

AAPICO Hitech Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2011 and 2010

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.2 Basis of consolidation

These consolidated financial statements include the financial statements of AAPICO Hitech Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010. During the current period, there was a change in the structure of the Group, as AAPICO ITS Co., Ltd., a subsidiary of the Company, has acquired a 49% equity interest in AAPICO ITS CO. SDN. BHD., a company established in Malaysia. The Company regards AAPICO ITS CO. SDN. BHD. as a subsidiary since it is able to exercise management control.

1.3 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Employee benefits

Post-employment benefits (Defined contribution plans)

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.

2. Cumulative effect of change in accounting policy due to the adoption of new accounting standard

During the current period, the Company made the change to its significant accounting policy described in Note 1.4, as a result of the adoption of revised and new accounting standards. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

(Unaudited but reviewed)

3. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

4. Related party transactions

During the three-month and nine-month periods ended 30 September 2011 and 2010, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2011	2010	2011	2010	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	26.2	26.9	Cost plus margin, averaging around 1% - 20%
Interest income	-	-	41.4	30.0	4.1% - 5.2% p.a. (2010: 3.8% - 4.2% p.a.)
Interest expense	-	-	0.4	4.5	2% and 2.3% p.a.
Purchases of goods and services	-	-	121.6	66.3	Cost plus margin, averaging around 10% - 30%
Purchases of machinery and equipment	-	-	65.9	-	Cost plus margin of 20% - 40%
Rental income	-	-	0.7	0.6	Close to rental rates for other building in the vicinity
Management fee income	-	-	0.8	1.0	Approximate cost
Dividend income	-	-	120.0	400.0	As declared
Other income	-	-	1.0	2.6	Approximate cost

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2011	2010	2011	2010	
<u>Transactions with associated companies</u>					
Sales of goods and services	18.9	9.7	0.2	0.2	Cost plus margin of 5% - 40% and cost minus around 20% - 30%
Purchases of goods and services	20.5	9.3	7.7	7.5	Cost plus margin of 1% - 2% and 40% - 55%
Rental income	0.2	-	-	-	Baht 258 per square metre
Interest income	0.4	1.2	0.4	1.2	5% p.a.
<u>Transactions with related parties</u>					
Purchases of goods and services	146.3	69.6	-	-	Cost plus margin of 5% - 20%
Interest income	0.1	0.3	0.1	0.3	7.5% p.a.
Management fee expense	1.8	1.8	1.8	1.8	Approximate cost
Purchases of machinery and equipment	0.2	5.7	-	4.2	Cost plus margin
Royalty fee	4.5	-	-	-	5.6% on sales
Consultant fee	1.8	0.3	-	-	USD 400 per head per day

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2011	2010	2011	2010	
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	81.4	168.2	Cost plus margin, averaging around 1% - 20%
Interest income	-	-	112.8	82.6	4% - 5.2% p.a. (2010: 3.4% - 4.4% p.a.)
Interest expense	-	-	3.3	17.4	2% and 2.3% p.a.
Purchases of goods and services	-	-	246.7	137.4	Cost plus margin, averaging around 10% - 30%
Purchases of machinery and equipment	-	-	67.7	-	Cost plus margin of 20% - 40%
Rental income	-	-	1.9	1.6	Close to rental rates for other building in the vicinity
Management fee income	-	-	2.3	2.6	Approximate cost
Dividend income	-	-	590.0	650.0	As declared
Other income	-	-	3.4	2.6	Approximate cost
<u>Transactions with associated companies</u>					
Sales of goods and services	36.9	20.5	0.5	0.5	Cost plus margin of 5% - 40% and cost minus around 20% - 35%
Purchases of goods and services	36.2	19.9	20.5	18.1	Cost plus margin of 1% - 2% and 30% - 55%
Rental income	0.7	-	-	-	Baht 258 per square metre
Dividend income	29.4	7.0	29.4	7.0	As declared
Interest income	2.1	3.2	2.1	3.2	5% p.a.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer Pricing Policy
	Consolidated		Separate financial		
	financial statements		statements		
	2011	2010	2011	2010	
Transactions with related parties					
Sales of goods and services	0.9	-	-	-	Cost plus margin of 11%
Purchases of goods and services	441.5	336.8	-	-	Cost plus margin of 5% - 20%
Interest income	0.7	0.9	0.7	0.9	7.5% p.a.
Management fee expense	5.4	6.0	5.4	6.0	Approximate cost
Purchases of machinery and equipment	0.2	245.1	-	4.2	Cost plus margin
Other income	0.1	3.4	0.1	-	Approximate cost
Royalty fee	17.9	-	-	-	5.6% on sales
Consultant fee	4.9	5.1	-	-	USD 400 per head per day

As at 30 September 2011 and 31 December 2010, the balances of accounts between the Company and those related companies are as follows: -

(Unit: Thousand Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Trade accounts receivable - related parties				
<u>Subsidiary companies</u>				
AAPICO Amata Company Limited	-	-	11,186	11,463
AAPICO Hitech Parts Company Limited	-	-	11,786	10,816
AAPICO Plastics Public Company Limited	-	-	5,716	2,904
AAPICO Hitech Tooling Company Limited	-	-	47	138
AAPICO Forging Public Company Limited	-	-	13	-
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	270	111	229	111
MINTH AAPICO (Thailand) Company Limited	16,016	7,241	-	-
Thai Takagi Seiko Company Limited	13,432	1,747	-	-
<u>Related companies</u>				
AAPICO ITS CO. SDN. BHD.	-	4	-	-
Mitsuike Kogyo Company Limited	117	-	117	-
	<u>29,835</u>	<u>9,103</u>	<u>29,094</u>	<u>25,432</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<u>Advances and short-term loans to related parties</u>				
Advances				
<u>Subsidiary companies</u>				
AAPICO Amata Company Limited	-	-	167	257
New Era Sales Company Limited	-	-	11	104
AAPICO Engineering Company Limited	-	-	915	771
Kunshan Chaitai-Xincheng Precision Forging Company Limited	-	-	4,627	4,445
AAPICO Hitech Parts Company Limited	-	-	1,478	8,088
AAPICO Hitech Tooling Company Limited	-	-	4,990	2,127
AAPICO ITS Company Limited	-	-	273	176
AAPICO Mitsuike (Thailand) Company Limited	-	-	664	226
A Maction Company Limited	-	-	165	85
AAPICO Jackspeed Company Limited	-	-	987	1,001
AAPICO Forging Public Company Limited	-	-	38	24
AAPICO Plastics Public Company Limited	-	-	142	24
AAPICO Investment Pte., Limited	-	-	8,598	8,343
AAPICO Technology Company Limited	-	-	12	6
AERP Company Limited	-	-	81	46
Dongfeng Commercial Vehicle Company Limited	-	-	311	304
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	25	39	25	28
MINTH AAPICO (Thailand) Company Limited	10	10	10	10
Hyundai Motor (Thailand) Company Limited	94	-	94	-
<u>Related companies</u>				
Katsuya International Pte., Limited	93	95	-	-
Able Autoparts Company Limited	-	3	-	-
Thai Mekki Limited Partnership	-	88	-	-
	<u>222</u>	<u>235</u>	<u>23,588</u>	<u>26,065</u>
Short-term loans and interest receivable				
Subsidiary companies	-	-	393,956	273,558
Associated company	25,374	110,467	25,374	110,467
Related companies	30,661	33,911	2,520	5,770
	<u>56,035</u>	<u>144,378</u>	<u>421,850</u>	<u>389,795</u>
Less: Allowance for doubtful accounts	(28,141)	(28,141)	-	-
	<u>27,894</u>	<u>116,237</u>	<u>421,850</u>	<u>389,795</u>
	<u>28,116</u>	<u>116,472</u>	<u>445,438</u>	<u>415,860</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<u>Dividend receivable from related party</u>				
<u>Associated company</u>				
Able Sanoh Industries (1996) Company Limited	14,686	-	14,686	-
<u>Share subscription receivable - related party</u>				
Related person	-	150	-	-
<u>Long-term loans to related parties</u>				
Subsidiary companies	-	-	3,226,386	2,952,383
Related company	11,178	11,071	11,178	11,071
	<u>11,178</u>	<u>11,071</u>	<u>3,237,564</u>	<u>2,963,454</u>
<u>Deposit for purchase of assets - related party</u>				
<u>Subsidiary company</u>				
AAPICO Hitech Tooling Company Limited	-	-	808	-
<u>Related company</u>				
Yamakawa Dies Manufacturing R&D Company Limited	-	10,391	-	-
	<u>-</u>	<u>10,391</u>	<u>808</u>	<u>-</u>
<u>Trade accounts payable - related parties</u>				
<u>Subsidiary companies</u>				
AAPICO Plastics Public Company Limited	-	-	3,536	332
AAPICO Hitech Tooling Company Limited	-	-	51,015	1,099
AAPICO Hitech Parts Company Limited	-	-	80,392	100,327
AAPICO Forging Public Company Limited	-	-	88	-
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	8,086	8,691	8,084	8,674
Thai Takagi Seiko Company Limited	11,720	971	-	-
<u>Related companies</u>				
Metal One (Thailand) Company Limited	191,530	161,481	-	-
Sojitz (Thailand) Company Limited	23,551	16,004	-	-
Thai Mekki Limited Partnership	3,644	1,479	-	-
Mitsuike Corporation Company Limited	219	2,579	-	-
	<u>238,750</u>	<u>191,205</u>	<u>143,115</u>	<u>110,432</u>
<u>Other payables - related parties</u>				
Deposit received in advance				
<u>Subsidiary company</u>				
AAPICO Structural Products Company Limited	-	-	16,364	8,182

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Accrued expense				
<u>Subsidiary company</u>				
AAPICO Hitech Parts Company Limited	-	-	9,948	-
<u>Related companies</u>				
Mitsuike Corporation Company Limited	-	13,194	-	-
SAIT Company Limited	4,200	1,800	4,200	1,800
	<u>4,200</u>	<u>14,994</u>	<u>14,148</u>	<u>1,800</u>
Accounts payable - purchases of assets				
<u>Subsidiary company</u>				
AAPICO Hitech Tooling Company Limited	-	-	23,651	-
<u>Related companies</u>				
Sojitz Corporation Limited	-	3,344	-	-
Yamakawa Dies Manufacturing R&D Company Limited	-	576	-	-
	<u>-</u>	<u>3,920</u>	<u>23,651</u>	<u>-</u>
	<u>4,200</u>	<u>18,914</u>	<u>54,163</u>	<u>9,982</u>
<u>Advances and short-term loans from related parties</u>				
Advances				
<u>Subsidiary companies</u>				
New Era Sales Company Limited	-	-	67	65
AAPICO Forging Public Company Limited	-	-	-	93
AAPICO Hitech Tooling Company Limited	-	-	510	432
AAPICO Hitech Parts Company Limited	-	-	885	-
Able Motors Company Limited	-	-	31	8
AERP Company Limited	-	-	778	-
AAPICO Plastics Public Company Limited	-	-	-	118
AAPICO ITS Company Limited	-	-	22	-
<u>Associated companies</u>				
Thai Takagi Seiko Company Limited	80	80	-	-
MINTH AAPICO (Thailand) Company Limited	-	69	-	-
<u>Related companies</u>				
Coryor Surface Treatment Company Limited	1,072	1,072	-	-
Mitsuike Corporation Company Limited	-	2,682	-	-
YLN Company Limited	55	-	-	-
	<u>1,207</u>	<u>3,903</u>	<u>2,293</u>	<u>716</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Short-term loans and interest payable				
Subsidiary companies	-	-	362,172	410,639
Related company	2,149	3,449	-	-
Director	1,985	29	-	-
	<u>4,134</u>	<u>3,478</u>	<u>362,172</u>	<u>410,639</u>
	<u>5,341</u>	<u>7,381</u>	<u>364,465</u>	<u>411,355</u>

Short-term loans from director are interest free and due at call.

(Unit: Thousand Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
<u>Share subscription payable - related parties</u>				
<u>Subsidiary companies</u>				
Dongfeng Commercial Vehicle Company Limited	-	-	24,250	24,250
AAPICO Technology Company Limited	-	-	128	128
	<u>-</u>	<u>-</u>	<u>24,378</u>	<u>24,378</u>
<u>Associated company</u>				
PAPAGO (Thailand) Company Limited	4,500	-	4,500	-
	<u>4,500</u>	<u>-</u>	<u>28,878</u>	<u>24,378</u>

During the nine-month period ended 30 September 2011, movements of loans to related parties and loans from related parties were as follows: -

Consolidated financial statements

(Unit: Thousand Baht)

	Balance as at	During the period		Unrealised	Balance as at
		Increase	Decrease		
	1 January			exchange	30 September
	2011				2011
<u>Short-term loans and interest receivable from related parties</u>					
<u>Associated company</u>					
MINTH AAPICO (Thailand) Company Limited	110,467	2,097	(87,190)	-	25,374

(Unaudited but reviewed)

(Unit: Thousand Baht)

	During the period				Balance as at 30 September 2011
	Balance as at 1 January 2011	Increase	Decrease	Unrealised gain on exchange	
Related companies					
Protech Link Technology Incorporation Limited	28,141	-	-	-	28,141
Yamakawa Dies Manufacturing R&D Company Limited	5,770	676	(3,926)	-	2,520
Total	144,378	2,773	(91,116)	-	56,035
<u>Long-term loans to related parties</u>					
Associated company					
MINTH AAPICO (Thailand) Company Limited	-	10,000	(10,000)	-	-
Related company					
Yamakawa Dies Manufacturing R&D Company Limited	11,071	107	-	-	11,178
Total	11,071	10,107	(10,000)	-	11,178
<u>Short-term loans and interest payable to related parties</u>					
Related company					
Metal One (Thailand) Company Limited	3,449	-	(1,300)	-	2,149
Director	29	2,009	-	(53)	1,985
Total	3,478	2,009	(1,300)	(53)	4,134

Separate financial statements

(Unit: Thousand Baht)

	During the period				Balance as at 30 September 2011
	Balance as at 1 January 2011	Increase	Decrease	Unrealised gain on exchange	
<u>Short-term loans and interest receivable from related parties</u>					
Subsidiary companies					
New Era Sales Company Limited	40,686	17,755	(10,648)	-	47,793
Able Motors Company Limited	10,288	49,314	(49,357)	-	10,245
Kunshan Chaitai-Xincheng Precision Forging Company Limited	8,041	289	-	76	8,406
AAPICO Hitech Parts Company Limited	121,352	434,178	(358,664)	-	196,866
AAPICO Hitech Tooling Company Limited	48,475	131,464	(129,591)	-	50,348
AAPICO Forging Public Company Limited	34,060	655,199	(639,568)	-	49,691
AAPICO Structural Products Company Limited	10,634	336,137	(316,286)	-	30,485
Katsuya (Thailand) Company Limited	21	2,059	(1,958)	-	122
AERP Company Limited	1	-	(1)	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	During the period				Balance as at 30 September 2011
	Balance as at 1 January 2011	Increase	Decrease	Unrealised gain on exchange	
Associated company					
MINTH AAPICO (Thailand) Company Limited	110,467	2,097	(87,190)	-	25,374
Related company					
Yamakawa Dies Manufacturing R&D Company Limited	5,770	676	(3,926)	-	2,520
Total	389,795	1,629,168	(1,597,189)	76	421,850
<u>Long-term loans to related parties</u>					
Subsidiary companies					
New Era Sales Company Limited	214,000	10,000	-	-	224,000
Able Motors Company Limited	68,000	-	(9,000)	-	59,000
AAPICO Forging Public Company Limited	1,387,499	290,800	-	-	1,678,299
AAPICO Hitech Parts Company Limited	738,314	-	(236,835)	-	501,479
AAPICO Hitech Tooling Company Limited	93,100	1,050	-	-	94,150
Kunshan Chaitai-Xincheng Precision Forging Company Limited	2,402	-	-	286	2,688
Katsuya (Thailand) Company Limited	1,268	2,002	-	-	3,270
AAPICO Structural Products Company Limited	447,800	215,700	-	-	663,500
Associated company					
MINTH AAPICO (Thailand) Company Limited	-	10,000	(10,000)	-	-
Related company					
Yamakawa Dies Manufacturing R&D Company Limited	11,071	107	-	-	11,178
Total	2,963,454	529,659	(255,835)	286	3,237,564
<u>Short-term loans and interest payable to related parties</u>					
Subsidiary companies					
AAPICO Engineering Company Limited	10,011	137	(107)	-	10,041
AAPICO Amata Company Limited	400,628	586,768	(635,265)	-	352,131
Total	410,639	586,905	(635,372)	-	362,172

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2011, the Company and its subsidiaries had salaries, bonuses, meeting allowances and provision for long-term employee benefits of their directors and management recognised as expenses totaling Baht 6.3 million and Baht 18.8 million, respectively (Separate financial statements: Baht 5.2 million and Baht 15.7 million, respectively).

(Unaudited but reviewed)

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 16.4.

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Cash	831	663	214	228
Bank deposits	312,426	280,934	27,972	13,975
Total	313,257	281,597	28,186	14,203

6. Trade accounts receivable

The outstanding balances of trade accounts receivable as at 30 September 2011 and 31 December 2010, aged on the basis of due dates, are summarised below: -

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<u>Age of receivables</u>				
<u>Trade accounts receivable - related parties</u>				
Not yet due and past due				
not over 3 months	21,697	6,280	27,100	23,162
Past due 3 - 12 months	5,377	2,823	1,994	879
Past due more than 12 months	2,761	-	-	1,391
Total	29,835	9,103	29,094	25,432
<u>Trade accounts receivable - unrelated parties</u>				
Not yet due and past due				
not over 3 months	1,658,380	1,479,393	353,200	212,995
Past due 3 - 12 months	5,122	61,578	1,270	24,117
Past due more than 12 months	13,713	18,983	2,852	1,881
Total	1,677,215	1,559,954	357,322	238,993
Less: Allowance for doubtful accounts	(11,832)	(13,697)	(2,580)	(2,580)
	1,665,383	1,546,257	354,742	236,413
Total trade accounts receivable - net	1,695,218	1,555,360	383,836	261,845

(Unaudited but reviewed)

7. Inventories

As at 30 September 2011, certain subsidiaries have pledged finished goods totaling approximately Baht 108.9 million (31 December 2010: Baht 162.5 million) to secure short-term loans from banks.

8. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30 September 2011	31 December 2010	30 September 2011 (%)	31 December 2010 (%)	30 September 2011	31 December 2010
New Era Sales Co., Ltd.	Baht 20 million	Baht 20 million	100	100	20,000	20,000
AAPICO Amata Co., Ltd.	Baht 800 million	Baht 800 million	100	100	1,164,139	1,164,139
Able Motors Co., Ltd.	Baht 20 million	Baht 20 million	100	100	19,999	19,999
AAPICO Engineering Co., Ltd.	Baht 10 million	Baht 10 million	100	100	10,000	10,000
Tenaga Setia Resources SDN. BHD.	RM 6 million	RM 6 million	49	49	31,393	31,393
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	USD 6.1 million	USD 6.1 million	100	100	196,744	196,744
AAPICO ITS Co., Ltd.	Baht 100 million	Baht 100 million	60	60	62,175	62,175
AAPICO Hitech Parts Co., Ltd.	Baht 120 million	Baht 120 million	100	100	120,000	120,000
AAPICO Hitech Tooling Co., Ltd.	Baht 65 million	Baht 65 million	100	100	65,000	65,000
AAPICO Shanghai Co., Ltd.	USD 2 million	USD 2 million	100	100	80,682	80,682
AAPICO Investment Pte. Ltd.	SGD 6.97 million	SGD 6.97 million	100	100	167,950	167,950
AAPICO Mitsuike (Thailand) Co., Ltd.	Baht 8.25 million	Baht 8.25 million	51	51	4,208	4,208
AAPICO Forging Public Co., Ltd.	Baht 500 million	Baht 500 million	100	100	1,823,907	1,823,907
AAPICO Structural Products Co., Ltd.	Baht 200 million	Baht 100 million	100	100	200,000	100,000
A Maction Co., Ltd.	Baht 10 million	Baht 10 million	51	51	5,100	5,100
New Era Sales (M) SDN. BHD.	RM 1.5 million	RM 1.5 million	49	49	8,263	8,263
AAPICO Technology Co., Ltd.	Baht 0.25 million	Baht 0.25 million	51	51	128	128
AERP Co., Ltd.	Baht 1.25 million	Baht 1.25 million	88	88	1,100	1,100
Katsuya (Thailand) Co., Ltd.	Baht 28.5 million	Baht 28.5 million	76	76	15,675	15,675
Dongfeng Commercial Vehicle Co., Ltd.	Baht 25 million	Baht 25 million	97	97	24,250	24,250
Total					4,020,713	3,920,713
Less: Allowance for impairment					(159,376)	(159,376)
Net					3,861,337	3,761,337

Significant transactions regarding the investments in subsidiaries during the current period are as follows: -

1. In March 2011, AAPICO Structural Products Co., Ltd. increased its share capital of Baht 100 million, all of which acquired by the Company.

(Unaudited but reviewed)

2. In April 2011, AAPICO ITS Co., Ltd., a subsidiary, invested in a 49% interest in AAPICO ITS CO. SDN. BHD., a company registered in Malaysia, at a cost of RM 0.25 million.

The financial statements for the three-month and nine-month periods ended 30 September 2011 and 2010 of four subsidiary companies which are included in the consolidated financial statements were reviewed by other auditors. Their aggregate assets and revenues are as follows: -

(Unit: Million Baht)

	Total revenues					
	Total assets as at		For the three-month		For the nine-month	
	30 September		periods ended		periods ended	
2011	2010	2011	2010	2011	2010	
Tenaga Setia Resources SDN. BHD.	108	120	312	444	921	1,171
Kunshan Chaitai-Xincheng Precision Forging Company Limited	822	486	211	197	632	572
AAPICO Shanghai Company Limited	83	79	1	1	3	2
New Era Sales (M) SDN. BHD.	307	188	175	198	476	589
Total	1,320	873	699	840	2,032	2,334

The financial statements of AAPICO Engineering Company Limited, AAPICO ITS Company Limited, AAPICO Hitech Tooling Company Limited, AAPICO Investment Pte., Limited, AAPICO Mitsuike (Thailand) Company Limited, A Maction Company Limited, AAPICO Technology Company Limited, AERP Company Limited, Katsuya (Thailand) Company Limited and Dongfeng Commercial Vehicle Company Limited for the three-month and nine-month periods ended 30 September 2011, which are included in the consolidated financial statements for the period, were prepared by the management of those companies and were not reviewed by their auditors.

The financial statements of AAPICO Engineering Company Limited, AAPICO ITS Company Limited, AAPICO Hitech Tooling Company Limited, AAPICO Investment Pte., Limited, AAPICO Mitsuike (Thailand) Company Limited, A Maction Company Limited, AAPICO Technology Company Limited, AERP Company Limited and Katsuya (Thailand) Company Limited for the three-month and nine-month periods ended 30 September 2010, which are included in the consolidated financial statements for the period, were prepared by the management of those companies and were not reviewed by their auditors.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of income (loss) from investments in associates during the three-month periods ended 30 September		Share of income (loss) from investments in associates during the nine-month periods ended 30 September	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Investments in associated companies, directly</u>				
<u>held by the Company</u>				
Able Sanoh Industries (1996) Company Limited	24,839	23,512	63,123	56,795
Sanoh Industries (Thailand) Company Limited	2,926	3,567	7,208	8,821
MINTH AAPICO (Thailand) Company Limited	17,766	(74)	16,613	(5,083)
Thai Takagi Seiko Company Limited	174	(1,129)	1,224	(1,129)
PAPAGO (Thailand) Company Limited	223	186	617	186
Hyundai Motor (Thailand) Company Limited	54,156	7,009	162,470	50,902
Total	<u>100,084</u>	<u>33,071</u>	<u>251,255</u>	<u>110,492</u>

During the three-month and nine-month periods ended 30 September 2011, the Company received dividend income amounting to Baht 29 million (2010: Baht 7 million) from Able Sanoh Industries (1996) Company Limited.

The Company's interest in the equity of Hyundai Motor (Thailand) Company Limited for the three-month and nine-month periods ended 30 September 2011 and 2010 were determined based on the reviewed financial statements of that company.

The Company's interest in the equity of MINTH AAPICO (Thailand) Company Limited for the nine-month period ended 30 September 2011 were determined based on the reviewed financial statements of that company.

The Company's interest in the equity of other companies for the three-month and nine-month periods ended 30 September 2011 and 2010 were determined based on the unreviewed financial statements of those companies.

(Unaudited but reviewed)

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September	31 December
	2011	2010
Available-for-sale securities		
Marketable equity securities	160,666	160,666
Allowance for change in value	(75,013)	(86,269)
Total	<u>85,653</u>	<u>74,397</u>

11. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2011	5,546,732	1,107,568
Acquisitions during period - at cost	1,042,689	363,377
Acquisition of subsidiary during period	503	-
Transfer during period - from deposit for purchases of assets	256,717	39,585
Transfer during period - others	63,999	-
Capitalised interest	14,038	916
Disposals during period - net book value at disposal date	(9,819)	(672)
Depreciation for the period	(310,737)	(50,354)
Impairment loss during the period	(33,069)	-
Exchange differences on translation of financial statements in foreign currency	18,727	-
Net book value as at 30 September 2011	<u>6,589,780</u>	<u>1,460,420</u>

(Unaudited but reviewed)

Borrowing costs totaling approximately Baht 14.0 million and Baht 1.5 million were capitalised during the nine-month periods ended 30 September 2011 and 2010, respectively.

As at 30 September 2011, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 121.2 million (31 December 2010: Baht 6.8 million).

A subsidiary has mortgaged certain machinery and factory equipment with a total net book value as at 30 September 2011 of Baht 1 million as collateral for credit facilities granted by bank.

Some subsidiaries have mortgaged land with structures thereon, certain machinery and factory equipment with a total net book value as at 31 December 2010 of Baht 494 million as collateral for credit facilities granted by banks.

12. Leasehold right

Subsidiaries have pledged their land leasehold right with a net book value as at 30 September 2011 of Baht 107 million (31 December 2010: Baht 112 million) as collateral for credit facilities granted by banks.

13. Goodwill

(Unit: Million Baht)

	Balance as at	
	30 September 2011	31 December 2010
Goodwill from purchase of subsidiaries:		
AAPICO Amata Company Limited	230	230
AAPICO Forging Public Company Limited	1,152	1,152
Other companies	5	5
Total	1,387	1,387
Less: Allowance for impairment	(100)	(100)
Net	1,287	1,287

(Unaudited but reviewed)

As at 30 September 2011, the Company has examined, estimated and adjusted the fair value of the majority of the net assets of AAPICO Forging Public Company Limited, and the Company is in the process of claiming compensation from that subsidiary's former major shareholders under the terms of representation and warranty in the share purchase agreement, in order to recover the adjusted value of the subsidiary's net assets.

As at 31 December 2010, the Company determined that the Baht 100 million allowances for impairment of goodwill of AAPICO Forging Public Company Limited that was recorded in the accounts was adequate, based on discounted cash flow projections of the subsidiary prepared under current circumstances. Pre-tax discount rate of 9.28% p.a., and financial parameters provided by third parties, were used, with a growth scenario for the auto industry prepared by the management. However, actual results may differ from these estimates depending on the future economic environment.

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

During the first quarter of the current year, the Company entered into an agreement with a local bank, granting loan facilities amounting to Baht 400 million. The loans carry interest at MLR minus 1.9% per annum and are repayable in monthly installments within 5 years. As at 30 September 2011, the Company has drawn down Baht 275 million under the loan agreement.

During the third quarter of the current year, an overseas subsidiary entered into a loan agreement with a bank for a facility of RMB 40 million, or approximately Baht 196 million, carrying interest based on PBOC rate, which is a reference rate of the government of The People's Republic of China. The loan principal is repayable within three years in quarterly installments, with the first due in December 2012. As at 30 September 2011, the subsidiary has drawn down RMB 9.3 million, or approximately Baht 45.5 million, under the loan agreement.

As at 30 September 2011, bank overdrafts and loans from banks are secured by the pledge of bank deposits, leasehold land, certain machinery, factory equipment and inventories of subsidiaries, by guarantees provided by directors of the Group, by the Company and by the subsidiary companies, and a negative pledge of assets of the Company.

(Unaudited but reviewed)

As at 31 December 2010, bank overdrafts and loans from banks are secured by the mortgage of certain land and buildings thereon of the subsidiaries, the pledge of bank deposits, leasehold land, certain machinery, factory equipment and inventories of subsidiaries, by guarantees provided by directors of the Group, by the Company and by the subsidiary companies, and a negative pledge of assets of the Company.

The loan agreements contain covenants relating to various matters as specified in the agreements, including restrictions on providing loans other than loans to intercompany, and the maintenance of certain financial ratios that, among other things, require the Company to maintain certain debt to equity according to the agreements.

15. 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.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Profit for the period	135,629	83,447	92,374	409,107
Weighted average number of ordinary shares (Thousand shares)	226,514	226,514	226,514	226,514
Earnings per share (Baht/share)	0.60	0.37	0.41	1.81

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Profit for the period	273,751	255,816	535,277	682,823
Weighted average number of ordinary shares (Thousand shares)	226,514	226,514	226,514	226,514
Earnings per share (Baht/share)	1.21	1.13	2.36	3.01

(Unaudited but reviewed)

The convertible preferred shares are excluded from determination of the number of potential ordinary shares since the value of the convertible preferred shares exceeds the fair value of the ordinary shares.

16. Commitment and contingent liabilities

16.1 Capital commitments

- (a) As at 30 September 2011, the Group had capital commitments of approximately Baht 61.5 million, USD 1.2 million, RM 1.8 million, RMB 19.8 million and Euro 0.9 million, totalling Baht 252.4 million, relating to the construction and renovation of buildings and acquisition of machinery.
- (b) As at 30 September 2011, the Company had outstanding commitment of Baht 94.2 million in respect of uncalled portion of investments in its subsidiaries.

16.2 Operating lease and service commitments

The Group has entered into several lease agreements in respect of the lease of land, office building space and equipment and service agreements. The terms of the agreements are generally between 1 and 15 years.

As at 30 September 2011, future minimum lease and service payments required under these non-cancellable operating leases and service contracts were as follows.

	<u>Million Baht</u>
Payable within:	
1 year	18.9
1 to 5 years	34.8
More than 5 years	20.6

16.3 Long-term service commitments

Two subsidiaries have entered into the technical assistant agreements with the Japanese company and German company, under which they have to pay fees at a rate as stipulated in the agreements, on sales of certain products. The agreements are effective until 2013 and 2017, respectively. The Company has entered into a cooperation agreement with a German company, under which it has to pay fees at the rate, as stipulated in the agreement, per tank sender sales. The agreement is for one-year automatically extended annually for a further period of one year. In addition, the Company and a subsidiary have entered into service agreements with the companies, under which they have to pay fees at a certain rate, as stipulated in the agreements, on their sales of particular products to the customers. These agreements are effective until the Company and its subsidiary finish the projects for the customers. The fees for the nine-month period ended 30 September 2011 amounted to approximately Baht 27.1 million.

16.4 Guarantees

- (a) As at 30 September 2011, the Company had guaranteed bank credit facilities of its subsidiary companies amounting to Baht 15 million, USD 12 million and RMB 48 million.
- (b) As at 30 September 2011, there were outstanding bank guarantees of approximately Baht 160.7 million, RM 1.9 million and USD 0.2 million issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 136.2 million and USD 0.2 million to guarantee contractual performance and Baht 24.4 million and RM 1.9 million to guarantee electricity use, among others.

(Unaudited but reviewed)

16.5 Interest rate swap agreements

As at 30 September 2011, the Company has outstanding interest rate swap agreements with the banks as follows:

<u>Notional amount</u>	<u>Interest Receipt Rate</u>	<u>Interest Payment Rate</u>	<u>Due date</u>
(Million Baht)			
300	THBFIX plus 0.65%	Fixed rate at 4.77%	28 September 2012
60	THBFIX plus 3.5%	Fixed rate at 5.97%	30 April 2012
300	Fixed rate at 4.77%	6M Deposit Index plus 3.19%	6 February 2012
382	FDR plus 3.3%	Fixed rate at 5.65%	30 December 2015
385	MLR minus 1.75%	Fixed rate at 5.33%	30 December 2015
396	MLR minus 1.75%	Fixed rate at 5.98%	30 December 2015

As at 30 September 2011, the Company had unrealised gain from change in the fair value of interest rate swap agreements of approximately Baht 2.2 million.

16.6 Forward foreign exchange contracts

As at 30 September 2011, the Group had various forward foreign exchange contracts as follows:

<u>Currency</u>	<u>Buying</u>	<u>Selling</u>	<u>Contractual exchange rate</u>	
			<u>Buying</u>	<u>Selling</u>
	(Million)	(Million)		
USD against Baht	3.7	4.2	30.6	30.5 - 31.1
USD against CHF	-	0.2	-	0.8 - 0.9
EUR against Baht	3.6	0.8	42.8 - 43.0	41.6 - 41.7

17. Dividend paid

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
Final dividends for 2010	Annual General Meeting of the shareholders on 26 April 2011	56,463,603	0.21
Interim dividends for 2011	Board of Directors' Meeting on 15 August 2011	43,019,808	0.16
		<u>99,483,411</u>	<u>0.37</u>
Interim dividends for 2010	Board of Directors' Meeting on	<u>69,907,058</u>	<u>0.26</u>

(Unit: Baht)

13 August 2010

(Unaudited but reviewed)

18. Events after the reporting period

In October 2011, there was severe flooding in Thailand. The locations of factories and offices of the Company, certain subsidiaries and associate were inundated, forcing them to temporarily cease production. Those companies are not yet able to estimate the damage to their assets. However, they have insurance coverage for part of the damage. The financial impact of the floods will be reflected in the fourth quarter of the current year.

19. Segment information

The Group's business operations involve 2 principal segments: the manufacture of automobiles assembly tools and parts, and sales of automobiles and the provision of automobiles repair service. These operations are carried on geographic areas in Thailand, The People's Republic of China and Malaysia. Below is the consolidated financial information for the three-month and nine-month periods ended 30 September 2011 and 2010 of the Group by segment.

(Unit: Million Baht)

Consolidated financial statements for the three-month periods ended 30 September								
	Manufacture of automobiles assembly tools and parts segment		Sales of automobiles and the provision of automobiles repair service segment		Elimination of inter-segment revenue		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues from external customers								
Thailand	2,024	1,764	316	199	-	-	2,340	1,963
The People's Republic of China	210	180	-	-	-	-	210	180
Malaysia	1	-	481	636	-	-	482	636
Intersegment revenues	376	247	4	7	(380)	(254)	-	-
Total revenues	<u>2,611</u>	<u>2,191</u>	<u>801</u>	<u>842</u>	<u>(380)</u>	<u>(254)</u>	<u>3,032</u>	<u>2,779</u>
Segment income	199	150	45	44	(34)	(3)	210	191
Unallocated income and expenses:								
Exchange loss							(3)	(1)
Other income							128	101
Selling expenses							(49)	(42)
Administrative expenses							(151)	(121)
Loss on impairment of assets							(3)	-
Share of income of associates							100	33
Finance cost							(57)	(44)
Corporate income tax							(37)	(30)
Profit for the period							<u>138</u>	<u>87</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements for the nine-month periods ended 30 September

	Manufacture of automobiles assembly tools and parts segment		Sales of automobiles and the provision of automobiles repair service segment		Elimination of inter-segment revenue		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues from external customers								
Thailand	5,391	5,223	1,060	516	-	-	6,451	5,739
The People's Republic of China	629	554	-	-	-	-	629	554
Malaysia	5	-	1,380	1,739	-	-	1,385	1,739
Intersegment revenues	859	650	25	9	(884)	(659)	-	-
Total revenues	<u>6,884</u>	<u>6,427</u>	<u>2,465</u>	<u>2,264</u>	<u>(884)</u>	<u>(659)</u>	<u>8,465</u>	<u>8,032</u>
Segment income	484	504	139	117	(44)	(22)	579	599
Unallocated income and expenses:								
Exchange gain							-	4
Other income							352	274
Selling expenses							(151)	(133)
Administrative expenses							(448)	(338)
Loss on impairment of assets							(36)	-
Share of income of associates							251	110
Finance cost							(170)	(124)
Corporate income tax							(96)	(100)
Profit for the period							<u>281</u>	<u>292</u>

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 9 December 2011.