court in the proceedings by ABT. The Group does not agree and vigorously contests this.

If the arbitrator agrees with the personal guarantors, his award may be delayed until the ruling by the English Commercial Court on the value of the shares appropriated by SGAH.

If the arbitrator agrees with the Group, the arbitrator proceeds and once the arbitration process is complete, issues the decision. The Group's legal counsel advised the personal guarantors' obligations under their personal guarantees are already engaged from the moment ABT failed to make payment as required by the Group, and that liability under the personal guarantees should be considered independently.

As above, if the English Commercial Court rules in favor of the Group, the Group's position remains unchanged - and if the English Commercial Court rules in favor of ABT, an account will need to be taken of any difference in valuations.



2.3 The movements of loans between the Group and those related parties during the nine-month period ended 30 September 2021

	(Unit: Thousand Baht)	
	Consolidated	Separate
Loans to related parties	financial information	financial information
As at 1 January 2021	637,152	4,692,578
Increase during the period	30,000	2,205,330
Decrease during the period	(613,970)	(2,982,038)
Effect from foreign exchange rate	16,622	229,673
As at 30 September 2021	69,804	4,145,543

	(Unit: Thousand Baht)	
	Consolidated	Separate
Loans from related parties	financial information	financial information
As at 1 January 2021	33,119	747,634
Increase during the period	-	3,034,020
Decrease during the period	-	(3,443,436)
Translation adjustments	2,955	-
As at 30 September 2021	36,074	338,218

2.4 Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2021 and 2020, 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			
	2021	2020	2021	2020
Short-term employee benefits	7,807	7,403	7,807	7,403
Post-employment and other long-term benefits	53	50	53	50
Total	7,860	7,453	7,860	7,453

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial information		financial information	
	For the nine-month periods ended 30 September			
	2021	2020	2021	2020
Short-term employee benefits	23,572	23,018	23,572	23,018
Post-employment and other long-term benefits	161	151	161	151
Total	23,733	23,169	23,733	23,169

## 2.5 Guarantee obligations with related parties

The Company has outstanding guarantee obligations for credit facilities of its related parties, as described in Note 20.4 to the interim financial statements.

## 3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial information		Separate financial information	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	45,150	51,775	31,828	35,068
Past due 3 - 12 months	-	-	-	-
Past due more than 12 months	46,202	46,202	-	-
Total	91,352	97,977	31,828	35,068
Less: Allowance for expected credit losses	(46,529)	(46,529)	(327)	(327)
Total trade receivables - related parties, net	44,823	51,448	31,501	34,741
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	2,188,169	2,591,569	196,211	294,760
Past due 3 - 12 months	27,698	13,237	274	1,535
Past due more than 12 months	16,068	41,461	1,040	3,975
Total	2,231,935	2,646,267	197,525	300,270
Less: Allowance for expected credit losses	(26,029)	(47,651)	(1,213)	(1,213)
Total trade receivables - unrelated parties, net	2,205,906	2,598,616	196,312	299,057
Total trade receivables - net	2,250,729	2,650,064	227,813	333,798
<b>Other receivables</b>				
Receivable from sale of investment	-	31,140	-	31,140
Dividend receivable - related party	2,151	-	2,151	-
Advances - unrelated parties	24,108	26,417	-	-
Interest receivable - related parties	23,570	21,576	1,144,067	991,760
Accrued income - related parties	-	300	-	-
Accrued income - unrelated parties	15,450	103,980	3	51,398
Others - related parties	11,419	10,384	26,852	24,145
Others - unrelated parties	93,454	94,466	20,543	20,204
Total	170,152	288,263	1,193,616	1,118,647
Less: Allowance for expected credit losses	(94,254)	(92,282)	(102,312)	(100,599)
Total other receivables - net	75,898	195,981	1,091,304	1,018,048
Total trade and other receivables - net	2,326,627	2,846,045	1,319,117	1,351,846

As at 30 September 2021, a subsidiary has pledged trade receivables of Baht 28.6 million as collateral to secure loans from banks.

**4. Inventories**

Movements in the allowance for reduction of cost of inventories to net realisable value account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial information	Separate financial information
As at 1 January 2021	73,597	16,250
Increase (decrease) during the period	20,777	(1,871)
As at 30 September 2021	94,374	14,379

As at 30 September 2021, certain subsidiaries have pledged finished goods of Baht 274 million (31 December 2020: Baht 318 million) to secure loans from banks.

**5. Restricted bank deposit**

The balance is a fixed deposit which a subsidiary has pledged as collateral to secure short-term loans from bank, as described in Note 14 to the interim financial statements.

**6. Investments in associates****6.1 Details of investments in associates**

	(Unit: Thousand Baht)					
	Consolidated financial information					
Company	Shareholding percentage		Cost		Carrying amounts based on equity method	
	30 September 2021 (%)	31 December 2020 (%)	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<b>Associates in Thailand</b>						
Able Sanoh Industries (1996) Company Limited	45.62	45.62	30,700	30,700	523,343	490,739
Sanoh Industries (Thailand) Company Limited	20	20	29,250	29,250	105,386	100,750
MINTH AAPICO (Thailand) Company Limited	40	40	115,400	115,400	68,281	76,137
Thai Takagi Seiko Company Limited	49.20	49.20	59,587	59,587	14,854	12,870
Hyundai Motor (Thailand) Company Limited	20	20	110,000	110,000	249,244	179,319
Edscha AAPICO Automotive Company Limited	49	49	25,480	25,480	40,034	39,271
Sumino AAPICO (Thailand) Company Limited	49	49	147,000	147,000	185,669	183,439
<b>Associate in overseas</b>						
Nuro Technology Incorporated	20.36	20.36	50,866	50,866	36,504	40,818
<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	2,794,473	2,455,680
Total			3,144,260	3,144,260	4,017,788	3,579,023

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company	Separate financial information							
	Shareholding percentage		Cost		Allowance for impairment		Carrying amounts based on cost method - net	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)						
<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	49.20	49.20	59,587	59,587	-	-	59,587	59,587
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
<b>Total</b>			<b>568,283</b>	<b>568,283</b>	<b>-</b>	<b>-</b>	<b>568,283</b>	<b>568,283</b>

## 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 profit (loss)		Share of other comprehensive income		Dividend income		Dividend income	
	For the three-month periods ended 30 September							
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Associates in Thailand</b>								
Able Sanoh Industries (1996) Company Limited	28,550	23,511	-	-	-	-	-	-
Sanoh Industries (Thailand) Company Limited	1,567	288	-	-	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(406)	(6,575)	-	-	-	-	-	-
Thai Takagi Seiko Company Limited	(3,441)	(4,272)	-	-	-	-	-	-
Hyundai Motor (Thailand) Company Limited	56,009	22,609	-	-	-	-	-	-
Edscha AAPICO Automotive Company Limited	4,353	3,037	-	-	-	-	-	-
Sumino AAPICO (Thailand) Company Limited	(4,338)	5,081	-	-	-	4,734	-	4,734
<b>Associates in overseas</b>								
Nuro Technology Incorporated	(1,585)	(854)	1,501	916	-	-	-	-
Sakthi Auto Component Limited	(11,594)	10,059	184,563	113,437	-	-	-	-
<b>Total</b>	<b>69,115</b>	<b>52,884</b>	<b>186,064</b>	<b>114,353</b>	<b>-</b>	<b>4,734</b>	<b>-</b>	<b>4,734</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company	Consolidated financial information						Separate financial information	
	Share of other comprehensive income						Dividend income	
	Share of profit (loss)		income		Dividend income		Dividend income	
	For the nine-month periods ended 30 September							
	2021	2020	2021	2020	2021	2020	2021	2020
Associates in Thailand								
Able Sanoh Industries (1996) Company Limited	102,895	39,126	-	-	70,291	271,067	70,291	271,067
Sanoh Industries (Thailand) Company Limited	6,787	(244)	-	-	2,151	-	2,151	-
MINTH AAPICO (Thailand) Company Limited	(7,856)	(10,106)	-	-	-	-	-	-
Thai Takagi Seiko Company Limited	1,984	(14,611)	-	-	-	-	-	-
Hyundai Motor (Thailand) Company Limited	91,925	44,722	-	-	22,000	-	22,000	-
Edscha AAPICO Automotive Company Limited	12,351	6,875	-	-	11,588	14,906	11,588	14,906
Sumino AAPICO (Thailand) Company Limited	4,682	11,945	-	-	2,452	4,734	2,452	4,734
Associates in overseas								
Nuro Technology Incorporated	(7,033)	(2,604)	2,719	1,987	-	-	-	-
Sakthi Auto Component Limited	16,971	(21,688)	321,822	17,076	-	-	-	-
Total	222,706	53,415	324,541	19,063	108,482	290,707	108,482	290,707

The value of the investment under the equity method of Sakthi Auto Component Limited ("SACL") as at 30 September 2021 and 31 December 2020 including share of profit and loss and share of other comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 have been accounted for based on the financial information prepared by the management of the associate, which has not been audited or reviewed by the auditor of SACL.

## 7. Investments in joint ventures

### 7.1 Details of investments in joint ventures

(Unit: Thousand Baht)

Joint venture	Consolidated financial information					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
<b>Joint ventures in Thailand</b>						
AAPICO Sodecia (Thailand)						
Company Limited	50	50	82,500	82,500	73,394	73,558
AAPICO Electronics						
Company Limited	51	51	15,100	12,750	5,409	4,770
Vroom Company Limited	40	40	80,000	80,000	47,078	58,927
Total			177,600	175,250	125,881	137,255

(Unaudited but reviewed)

(Unit: Thousand Baht)

Joint venture	Separate financial information			
	Shareholding percentage		Carrying amounts based on cost method	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	(%)	(%)		
<b>Joint ventures in Thailand</b>				
AAPICO Sodecia (Thailand) Company Limited	50	50	82,500	82,500
AAPICO Electronics Company Limited	51	51	15,100	12,750
Vroom Company Limited	40	40	80,000	80,000
Total			177,600	175,250

## 7.2 Changes in investments in joint ventures

On 2 August 2021, the Extraordinary General Meeting of Shareholders of AAPICO Electronics Company Limited passed a resolution to approve an increase in its registered capital, from Baht 25.0 million to Baht 29.6 million, by issuing 46,000 new ordinary shares with a par value of Baht 100 each. The Company purchased the additional share capital increase in order to maintain its shareholding percentage.

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

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

					(Unit: Thousand Baht)	
	Consolidated financial information				Separate financial information	
			Share of other comprehensive income			
Joint venture	Share of loss				Dividend income	
	For the three-month periods ended 30 September					
	2021	2020	2021	2020	2021	2020
AAPICO Sodecia (Thailand) Company Limited	(53)	(35)	-	-	-	-
AAPICO Electronics Company Limited	(655)	(666)	-	-	-	-
Vroom Company Limited	(4,243)	(3,109)	-	-	-	-
Total	(4,951)	(3,810)	-	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Joint venture	Consolidated financial information				Separate financial information	
	Share of loss		Share of other comprehensive income		Dividend income	
	For the nine-month periods ended 30 September					
	2021	2020	2021	2020	2021	2020
AAPICO Sodecia (Thailand) Company Limited	(163)	(109)	-	-	-	-
AAPICO Electronics Company Limited	(1,711)	(1,761)	-	-	-	-
Vroom Company Limited	(11,850)	(8,703)	-	-	-	-
Total	(13,724)	(10,573)	-	-	-	-

## 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	31	30	31	30	31
	September	December	September	December	September	December
	2021	2020	2021	2020	2021	2020
			(%)	(%)		
<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 Hitech Automation Company Limited (formerly known as "AAPICO Hyojin Autotech Company Limited")	Baht 30 million	Baht 30 million	100	70	27,000	21,000
MG Able Motors Company Limited	Baht 15 million	-	100	-	15,000	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company	Separate financial information					
	Called-up capital		Shareholding percentage		Cost	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2021	2020	2021	2020	2021	2020
			(%)	(%)		
<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					8,159,747	8,138,747
Less: Allowance for impairment					(3,455,800)	(3,455,800)
Net					4,703,947	4,682,947

## 8.2 Change in investments in subsidiaries

- a) In May 2021, the Board of Directors' Meeting of the Company passed a resolution to approve an investment in 100% of the ordinary shares of MG Able Motors Company Limited, a newly established company in Thailand that is engaged in sales of automobiles and automobile repair service. The company has a registered share capital of Baht 15 million, which is fully paid-up.
- b) In June 2021, the Company purchased additional shares of AAPICO Hyojin Autotech Company Limited from the unrelated existing shareholders at a price of Baht 6 million. The additional investment increased the Company's shareholding from 70% to 100%.

## 8.3 Dividend income from subsidiaries

(Unit: Thousand Baht)

Company	Separate financial information	
	For the nine-month periods	
	ended 30 September 2021	
AAPICO Hitech Tooling Co., Ltd.	50,050	
AAPICO Amata Co., Ltd.	70,000	
AAPICO Hitech Parts Co., Ltd.	150,000	
AAPICO Structural Products Co., Ltd.	650,000	
Total	920,050	

During the three-month period ended 30 September 2021 and three-month and nine-month periods ended 30 September 2020, the subsidiaries did not pay dividend to the Company.



**9. Property, plant and equipment**

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial information	financial information
Net book value as at 1 January 2021	7,773,139	1,025,305
Acquisitions during the period - at cost	842,107	83,104
Transfer from assets recognised from the costs		
to fulfill a contract with a customer	4,680	-
Transfer from right-of-use assets	1,566	-
Disposals/write-off during the period - net book value	(38,963)	(770)
Transfer to other intangible assets	(180)	-
Depreciation for the period	(579,122)	(86,495)
Translation adjustments	222,641	-
Net book value as at 30 September 2021	8,225,868	1,021,144

Two subsidiaries have mortgaged their land, building, machinery and vehicles with net book value as at 30 September 2021 of Baht 1,153 million (31 December 2020: Baht 1,046 million) to secure the credit facilities granted by banks.

**10. Right-of-use assets**

Movements in the right-of-use assets account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial information	financial information
Net book value as at 1 January 2021	473,083	21,049
Increase during the period	197,208	-
Write-off during the period	(431)	-
Transfer to equipment	(1,566)	-
Depreciation for the period	(74,030)	(5,489)
Translation adjustments	27,088	-
Net book value as at 30 September 2021	621,352	15,560

Two subsidiaries have mortgaged their right-of-use assets in land and machinery with net book value as at 30 September 2021 of Baht 397 million (31 December 2020: Baht 181 million) to secure the credit facilities granted by banks.

**11. Goodwill**

Movements in the goodwill account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial information
Net book value as at 1 January 2021	1,094,249
Effect from foreign exchange rate	57,998
Net book value as at 30 September 2021	1,152,247

**12. Other intangible assets**

Movements in the other intangible assets account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial information	Separate financial information
Net book value as at 1 January 2021	1,575,584	8,876
Acquisitions during the period - at cost	385	-
Transfer from equipment	180	-
Write-off during the period	(3)	-
Amortisation for the period	(38,446)	(3,815)
Translation adjustments	103,646	-
Net book value as at 30 September 2021	1,641,346	5,061

**13. 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 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial information
Net book value as at 1 January 2021	434,604
Acquisitions during the period - at cost	165,861
Transfer to equipment	(4,680)
Amortisation for the period	(76,529)
Translation adjustments	23,108
Net book value as at 30 September 2021	542,364

**14. Loans from banks**

Movements in the long-term loans from banks account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial information	Separate financial information
As at 1 January 2021	5,306,105	3,988,462
Additions during the period	249,505	-
Repayments during the period	(941,540)	(914,627)
Effect from foreign exchange rate	51,709	51,709
Translation adjustments	91,574	-
As at 30 September 2021	4,757,353	3,125,544
Less: Deferred financial fees	(6,346)	(6,346)
Long-term loans - net	4,751,007	3,119,198
Less: Portion due within one year	(1,317,831)	(1,057,220)
Portion due more than one year	3,433,176	2,061,978

During 2020, the Company and a subsidiary received a relaxation letter from certain 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 bank deposit, inventories, right-of-use assets of land, land, buildings and machinery, 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.

As at 30 September 2021, the short-term and long-term credit facilities of the Group which have not been drawn down amounted to Baht 3,895 million (31 December 2020: Baht 4,242 million).

**15. Long-term debentures**

Movements in the long-term debentures account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht) Consolidated/Separate financial information
As at 1 January 2021	2,200,000
Repayments during the period	(600,000)
As at 30 September 2021	1,600,000
Less: Deferred debenture issuing costs	(642)
Long-term debentures - net	1,599,358
Less: Portion due within one year	(499,958)
Portion due more than one year	1,099,400

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

**16. Share capital**

On 23 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to decrease the registered capital of the Company by Baht 65,316 by eliminating the 65,316 unissued shares, and to increase the registered capital of the Company from the existing registered capital of Baht 322,583,844 to a new registered capital of Baht 354,842,228 by issuing 32,258,384 new ordinary shares with a par value of Baht 1 per share to support the stock dividend payment totaling 32,258,384 shares.

Movements in number of registered share capital and issued and paid-up share capital for the nine-month period ended 30 September 2021 are summarised below.

	Registered share capital	Date of registration	Issued and paid- up share capital	Date of registration
	(Thousand shares/ Thousand Baht)		(Thousand shares/ Thousand Baht)	
As at 1 January 2021	322,649		322,584	
Capital decrease by eliminating unissued shares	(65)	11 May 2021	-	
Capital increase due to stock dividend payment	32,258	14 May 2021	32,258	20 May 2021
As at 30 September 2021	354,842		354,842	

**17. Dividends paid**

Dividends	Approved by	Dividend per share (Baht)	Total dividends (Thousand Baht)
Cash dividends for 2020	Annual General Meeting of the shareholders on 23 April 2021	0.15	48,388
Stock dividends for 2020	Annual General Meeting of the shareholders on 23 April 2021	0.10	32,258
Interim dividend for 2021	The Board of Directors' Meeting on 16 August 2021	0.47	166,775
Total for the nine-month period ended 30 September 2021			<u>247,421</u>

**18. Income tax expenses**

Income tax expenses for the three-month and nine-month periods ended 30 September 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial information		financial information	
	For the three-month periods ended 30 September			
	2021	2020	2021	2020
Current income tax				
Interim income tax charge	22,399	25,699	14,966	15,688
Deferred tax				
Relating to origination and reversal of temporary differences	(869)	2,968	322	227
Income tax expenses reported in the income statement	21,530	28,667	15,288	15,915

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial information		financial information	
	For the nine-month periods ended 30 September			
	2021	2020	2021	2020
Current income tax				
Interim income tax charge	75,560	44,218	41,729	17,023
Adjustment in respect of income tax of previous year	-	(11,585)	-	(11,585)
Deferred tax				
Relating to origination and reversal of temporary differences	3,877	18,260	(2,014)	7,627
Income tax expenses reported in the income statement	79,437	50,893	39,715	13,065

**19. 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, after adjusting the number of ordinary shares used to calculate earnings per share for the three-month and nine-month periods ended 30 September 2021 in proportion to the change in the number of shares as a result of the distribution of the stock dividend of 32.26 million shares, following with the resolutions of the Annual General Meeting of the Company's shareholders on 23 April 2021 as if the stock dividend had been issued at the beginning of the earliest period reported. For the purpose of comparable of the earnings per share, the Company has also adjusted the number of shares in issue for the three-month and nine-month periods ended 30 September 2020.

(Unit: Thousand Baht/Thousand Shares)

	Consolidated		Separate	
	financial information		financial information	
	For the three-month periods ended 30 September			
	2021	2020	2021	2020
Profit attributable to shareholders of the Company	234,557	301,777	79,580	79,695
Weighted average number of ordinary shares	354,842	354,842	354,842	354,842
<b>Earnings per share (Baht)</b>	0.661	0.850	0.224	0.225

(Unit: Thousand Baht/Thousand Shares)

	Consolidated		Separate	
	financial information		financial information	
	For the nine-month periods ended 30 September			
	2021	2020	2021	2020
Profit attributable to shareholders of the Company	895,487	1,274	1,242,748	385,732
Weighted average number of ordinary shares	354,842	354,842	354,842	354,842
<b>Earnings per share (Baht)</b>	2.524	0.004	3.502	1.087

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

As at 30 September 2021 and 31 December 2020, the Group had capital commitments relating to installation of computer software, acquisitions of machinery and building from unrelated parties as follows.

(Unit: Million)

Currency	Consolidated		Separate	
	financial information		financial information	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
THB	204.4	132.9	20.6	28.8
RMB	23.4	10.3	-	-

**20.2 Long-term investment commitments**

As at 30 September 2021 and 31 December 2020, 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	31 December	30 September	31 December
	2021	2020	2021	2020
Subsidiaries	223	223	77	77
Associate	25	25	25	25
Joint venture	68	68	68	68

**20.3 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 2021 amounting to Baht 10 million (2020: Baht 6 million) were recognised as expenses.

**20.4 Guarantees**

- a) As at 30 September 2021, the Company has guaranteed bank credit facilities of its foreign subsidiary amounting to RMB 10 million and its local associate amounting to Baht 100 million (31 December 2020: RMB 18 million and Baht 100 million, respectively).
- b) As at 30 September 2021, two foreign subsidiaries have provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 1 million (31 December 2020: RM 2 million) and RM 20 million (31 December 2020: RM 3 million), respectively.
- c) As at 30 September 2021 and 31 December 2020, 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.

Letter of guarantee	Consolidated		Separate	
	financial information		financial information	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Contractual performance	Baht 44 million	Baht 31 million	-	-
Electricity use and others	Baht 30 million	Baht 30 million	Baht 4 million	Baht 4 million
	RM 0.5 million	RM 0.5 million		

**20.5 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 2021, would not exceed RMB 20.0 million (31 December 2020: not exceed RMB 18.1 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 of financial instruments**

As at 30 September 2021 and 31 December 2020, the Group had the assets that were measured at fair value using different levels of inputs as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial information		Separate	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<b>Assets measured at fair value</b>				
Investments in debt instrument				
- open-end fund (Level 2)	47,143	37,797	88	11,000
Investments in unquoted securities (Level 3)	-	-	-	-

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 2021 and 2020.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Sales of automobiles and automobiles											
	Manufacture of auto parts segment		repair service segment		Others		Total segments		Adjustments and eliminations		Consolidated financial information	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from contracts with customers												
External customers	3,447	3,254	795	1,492	2	1	4,244	4,747	-	-	4,244	4,747
Inter-segment	337	315	152	209	3	3	492	527	(492)	(527)	-	-
Total revenues	3,784	3,569	947	1,701	5	4	4,736	5,274	(492)	(527)	4,244	4,747
Operating results												
Segment profit (loss)	288	367	(7)	28	(5)	(11)	276	384	-	-	276	384
Share of profit from investments in associates and joint ventures											64	49
Finance cost											(87)	(93)
Profit before income tax expenses											253	340
Income tax expenses											(21)	(29)
Profit for the period											232	311

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Sales of automobiles and automobiles											
	Manufacture of auto parts segment		repair service segment		Others		Total segments		Adjustments and eliminations		Consolidated financial information	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenues from contracts with customers</b>												
External customers	11,282	8,363	3,375	3,321	6	2	14,663	11,686	-	-	14,663	11,686
Inter-segment	1,077	896	557	497	6	6	1,640	1,399	(1,640)	(1,399)	-	-
<b>Total revenues</b>	<u>12,359</u>	<u>9,259</u>	<u>3,932</u>	<u>3,818</u>	<u>12</u>	<u>8</u>	<u>16,303</u>	<u>13,085</u>	<u>(1,640)</u>	<u>(1,399)</u>	<u>14,663</u>	<u>11,686</u>
<b>Operating results</b>												
<b>Segment profit (loss)</b>	1,028	258	7	41	(5)	(7)	1,030	292	-	-	1,030	292
Share of profit from investments in associates and joint ventures											209	43
Finance cost											<u>(264)</u>	<u>(276)</u>
<b>Profit before income tax expenses</b>											975	59
Income tax expenses											<u>(79)</u>	<u>(51)</u>
<b>Profit for the period</b>											<u>896</u>	<u>8</u>

**23. Reclassification**

Certain amounts in the income statements for the three-month and nine-month periods ended 30 September 2020 have been reclassified to conform with the current period's classification as follows.

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial information		financial information	
	As		As	
	As	previously	As	previously
	reclassified	reported	reclassified	reported
<b>Income statements for the three-month period ended 30 September 2020</b>				
Revenues from contracts with customers	4,747,257	4,682,319	507,613	492,899
Other income - others	88,447	153,385	30,257	44,971
<b>Income statements for the nine-month period ended 30 September 2020</b>				
Revenues from contracts with customers	11,685,568	11,515,719	1,318,120	1,283,184
Other income - others	278,019	447,868	111,262	146,198

The reclassifications had no effect to previously reported profit or shareholders' equity.

**24. Approval of interim financial information**

This interim financial information was authorised for issue by the Company's Board of Directors on 12 November 2021.