AAPICO Hitech Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2023

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 ("the Company") and its subsidiaries (collectively "the Group") as at 30 June 2023, and the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements. I have also reviewed the separate interim financial information of AAPICO Hitech Public Company Limited for the same periods (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) Consolidated financial statements: As at 30 June 2023, the Group had an investment in an overseas associate, Sakthi Auto Component Limited ("SACL"), of which the value of investment under the equity method was Baht 2,867 million (Baht 2,576 million under the cost method), which was included under investments in associates in the consolidated statement of financial position as discussed in Note 5 to the interim financial statements. The Group's share of profit of Baht 16 million and Baht 80 million were included in the consolidated statements of income for the three-month and six-month periods then ended, respectively, and share of gain on translation adjustment of SACL of Baht 124 million and Baht 92 million were included in the consolidated statements of comprehensive income for the three-month and six-month periods then ended, respectively. The investment in SACL under the equity method was valued based on the SACL's management accounts since SACL did not engage an auditor to review the consolidated financial information for such periods 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 SACL. I am therefore unable to determine whether and to what extent it is necessary to adjust the value of the investment in SACL under the equity method, share of profit and share of gain on translation adjustment of SACL in the consolidated financial statements for such periods. This matter is regarded as a scope limitation imposed by circumstance.

b) Separate financial statements: As at 30 June 2023, the Company had an investment in an overseas subsidiary, Sakthi Global Auto Holdings Limited ("SGAH"), of which the value amounted to Baht 779 million, included in investments in subsidiaries. The loans and interest receivable provided directly and indirectly through the Company's subsidiary to SGAH amounted to Baht 2,411 million, included in loans to related parties and other receivables. Since SGAH's main assets comprised the investment in 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 investments in SGAH and loans to and interest receivables from SGAH, together with related expenses, in the separate financial statements for such periods.

c) The scope limitation imposed by circumstance referred to in paragraphs a) and b) have existed since 2022 for the same reason. Therefore, the opinion on the consolidated and separate financial statements for the year 2022 and the conclusion on the consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2022 of another auditor of our firm, were qualified in respect of the above matters. Accordingly, my conclusion on the consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2023 are qualified in respect of the effects of the above matters as they may affect the comparison of the current periods' 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.*

Kosum Cha-em
Certified Public Accountant (Thailand) No. 6011

EY Office Limited
Bangkok: 11 August 2023

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		737,189	767,259	93,301	160,788
Trade and other receivables	*2, 3*	3,619,118	4,330,055	1,968,985	1,868,961
Short-term loans to related parties	*2*	-	-	336,000	336,000
Inventories	*4*	3,600,192	3,784,348	143,149	152,664
Other current financial assets		45,095	95	45,000	-
Other current assets					
Advances for purchases of goods		23,648	58,308	1,541	3,465
Others		282,628	244,049	35,753	29,335
Total current assets		8,307,870	9,184,114	2,623,729	2,551,213
Non-current assets					
Restricted bank deposits		47,600	47,600	-	-
Long-term loans to related parties	*2*	158,814	121,794	3,772,516	3,780,463
Investments in associates	*5*	4,047,267	4,079,604	557,986	542,283
Investments in joint ventures	*6*	133,406	119,699	246,690	202,713
Investments in subsidiaries	*7*	-	-	5,356,040	4,984,419
Advance for purchase of investment	*7*	307,588	-	307,588	-
Investment properties under construction		69,561	-	-	-
Property, plant and equipment	*8*	7,718,648	7,912,616	928,491	977,064
Right-of-use assets	*9*	756,150	736,807	23,731	8,383
Goodwill		1,130,464	1,087,945	-	-
Other intangible assets		1,588,311	1,522,582	11,430	8,038
Assets recognised from the costs to fulfill a contract with a customer		627,347	588,291	-	-
Deferred tax assets		-	-	65,699	66,430
Other non-current assets		117,010	67,982	3,227	3,785
Total non-current assets		16,702,166	16,284,920	11,273,398	10,573,578
Total assets		25,010,036	25,469,034	13,897,127	13,124,791

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

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	*10*	2,364,980	1,928,514	570,000	100,000
Trade and other payables	*2*	6,327,594	7,010,446	663,396	748,975
Current portion of long-term loans	*10*	1,335,601	1,510,117	932,530	1,072,530
Current portion of long-term debentures		1,099,847	299,958	1,099,847	299,958
Current portion of lease liabilities		128,855	111,040	8,911	3,724
Short-term loans from related parties	*2*	31,367	32,261	1,039,812	1,059,250
Provision for product warranty		14,244	14,564	-	-
Other current liabilities					
Income tax payable		110,086	71,635	53,565	17,320
Advances received from customers		180,197	190,855	31,207	28,207
Others		46,259	68,052	3,320	5,162
Total current liabilities		11,639,030	11,237,442	4,402,588	3,335,126
Non-current liabilities					
Long-term loans	*10*	2,098,062	2,959,053	1,148,079	1,613,944
Long-term debentures		-	799,773	-	799,773
Lease liabilities		229,222	233,626	15,206	5,087
Provision for long-term employee benefits		237,434	226,515	42,143	40,285
Deferred tax liabilities		89,212	70,645	-	-
Other non-current liabilities		10,505	12,489	-	-
Total non-current liabilities		2,664,435	4,302,101	1,205,428	2,459,089
Total liabilities		14,303,465	15,539,543	5,608,016	5,794,215

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

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
354,842,228 ordinary shares of Baht 1 each	354,842	354,842	354,842	354,842
Issued and paid-up				
354,842,012 ordinary shares of Baht 1 each	354,842	354,842	354,842	354,842
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	(1,533)	(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	7,658,525	7,027,181	5,676,794	4,718,259
Other components of shareholders' equity	(36,692)	(186,520)	-	-
Equity attributable to owners of the Company	10,392,211	9,611,039	8,289,111	7,330,576
Non-controlling interests of the subsidiaries	314,360	318,452	-	-
Total shareholders' equity	10,706,571	9,929,491	8,289,111	7,330,576
Total liabilities and shareholders' equity	25,010,036	25,469,034	13,897,127	13,124,791
	-	-	-	-

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

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Directors

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(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 June 2023

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

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Revenues					
Revenues from contracts with customers		7,152,634	6,145,028	680,033	539,216
Other income					
Dividend income	2	-	-	877,413	1,233,248
Gain on exchange rate		110,928	128,910	101,340	115,736
Others		90,485	71,375	41,250	31,262
Total revenues		7,354,047	6,345,313	1,700,036	1,919,462
Expenses					
Cost of sales and services		6,380,295	5,523,381	594,642	483,608
Selling and distribution expenses		99,908	88,632	7,947	7,577
Administrative expenses		328,625	323,816	50,387	79,223
Total expenses		6,808,828	5,935,829	652,976	570,408
Profit from operating activities		545,219	409,484	1,047,060	1,349,054
Share of profit from investments in associates		47,027	128,533	-	-
Share of loss from investments in joint ventures		(15,286)	(6,630)	-	-
Finance income		4,324	2,243	45,023	41,840
Finance cost		(110,778)	(76,926)	(52,700)	(53,340)
Profit before income tax expenses		470,506	456,704	1,039,383	1,337,554
Income tax expenses		(62,636)	(42,506)	(24,883)	(12,133)
Profit for the period		407,870	414,198	1,014,500	1,325,421
Profit (loss) attributable to					
Equity holders of the Company		409,986	409,796	1,014,500	1,325,421
Non-controlling interests of the subsidiaries		(2,116)	4,402		
		407,870	414,198		
Basic earnings per share					
Profit attributable to equity holders of the Company		1.16	1.15	2.86	3.74

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

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit for the period	407,870	414,198	1,014,500	1,325,421
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Translation adjustments	(4,214)	(149,127)	-	-
Share of other comprehensive income from associates and joint ventures	122,839	68,630	-	-
Other comprehensive income for the period	118,625	(80,497)	-	-
Total comprehensive income for the period	526,495	333,701	1,014,500	1,325,421
Total comprehensive income attributable to				
Equity holders of the Company	531,904	326,404	1,014,500	1,325,421
Non-controlling interests of the subsidiaries	(5,409)	7,297		
	526,495	333,701		

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

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Income statement

For the six-month period ended 30 June 2023

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

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Revenues					
Revenues from contracts with customers		15,278,505	12,875,324	1,645,001	1,231,641
Other income					
Dividend income	*2*	-	-	1,009,413	1,323,578
Gain on exchange rate		75,542	125,387	75,714	111,829
Others		161,840	156,373	82,305	62,655
Total revenues		15,515,887	13,157,084	2,812,433	2,729,703
Expenses					
Cost of sales and services		13,480,034	11,507,904	1,294,484	1,112,113
Selling and distribution expenses		193,012	172,152	15,939	16,497
Administrative expenses		693,543	632,524	129,325	165,499
Total expenses		14,366,589	12,312,580	1,439,748	1,294,109
Profit from operating activities		1,149,298	844,504	1,372,685	1,435,594
Share of profit from investments in associates	*5*	183,197	216,158	-	-
Share of loss from investments in joint ventures	*6*	(28,616)	(11,914)	-	-
Finance income		7,199	3,888	85,991	82,044
Finance cost		(202,076)	(158,242)	(103,044)	(106,308)
Profit before income tax expenses		1,109,002	894,394	1,355,632	1,411,330
Income tax expenses		(137,084)	(71,184)	(56,637)	(11,997)
Profit for the period		971,918	823,210	1,298,995	1,399,333
Profit attributable to					
Equity holders of the Company		971,804	812,259	1,298,995	1,399,333
Non-controlling interests of the subsidiaries		114	10,951		
		971,918	823,210		
Basic earnings per share					
Profit attributable to equity holders of the Company		2.74	2.29	3.66	3.94

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

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit for the period		971,918	823,210	1,298,995	1,399,333
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Translation adjustments		55,033	(201,699)	-	-
Share of other comprehensive income from associates and joint ventures	*5, 6*	90,589	200,296	-	-
Other comprehensive income for the period		145,622	(1,403)	-	-
Total comprehensive income for the period		1,117,540	821,807	1,298,995	1,399,333
Total comprehensive income attributable to					
Equity holders of the Company		1,121,632	809,999	1,298,995	1,399,333
Non-controlling interests of the subsidiaries		(4,092)	11,808		
		1,117,540	821,807		

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

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Cash flow statement

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	1,109,002	894,394	1,355,632	1,411,330
Adjustments to reconcile profit before tax to net cash				
provided by (paid from) operating activities				
Depreciation and amortisation	620,720	569,341	71,736	67,364
Unrealised loss (gain) on exchange rate	(60,779)	8,352	(56,925)	(94,891)
Gain on sales/write-off of equipment	(5,029)	(4,823)	(50)	(712)
Share of profit from investments in associates				
and joint ventures	(154,581)	(204,244)	-	-
Loss on impairment of investments in associates	14,067	-	-	-
Loss on write-off of other assets	-	1,451	-	-
Reduction of inventory cost to net realisable value (reversal)	11,202	(284)	(1,241)	(3,431)
Allowance for expected credit losses (reversal)	7,008	(1,975)	877	479
Provision for product warranty	-	2,296	-	-
Provision for long-term employee benefits	12,940	12,307	2,469	2,243
Dividend income from associates and subsidiaries	-	-	(1,009,413)	(1,323,578)
Finance income	(7,199)	(3,888)	(85,991)	(82,044)
Finance cost	202,076	158,242	103,044	106,308
Profit from operating activities before changes in				
operating assets and liabilities	1,749,427	1,431,169	380,138	83,068
Operating assets (increase) decrease				
Trade and other receivables	724,922	(974,705)	(14,482)	(127,289)
Inventories	181,241	(439,220)	10,756	(32,435)
Other current financial assets	(45,000)	51,585	(45,000)	23,000
Other current assets	(14,271)	(42,108)	(4,494)	17,788
Other non-current assets	2,829	(9,145)	558	355
Operating liabilities increase (decrease)				
Trade and other payables	(584,491)	882,644	(83,629)	59,788
Other current liabilities	(32,451)	(24,063)	1,158	(26,290)
Other non-current liabilities	(1,984)	26,142	-	-
Cash flows from (used in) operating activities	1,980,222	902,299	245,005	(2,015)
Cash paid for long-term employee benefits	(2,021)	(6,535)	(611)	(1,013)
Cash paid for product warranty	(320)	(774)	-	-
Bad debt recovery	-	500	-	500
Cash paid for income tax	(80,066)	(58,817)	(19,661)	(6,155)
Cash received from income tax refund	10,352	12,406	-	-
Net cash flows from (used in) operating activities	1,908,167	849,079	224,733	(8,683)

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

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Increase in restricted bank deposit	-	(10,000)	-	-
Decrease (increase) in loans to related parties	(37,020)	(30,000)	64,872	(22,138)
Acquisitions of investments in associates, joint ventures and subsidiaries	(59,680)	-	(431,301)	(15,530)
Cash paid for advance for purchase of investment	(307,588)	-	(307,588)	-
Dividend received from associates and subsidiaries	306,327	231,115	1,006,327	1,316,665
Proceeds from sales of equipment	30,909	23,872	67	839
Acquisitions of property, plant and equipment, other intangible assets, assets recognised from the costs to fulfill a contract with a customer and investment properties under construction	(528,639)	(363,732)	(24,914)	(22,730)
Interest received	5,794	2,326	2,658	1,855
Net cash flows from (used in) investing activities	(589,897)	(146,419)	310,121	1,258,961
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	436,466	(193,137)	470,000	(109,000)
Decrease in short-term loans from related parties	-	(2,678)	(19,438)	(693,626)
Cash received from long-term loans	70,067	1,451,406	-	1,000,000
Repayments of long-term loans	(1,165,298)	(784,901)	(606,761)	(607,885)
Repayments of long-term debentures	-	(500,000)	-	(500,000)
Payments of lease liabilities	(62,344)	(92,364)	(3,945)	(3,306)
Dividend paid	(340,460)	(166,586)	(340,460)	(166,586)
Interest paid	(199,866)	(162,639)	(101,737)	(107,123)
Net cash flows used in financing activities	(1,261,435)	(450,899)	(602,341)	(1,187,526)
Decrease in translation adjustments	(86,905)	(116,160)	-	-
Net increase (decrease) in cash and cash equivalents	(30,070)	135,601	(67,487)	62,752
Cash and cash equivalents at beginning of period	767,259	690,391	160,788	40,700
Cash and cash equivalents at end of period	737,189	825,992	93,301	103,452
	-		-	
Supplemental cash flows information				
Non-cash items consist of				
Increase (decrease) in accounts payable for purchase and construction of assets	(98,060)	86,429	(2,245)	11,929
Increase (decrease) in deposits for purchases of assets	51,857	(199)	-	-
Transfer equipment to right-of-use assets and intangible assets	1,000	73,313	1,000	-
Transfer assets under construction to inventories	8,287	-	-	-
Transfer assets under construction to investment properties under construction	6,436	-	-	-
Transfer intangible assets to equipment	-	63	-	-
Increase in right-of-use assets from lease liabilities	75,755	80,587	19,251	-
Increase in dividend receivable	3,086	6,913	3,086	6,913
Conversion of short-term loans from banks to lease liabilities	-	74,263	-	-

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

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements												
	Equity attributable to the Company's shareholders												
								Other components of shareholders' equity - other comprehensive income					
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury shares	Deficit from the change in the interests in a subsidiary	Retained earnings: Appropriated - Statutory reserve: The Company	Retained earnings: Appropriated - Statutory reserve: Subsidiaries	Retained earnings: Unappropriated	Translation adjustments	Share of other comprehensive income from associates and joint venture	Total	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2022	354,842	2,164,354	33,580	(1,533)	59,541	159,594	5,537,584	134,695	70,347	205,042	8,513,004	301,796	8,814,800
Profit for the period	-	-	-	-	-	-	812,259	-	-	-	812,259	10,951	823,210
Other comprehensive income for the period	-	-	-	-	-	-	-	(202,556)	200,296	(2,260)	(2,260)	857	(1,403)
Total comprehensive income for the period	-	-	-	-	-	-	812,259	(202,556)	200,296	(2,260)	809,999	11,808	821,807
Dividend paid (Note 11)	-	-	-	-	-	-	(166,586)	-	-	-	(166,586)	-	(166,586)
Balance as at 30 June 2022	354,842	2,164,354	33,580	(1,533)	59,541	159,594	6,183,257	(67,861)	270,643	202,782	9,156,417	313,604	9,470,021
Balance as at 1 January 2023	354,842	2,164,354	33,580	(1,533)	59,541	159,594	7,027,181	(63,574)	(122,946)	(186,520)	9,611,039	318,452	9,929,491
Profit for the period	-	-	-	-	-	-	971,804	-	-	-	971,804	114	971,918
Other comprehensive income for the period	-	-	-	-	-	-	-	59,239	90,589	149,828	149,828	(4,206)	145,622
Total comprehensive income for the period	-	-	-	-	-	-	971,804	59,239	90,589	149,828	1,121,632	(4,092)	1,117,540
Dividend paid (Note 11)	-	-	-	-	-	-	(340,460)	-	-	-	(340,460)	-	(340,460)
Balance as at 30 June 2023	354,842	2,164,354	33,580	(1,533)	59,541	159,594	7,658,525	(4,335)	(32,357)	(36,692)	10,392,211	314,360	10,706,571
	-	-			-	-	-				-	-	-
	-	-			-	-	-				-	-	-

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

(Unaudited but reviewed)

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury shares	Retained earnings		Total shareholders' equity
				Appropriated - Statutory reserve	Unappropriated	
Balance as at 1 January 2022	354,842	2,164,354	33,580	59,541	3,554,612	6,166,929
Profit for the period	-	-	-	-	1,399,333	1,399,333
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,399,333	1,399,333
Dividend paid (Note 11)	-	-	-	-	(166,586)	(166,586)
Balance as at 30 June 2022	354,842	2,164,354	33,580	59,541	4,787,359	7,399,676
Balance as at 1 January 2023	354,842	2,164,354	33,580	59,541	4,718,259	7,330,576
Profit for the period	-	-	-	-	1,298,995	1,298,995
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,298,995	1,298,995
Dividend paid (Note 11)	-	-	-	-	(340,460)	(340,460)
Balance as at 30 June 2023	354,842	2,164,354	33,580	59,541	5,676,794	8,289,111
	-	-	-	-	-	-
	-	-	-	-	-	-

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

AAPICO Hitech Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2023

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statement of financial position, statements of income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.2 Basis of consolidation

The interim consolidated financial statements include the financial statements of AAPICO Hitech Public Company Limited (hereinafter called as “the Company”) and its subsidiaries (hereinafter called as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022. During the current period, there was no significant change in the structure of the Group.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group’s financial statements.

2. Related party transactions

2.1 The Group had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were conducted on the basis of commercial terms agreed upon between the Group and the related parties. During the current period, there were no significant changes in the transfer pricing policy of transactions with related parties.

During the three-month and six-month periods ended 30 June 2023 and 2022, business transactions with related parties are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 June			
	2023	2022	2023	2022
Sales of goods and services				
Subsidiaries	-	-	98,591	93,479
Associates	64,063	60,961	8,393	11,165
Joint ventures	1,605	4,935	-	-
Total	65,668	65,896	106,984	104,644
Dividend income				
Subsidiaries	-	-	700,000	1,070,020
Associates	-	-	177,413	163,228
Total	-	-	877,413	1,233,248
Interest income				
Subsidiaries	-	-	42,642	40,774
Associates	-	40	-	40
Joint ventures	1,487	814	1,488	814
Related company (common director)	165	260	-	-
Total	1,652	1,114	44,130	41,628
Rental income				
Subsidiaries	-	-	422	390
Associates	3,859	3,609	412	412
Total	3,859	3,609	834	802
Management fee income				
Subsidiaries	-	-	30,167	20,420
Associates	3,859	3,653	3,859	3,653
Joint ventures	32	32	32	32
Total	3,891	3,685	34,058	24,105

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 June			
	2023	2022	2023	2022
Other income				
Subsidiaries	-	-	3,861	4,069
Associates	2,535	2,414	1,218	1,033
Joint ventures	230	109	28	32
Related company (common director)	2,122	1,674	-	-
Total	4,887	4,197	5,107	5,134
Purchases of goods and services				
Subsidiaries	-	-	99,225	86,532
Associates	67,962	65,513	27,829	30,344
Joint ventures	405	-	-	-
Total	68,367	65,513	127,054	116,876
Other expenses				
Subsidiaries	-	-	1,765	6,040
Associates	625	108	-	17
Joint ventures	4	-	-	-
Total	629	108	1,765	6,057
Interest expense				
Subsidiaries	-	-	13,444	16,144
Total	-	-	13,444	16,144

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June			
	2023	2022	2023	2022
Sales of goods and services				
Subsidiaries	-	-	227,736	207,962
Associates	142,250	120,430	19,697	14,040
Joint ventures	1,710	9,910	-	-
Total	143,960	130,340	247,433	222,002
Dividend income				
Subsidiaries	-	-	700,000	1,085,550
Associates	-	-	309,413	238,028
Total	-	-	1,009,413	1,323,578

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June			
	2023	2022	2023	2022
Interest income				
Subsidiaries	-	-	82,626	80,250
Associates	-	79	-	79
Joint ventures	2,471	1,502	2,471	1,502
Related company (common director)	310	260	-	-
Total	2,781	1,841	85,097	81,831
Rental income				
Subsidiaries	-	-	812	780
Associates	6,619	7,192	823	797
Total	6,619	7,192	1,635	1,577
Management fee income				
Subsidiaries	-	-	60,334	40,841
Associates	8,155	7,243	8,155	7,243
Joint ventures	64	64	64	64
Total	8,219	7,307	68,553	48,148
Other income				
Subsidiaries	-	-	7,631	7,786
Associates	5,091	4,556	2,193	2,001
Joint ventures	259	228	57	55
Related company (common director)	3,520	4,109	-	-
Total	8,870	8,893	9,881	9,842
Purchases of goods and services				
Subsidiaries	-	-	195,640	214,417
Associates	153,300	142,784	59,967	74,956
Joint ventures	405	-	-	-
Total	153,705	142,784	255,607	289,373
Other expenses				
Subsidiaries	-	-	4,464	13,685
Associates	754	143	-	38
Joint ventures	4	-	-	-
Total	758	143	4,464	13,723
Interest expense				
Subsidiaries	-	-	22,957	26,201
Total	-	-	22,957	26,201

2.2 As at 30 June 2023 and 31 December 2022, the balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Trade and other receivables - related parties (Note 3)				
Subsidiaries	-	-	1,494,734	1,400,177
Associates	62,365	90,102	16,572	17,134
Joint ventures	5,886	4,292	1,949	1,042
Related companies (common directors)	82,427	82,139	20,791	20,791
Total	150,678	176,533	1,534,046	1,439,144
Less: Allowance for expected credit losses	(79,310)	(79,310)	(82,957)	(82,957)
Net	71,368	97,223	1,451,089	1,356,187
Trade and other payables - related parties				
Subsidiaries	-	-	47,001	74,932
Associates	60,271	81,196	29,777	37,672
Joint ventures	4	208	-	-
Related company (common director)	4,572	4,847	-	-
Total	64,847	86,251	76,778	112,604
Short-term loans to related parties				
Subsidiaries	-	-	360,000	360,000
Less: Allowance for expected credit losses	-	-	(24,000)	(24,000)
Net	-	-	336,000	336,000
Long-term loans to related parties				
Subsidiaries	-	-	3,762,016	3,806,713
Joint ventures	136,500	99,750	136,500	99,750
Related companies (common director)	551,475	551,205	368,708	368,708
Total	687,975	650,955	4,267,224	4,275,171
Less: Allowance for expected credit losses	(529,161)	(529,161)	(494,708)	(494,708)
Net	158,814	121,794	3,772,516	3,780,463
Short-term loans from related parties				
Subsidiaries	-	-	1,039,812	1,059,250
Related company (common director)	31,367	32,261	-	-
Total	31,367	32,261	1,039,812	1,059,250

2.3 Movements in the loan receivables and payables between the Group and those related parties during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

Loans to related parties	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	121,794	4,116,463
Increase	37,020	1,333,839
Decrease	-	(1,398,711)
Effect from foreign exchange rate	-	56,925
Net book value as at 30 June 2023	158,814	4,108,516

(Unit: Thousand Baht)

Loans from related parties	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	32,261	1,059,250
Increase	-	4,656,324
Decrease	-	(4,675,762)
Translation adjustments	(894)	-
Balance as at 30 June 2023	31,367	1,039,812

2.4 Directors and management's benefits

During the three-month and six-month periods ended 30 June 2023 and 2022, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Short-term employee benefits	9,004	8,923	17,128	17,386
Post-employment and other long-term benefits	25	56	50	111
Total	9,029	8,979	17,178	17,497

2.5 Guarantee obligations with related parties

The Group has outstanding guarantee obligations for credit facilities of its related parties, as described in Note 12.4 to the interim financial statements.

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	54,498	82,077	49,837	58,407
Past due 3 - 12 months	-	2,110	-	-
Past due more than 12 months	53,472	53,472	-	-
Total	107,970	137,659	49,837	58,407
Less: Allowance for expected credit losses	(53,472)	(53,472)	-	-
Total trade receivables - related parties, net	54,498	84,187	49,837	58,407
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	3,399,233	4,033,289	458,249	441,507
Past due 3 - 12 months	40,553	45,987	-	11,016
Past due more than 12 months	13,973	11,304	2,468	1,421
Total	3,453,759	4,090,580	460,717	453,944
Less: Allowance for expected credit losses	(23,210)	(15,521)	(3,024)	(1,547)
Total trade receivables - unrelated parties, net	3,430,549	4,075,059	457,693	452,397
Total trade receivables - net	3,485,047	4,159,246	507,530	510,804
Other receivables				
Dividend receivable - related party	3,086	-	3,086	-
Advances - unrelated parties	6,718	30,126	-	-
Interest receivable - related parties	26,245	24,840	1,450,058	1,353,291
Accrued income - unrelated parties	102,518	118,996	60,203	60,377
Others - related parties	13,377	14,034	31,065	27,446
Others - unrelated parties	72,749	74,179	17,088	17,688
Total	224,693	262,175	1,561,500	1,458,802
Less: Allowance for expected credit losses	(90,622)	(91,366)	(100,045)	(100,645)
Total other receivables - net	134,071	170,809	1,461,455	1,358,157
Total trade and other receivables - net	3,619,118	4,330,055	1,968,985	1,868,961

As at 30 June 2023, a subsidiary has pledged trade receivables of Baht 51.8 million (31 December 2022: Baht 42.4 million) as collateral to secure loans from banks.

4. Inventories

As at 30 June 2023, certain subsidiaries have pledged finished goods of Baht 394 million (31 December 2022: Baht 407 million) as collateral to secure loans from banks.

5. Investments in associates

Movements in the investments in associates account during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	4,079,604	542,283
Increase	15,703	15,703
Share of profit	183,197	-
Share of comprehensive income	92,243	-
Dividend income	(309,413)	-
Loss on impairment	(14,067)	-
Net book value as at 30 June 2023	4,047,267	557,986

The value of the investment under the equity method of Sakthi Auto Component Limited (“SACL”) in the consolidated financial statements as at 30 June 2023 of Baht 2,867 million (31 December 2022: Baht 2,694 million) has been accounted for based on the financial information prepared by the management of SACL, which has not been audited or reviewed by the auditor of SACL.

In March 2023, the Company purchased additional shares of Sanoh Industries (Thailand) Company Limited from an unrelated existing shareholder at a price of Baht 15.7 million, leading to the increase in the Company’s shareholding percentage from 20% to 23.08%.

In March 2023, Hyundai Motor (Thailand) Company Limited entered into an agreement to transfer the majority of its assets and liabilities to another company and terminated the employment of its employees in a phased manner under its business dissolution plan. As a result, the Company recognised a loss on impairment of such investment amounting to Baht 14.1 million in the consolidated income statement for the current period to reflect the carrying amount of the investment under the equity method to the expected recoverable amount.

6. Investments in joint ventures

Movements in the investments in joint ventures account during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	119,699	202,713
Increase	43,977	43,977
Share of loss	(28,616)	-
Share of comprehensive income	(1,654)	-
Net book value as at 30 June 2023	133,406	246,690

In February 2023, PUREM AAPICO Company Limited decreased its the registered share capital from Baht 205.0 million to Baht 141.0 million by decreasing 6,400,000 ordinary shares with a par value of Baht 10 each, resulting in the reduction in the number of shares held by the Company from 10,045,000 to 6,909,000 shares. However, the Company's shareholding percentage remained unchanged at 49%. PUREM AAPICO Company Limited also called up the remaining registered capital of Baht 89.8 million, and the Company fully paid Baht 44.0 million of its portion of the additionally called-up capital.

7. Investments in subsidiaries

Movements in the investments in subsidiaries account during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Separate financial statements
Net book value as at 1 January 2023	4,984,419
Increase	371,621
Net book value as at 30 June 2023	5,356,040

In May 2023, the Company has additionally invested in AAPICO Maia, S.A. amounting to Euro 10 million or Baht 372 million.

In June 2023, the Company made an advance payment of Baht 308 million for the purchase of 60% of the ordinary shares of Advance Vehicle Engineering Global Sdn. Bhd., which is a company incorporated in Malaysia and principally engaged in the manufacture of automotive parts. The Company recorded such advance payment as an advance for the purchase of investment in the statement of financial position. The purchase was completed in July 2023, and the company's name was changed to AAPICO Avee Sdn. Bhd., which is the Company's subsidiary.

During the current period, there have been no significant changes with respect to the appropriation of shares of SGAH as disclosed in Note 7.2 to the financial statements for the year 2022.

8. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	7,912,616	977,064
Acquisitions - at cost	223,320	18,668
Transfer to intangible assets	(1,000)	(1,000)
Transfer to investment properties under construction	(6,436)	-
Transfer to inventories	(8,287)	-
Disposals/write-off - net book value	(25,543)	(17)
Depreciation	(474,204)	(66,224)
Translation adjustments	98,182	-
Net book value as at 30 June 2023	7,718,648	928,491

Certain subsidiaries have mortgaged their land, building, machinery and vehicles with net book value as at 30 June 2023 of Baht 1,047 million (31 December 2022: Baht 1,055 million) to secure the credit facilities granted by banks.

9. Right-of-use assets

A subsidiary has mortgaged its right-of-use asset in land with net book value as at 30 June 2023 of Baht 215 million (31 December 2022: Baht 224 million) to secure the credit facilities granted by banks.

10. Loans from banks

Certain bank overdrafts, short-term loans and long-term loans from banks of the Group are secured by the pledge of bank deposit, inventories, right-of-use assets of land, land, buildings, machinery and vehicles, a letter of guarantee, a letter of credit, and guarantees provided by the Company and subsidiaries, with a negative pledge of assets by the Group.

Movements in the long-term loans from banks account during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	4,475,357	2,691,161
Additions	70,067	-
Repayments	(1,165,298)	(606,761)
Translation adjustments	57,328	-
Balance as 30 June 2023	3,437,454	2,084,400
Less: Deferred financial fees	(3,791)	(3,791)
Long-term loans - net	3,433,663	2,080,609
Less: Portion due within one year	(1,335,601)	(932,530)
Portion due more than one year	2,098,062	1,148,079

As at 30 June 2023, the short-term and long-term credit facilities of the Group which have not been drawn down amounted to Baht 3,784 million (31 December 2022: Baht 4,179 million).

11. Dividends paid

Dividends	Approved by	Dividend per share	Total dividends
		(Baht)	(Thousand Baht)
Dividends paid for 2022	Annual General Meeting of the shareholders on 27 April 2023	0.96	340,460
Total dividends paid for the six-month period ended 30 June 2023			340,460
Dividends paid for 2021	Annual General Meeting of the shareholders on 20 April 2022	0.47	166,586
Total dividends paid for the six-month period ended 30 June 2022			166,586

12. Commitments and contingent liabilities

12.1 Capital commitments

As at 30 June 2023 and 31 December 2022, the Group had capital commitments relating to installation of computer software, acquisitions of machinery and constructions of building from unrelated parties as follows.

(Unit: Million)

	Consolidated financial statements		Separate financial statements	
Currency	30 June 2023	31 December 2022	30 June 2023	31 December 2022
THB	45.8	26.8	4.9	5.9
RMB	18.9	21.0	-	-

12.2 Long-term investment commitments

As at 30 June 2023 and 31 December 2022, the Group had outstanding commitments in respect of uncalled portion of investments as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
Investment type	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Investments in subsidiaries	-	-	77	77
Investments in associates	25	25	25	25
Investments in joint ventures	67	143	67	143

12.3 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 a Japanese company, 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.

12.4 Guarantees

a) As at 30 June 2023 and 31 December 2022, the Company has guaranteed bank credit facilities of its local associate amounting to Baht 100 million.

b) As at 30 June 2023, two foreign subsidiaries have provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 22 million (31 December 2022: RM 18 million).

c) As at 30 June 2023 and 31 December 2022, 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 financial statements		Separate financial statements	
Letter of guarantee	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Contractual performance	Baht 78 million	Baht 78 million	Baht 78 million	Baht 78 million
Electricity use and others	Baht 34 million	Baht 31 million	Baht 13 million	Baht 14 million
	RM 0.8 million	RM 0.5 million		

12.5 Contingent liabilities

During the current period, there have been no significant changes with respect to contingent liabilities as disclosed in Note 35.5 to the financial statements for the year 2022.

13. Financial instrument

13.1 Fair value of financial instrument

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

13.2 Fair value hierarchy

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

14. 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 six-month periods ended 30 June 2023 and 2022.

(Unit: Million Baht)

	For the three-month periods ended 30 June											
	Manufacture of auto parts segment		Sales of automobiles and automobiles repair service segment		Others		Total segments		Adjustments and eliminations		Consolidated financial statements	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from contracts with customers												
External customers	5,155	4,530	1,987	1,608	11	7	7,153	6,145	-	-	7,153	6,145
Inter-segment	554	387	254	226	3	3	811	616	(811)	(616)	-	-
Total revenues	5,709	4,917	2,241	1,834	14	10	7,964	6,761	(811)	(616)	7,153	6,145
Operating results												
Segment profit (loss)	529	399	21	11	(4)	(1)	546	409	-	-	546	409
Share of profit from investments in associates and joint ventures											32	122
Finance income											4	2
Finance cost											(111)	(77)
Profit before income tax expenses											471	456
Income tax expenses											(63)	(42)
Profit for the period											408	414

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June											
	Manufacture of auto parts segment		Sales of automobiles and automobiles repair service segment		Others		Total segments		Adjustments and eliminations		Consolidated financial statements	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from contracts with customers												
External customers	11,102	9,657	4,147	3,204	30	14	15,279	12,875	-	-	15,279	12,875
Inter-segment	1,103	855	589	406	7	7	1,699	1,268	(1,699)	(1,268)	-	-
Total revenues	12,205	10,512	4,736	3,610	37	21	16,978	14,143	(1,699)	(1,268)	15,279	12,875
Operating results												
Segment profit (loss)	1,116	809	40	34	(7)	1	1,149	844	-	-	1,149	844
Share of profit from investments in associates and joint ventures											155	204
Finance income											7	4
Finance cost											(202)	(158)
Profit before income tax expenses											1,109	894
Income tax expenses											(137)	(71)
Profit for the period											972	823

Geographic information for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows.

(Unit: Million Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Revenues from external customers based on country of domicile				
Thailand	4,595	3,803	10,076	8,106
China	413	252	718	585
Malaysia	1,058	898	2,204	1,831
Portugal	1,087	1,192	2,281	2,353
Total	7,153	6,145	15,279	12,875

15. Events after the reporting period

In August 2023, PUREM AAPICO Company Limited increased its registered capital from Baht 141.0 million to Baht 292.4 million, by issuing 15,140,000 new ordinary shares with a par value of Baht 10 each. The Company purchased 7,418,600 of additional shares amounting to Baht 74.2 million, in order to maintain its shareholding percentage.

On 11 August 2023, the Board of Directors' Meeting of the Company passed a resolution to approve the payment of an interim dividend of Baht 0.70 per share from the profit of the first half of year 2023, or a total of Baht 248.39 million. The dividend will be paid in September 2023.

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s Board of Directors on 11 August 2023.