

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 2013

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 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 2012. There was a change in the structure of the shareholding of the subsidiary during the period, as discussed in Note 8.

1.3 New accounting standards

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting period

Accounting Standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 *Income Taxes*

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 2 to the financial statements.

(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standard:		
TAS 12 (revised 2012)	Income taxes	1 January 2014
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

(Unaudited but reviewed)

The management of the Company has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TAS 12 (revised 2012), TSIC 27, TFRIC 1, TFRIC 4, TFRIC 5 and TFRIC 10, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

1.4 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 2012, except for the change in the accounting policies due to the adoption of TAS 12 *Income Taxes* as follow:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

(Unaudited but reviewed)

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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

During the current period, the Company and its subsidiaries made the change described in Note 1.4 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statement			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	30 September 2013	31 December 2012	1 January 2012	30 September 2013	31 December 2012	1 January 2012
Statements of financial position						
Increase in investment in associates	3,408	3,006	2,800	-	-	-
Increase in deferred tax assets	46,940	36,753	33,383	5,300	3,344	11,660
Increase in non-controlling interests of the subsidiaries	533	1,422	1,899	-	-	-
Increase in unappropriated retained earnings	49,815	38,337	34,284	5,300	3,344	11,660

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Statements of income				
Increase in share of profit from investment in associates		402	273	-
Increase (decrease) in income tax		(10,187)	(185)	(1,956)
Decrease in profit attributable to non-controlling interest of the subsidiaries		889	513	-
Increase (decrease) in profit attributable to equity holders of the Company		11,478	917	1,956
Increase (decrease) in basic earnings per share (Baht)		0.04	-	0.01
Increase (decrease) in diluted earnings per share (Baht)		0.04	-	0.01

(Unaudited but reviewed)

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Cash	4,462	685	62	238
Bank deposits	195,273	206,376	20,928	25,608
Total	199,735	207,061	20,990	25,846

4. Related party transactions

During the periods, the Company and its subsidiaries 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		
	2013	2012	2013	2012	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	31	16	Cost plus margin, averaging around 10% - 30%
Interest income	-	-	37	38	4.8% - 5.0% p.a. (2012: 4.4% - 4.6% p.a.)
Purchases of goods and services	-	-	114	167	Cost plus margin, averaging around 5% - 35%
Purchases of machinery and equipment	-	-	-	9	Cost plus margin, averaging around 1% - 40%
Rental income	-	-	-	1	Close to rental rates for other building in the vicinity
Management fee income	-	-	4	-	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		
	2013	2012	2013	2012	
<u>Transactions with associated companies</u>					
Sales of goods and services	25	8	-	-	Cost plus margin, averaging around 30% - 40% (2012: Cost plus margin, averaging around 3% - 35% and cost minus around 20% - 30%)
Purchases of goods and services	28	14	13	11	Cost plus margin, averaging around 1% - 3% and 30% - 70%
Rental income	-	1	-	-	Baht 258 per square meter
<u>Transactions with related parties</u>					
Purchases of goods and services	100	163	-	-	Cost plus margin of 2% - 30%
Management fee expense	2	1	2	1	Approximate cost
Royalty fee	-	8	-	-	1.8% - 4.0% on sales
Purchases of machinery and equipment	3	-	-	-	Cost plus margin averaging around 1% - 40%

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	129	83	Cost plus margin, averaging around 10% - 30%
Interest income	-	-	110	132	4.5% - 5.4% p.a. (2012: 4.0% - 5.2% p.a.)
Interest expenses	-	-	7	1	2% p.a. and 2.3% p.a.
Purchases of goods and services	-	-	400	345	Cost plus margin, averaging around 5% - 35%
Sale of machinery and equipment	-	-	2	-	Cost plus margin, averaging around 1% - 40%
Purchases of machinery and equipment	-	-	33	14	Cost plus margin, averaging around 1% - 40%
Rental income	-	-	-	2	Close to rental rates for other building in the vicinity
Management fee income	-	-	6	2	Approximate cost
Other income	-	-	4	3	Approximate cost
Other expense	-	-	-	1	Approximate cost

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
Transactions with associated companies					
Sales of goods and services	52	43	-	-	Cost plus margin, averaging around 30% - 40% (2012: cost plus margin, averaging around 3% - 5% and cost minus around 20% - 30%)
Purchases of goods and services	65	48	36	21	Cost plus margin, averaging around 1% - 3% and 30% - 70%
Rental income	2	1	-	-	Baht 258 per square meter
Dividend income	-	-	111	130	As declared
Interest income	-	1	-	1	5.0% p.a. and 6.9% p.a.
Transactions with related parties					
Purchases of goods and services	336	442	-	-	Cost plus margin of 2% - 30%
Interest income	-	1	-	1	7.5% p.a.
Management fee expense	5	5	5	5	Approximate cost
Royalty fee	-	11	-	-	1.8% - 4.0% on sales
Purchase of machinery and equipment	3	-	-	-	Cost plus margin, average around 1% - 40%

As at 30 September 2013 and 31 December 2012, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Trade and other receivables - related parties (Note 5)				
Subsidiaries	-	-	210,713	338,749
Associates	44,300	8,052	3,207	884
Related companies (common shareholder/director)	-	496	-	248
	<u>44,300</u>	<u>8,548</u>	<u>213,920</u>	<u>339,881</u>
Trade and other payables - related parties				
Subsidiaries	-	-	87,988	216,092
Associates	64,505	27,704	54,863	23,556
Related companies (common shareholder/director)	137,648	184,184	13,407	7,200
	<u>202,153</u>	<u>211,888</u>	<u>156,258</u>	<u>246,848</u>

Loans to related parties and loans from related parties

As at 30 September 2013 and 31 December 2012, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements				
Related by		Balance as at 31 December 2012	Increase during the period	Decrease during the period	Unrealised gain/ loss on exchange	Balance as at 30 September 2013
<u>Short-term loans to</u>						
Dee Mak SDN. BHD.	Common director	484	4,962	(4,905)	(18)	523
Edscha AAPICO Automotive Company Limited	Associate	-	181	-	-	181
Total		484	5,143	(4,905)	(18)	704
<u>Short-term loans from</u>						
Directors		16,954	-	(69)	(613)	16,272
Total		16,954	-	(69)	(613)	16,272

Short-term loans from directors carried interest at 5% per annum and due at call.

(Unit: Thousand Baht)

		Separate financial statements				
Related by		Balance as at 31 December 2012	Increase during the period	Decrease during the period	Unrealised gain on exchange	Balance as at 30 September 2013
<u>Short-term loans to</u>						
New Era Sales Company Limited	Subsidiary	9,600	3,000	-	-	12,600
Able Motors Company Limited	Subsidiary	12,000	22,200	-	-	34,200
Katsuya (Thailand) Company Limited	Subsidiary	-	2,400	-	-	2,400
AAPICO Hitech Parts Company Limited	Subsidiary	180,000	-	(30,000)	-	150,000
AAPICO Hitech Tooling Company Limited	Subsidiary	18,000	-	-	-	18,000
AAPICO Forging Public Company Limited	Subsidiary	240,000	-	(60,000)	-	180,000
Total		459,600	27,600	(90,000)	-	397,200
<u>Long-term loans to</u>						
New Era Sales Company Limited	Subsidiary	201,400	-	(3,000)	-	198,400
Able Motors Company Limited	Subsidiary	105,000	27,800	(129,000)	-	3,800
AAPICO Forging Public Company Limited	Subsidiary	1,493,099	1,033,500	(766,599)	-	1,760,000
AAPICO Hitech Parts Company Limited	Subsidiary	478,662	629,550	(724,712)	-	383,500
AAPICO Hitech Tooling Company Limited	Subsidiary	55,031	139,819	(131,750)	-	63,100
Kunshan Chaitai-Xincheng Precision Forging Company Limited	Subsidiary	8,536	61,780	(8,536)	717	62,497
Katsuya (Thailand) Company Limited	Subsidiary	3,710	93	(2,400)	-	1,403
Edscha AAPICO Automotive Company Limited	Associate	-	180	-	-	180
Total		2,345,438	1,892,722	(1,765,997)	717	2,472,880
<u>Short-term loans from</u>						
AAPICO Engineering Company Limited	Subsidiary	10,000	-	(800)	-	9,200
AAPICO Amata Company Limited	Subsidiary	87,050	420,200	(456,900)	-	50,350
AAPICO Structural Products Company Limited	Subsidiary	238,000	3,296,800	(2,983,750)	-	551,050
Total		335,050	3,717,000	(3,441,450)	-	610,600

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	6.11	5.82	5.89	5.50
Post-employee benefits	0.02	0.03	0.02	-
Total	<u>6.13</u>	<u>5.85</u>	<u>5.91</u>	<u>5.50</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	18.34	17.46	17.66	16.49
Post-employee benefits	0.07	0.08	0.07	0.01
Total	<u>18.41</u>	<u>17.54</u>	<u>17.73</u>	<u>16.50</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 19.4 to financial statements.

(Unaudited but reviewed)

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	39,314	7,006	19,386	90,894
Past due 3 - 12 months	11	7	4	3,035
Past due more than 12 months	741	9	4	11
Total trade receivables - related parties	40,066	7,022	19,394	93,940
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	2,029,048	2,658,768	274,428	360,006
Past due 3 - 12 months	6,524	33,389	744	18,226
Past due more than 12 months	28,258	15,106	8,584	3,639
Total	2,063,830	2,707,263	283,756	381,871
Less: Allowance for doubtful accounts	(16,672)	(13,960)	(3,184)	(2,545)
Total trade receivables - unrelated parties, net	2,047,158	2,693,303	280,572	379,326
Total trade receivables - net	2,087,224	2,700,325	299,966	473,266
<u>Other receivables</u>				
Advances - related parties	3,927	1,526	25,496	40,500
Interest receivable - related parties	-	-	169,030	205,441
Other receivables - related party	307	-	-	-
Advances	5,809	23,711	-	-
Accrued income	24,288	16,257	11,070	5,205
Other receivables - unrelated parties	26,310	59,105	3,561	2,917
Total other receivables	60,641	100,599	209,157	254,063
Total trade and other receivables - net	2,147,865	2,800,924	509,123	727,329

6. Inventories

As at 30 September 2013, certain subsidiaries have pledged finished goods of approximately Baht 233 million (31 December 2012: Baht 232 million) to secure short-term loans from banks.

7. Investments in associates

Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
			(%)	(%)				(Restated)
Able Sanoh Industries (1996) Company Limited	Manufacture and distribution of autoparts	Thailand	46	46	30,700	30,700	332,819	269,476
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	20	20	29,250	29,250	52,914	49,509
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	40	40	151,400	151,400	174,334	162,692
Thai Takagi Seiko Company Limited	Distribution of dies	Thailand	49	49	13,229	13,229	18,555	15,572
Hyundai Motor (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	30	30	120,000	120,000	423,097	419,933
Edscha AAPICO Automotive Company Limited	Manufacture and distribution of autoparts	Thailand	49	-	19,600	-	21,119	-
Sumino AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	49	-	98,000	-	98,000	-
Total					<u>462,179</u>	<u>344,579</u>	<u>1,120,838</u>	<u>917,182</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method - net	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
	(%)	(%)		
Able Sanoh Industries (1996) Company Limited	46	46	30,700	30,700
Sanoh Industries (Thailand) Company Limited	20	20	29,250	29,250
MINTH AAPICO (Thailand) Company Limited	40	40	151,400	151,400
Thai Takagi Seiko Company Limited	49	49	13,229	13,229
Hyundai Motor (Thailand) Company Limited	30	30	120,000	120,000
Edscha AAPICO Automotive Company Limited	49	-	19,600	-
Sumino AAPICO (Thailand) Company Limited	49	-	98,000	-
Total			<u>462,179</u>	<u>344,579</u>

(Unaudited but reviewed)

During the three-month and nine-month periods ended 30 September 2013 and 2012, the Company has recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend income	
	2013	2012	2013	2012
	(Restated)			
Able Sanoh Industries (1996) Company Limited	13,945	3,424	-	-
Sanoh Industries (Thailand) Company Limited	3,347	1,326	-	-
MINTH AAPICO (Thailand) Company Limited	1,152	8,712	-	-
Thai Takagi Seiko Company Limited	2,242	915	-	-
PAPAGO (Thailand) Company Limited	-	(1)	-	-
Hyundai Motor (Thailand) Company Limited	39,753	8,798	-	-
Edscha AAPICO Automotive Company Limited	1,628	-	-	-
Sumino AAPICO (Thailand) Company Limited	-	-	-	-
Total	<u>62,067</u>	<u>23,174</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend income	
	2013	2012	2013	2012
	(Restated)			
Able Sanoh Industries (1996) Company Limited	63,313	23,028	-	-
Sanoh Industries (Thailand) Company Limited	9,270	3,372	5,865	7,864
MINTH AAPICO (Thailand) Company Limited	11,642	28,363	-	-
Thai Takagi Seiko Company Limited	2,983	5,437	-	-
PAPAGO (Thailand) Company Limited	-	(117)	-	-
Hyundai Motor (Thailand) Company Limited	108,790	132,912	105,504	122,070
Edscha AAPICO Automotive Company Limited	1,519	-	-	-
Sumino AAPICO (Thailand) Company Limited	-	-	-	-
Total	<u>197,517</u>	<u>192,995</u>	<u>111,369</u>	<u>129,934</u>

(Unaudited but reviewed)

During the year 2012, the shareholding of the Company in PAPAGO (Thailand) Company Limited had fallen from 30% to 12% because that company increased its share capital, with the Company making no additional investment. Therefore, the Company transferred the investment to other investment.

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December
	2013	2012	2013	2012	2013	2012
			(%)	(%)		
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 100 million	Baht 100 million	100	100	200,000	200,000
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
AAPICO Lemtech (Thailand) Co., Ltd.	Baht 40 million	-	60	-	24,000	-
Total					4,044,713	4,020,713
Less: Allowance for impairment					(359,376)	(359,376)
Net					3,685,337	3,661,337

No dividend received from all above subsidiaries during the nine-month periods ended 30 September 2013 and 2012.

(Unaudited but reviewed)

The financial statements for the three-month and nine-month periods ended 30 September 2013 and 2012 of certain 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 assets as at		Total revenues			
			For the three-month		For the nine-month	
	30 September		periods ended 30		periods ended 30	
	2013	2012	September		September	
			2013	2012	2013	2012
	(Restated)					
Tenaga Setia Resources SDN. BHD.	173	147	432	386	1,188	758
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	-	1,055	-	216	-	630
AAPICO Shanghai Co., Ltd.	-	79	-	1	-	2
New Era Sales (M) SDN. BHD.	329	344	278	276	775	544
Total	502	1,625	710	879	1,963	1,934

During the current period, the Company acquired a 60% equity interest in AAPICO Lemtech (Thailand) Co., Ltd., a new company registered in Thailand.

9. Investment in joint ventures

Investment in joint ventures represents investment in entity which is jointly controlled by the Company and other company. Detail of this investment is as follow:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Country of incorporation	Consolidated financial statements /		Carrying amount based on equity method
			Separate financial statements		
			As at 30 September 2013		
			Shareholding percentage	Cost	
			(%)		
AAPICO Sodecia Company Limited	Manufacture and distribution of autoparts	Thailand	50	15,000	15,000

As at 30 September 2013, AAPICO Sodecia Company Limited does not operate.

(Unaudited but reviewed)

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Available-for-sale securities				
Marketable equity securities	160,666	160,666	-	-
Allowance for change in value	(74,453)	(32,917)	-	-
	<u>86,213</u>	<u>127,749</u>	<u>-</u>	<u>-</u>
Other investments				
Equity securities	<u>40,634</u>	<u>31,125</u>	<u>3,000</u>	<u>3,000</u>
Total	<u>126,847</u>	<u>158,874</u>	<u>3,000</u>	<u>3,000</u>

11. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2013 are summarized below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Net book value as at 1 January 2013	6,540,718	1,488,844
Acquisitions during period - at cost	442,825	78,117
Transfer during period	45,820	-
Capitalised interest	721	398
Disposals/write-off during period - net book value		
at disposal / write-off dates	(29,555)	(13,940)
Depreciation for the period	(543,946)	(100,375)
Allowance for impairment loss increase during		
the period	(27,743)	(24,885)
Exchange differences on translation of financial		
statements in foreign currency	16,203	-
Net book value as at 30 September 2013	<u>6,445,043</u>	<u>1,428,159</u>

(Unaudited but reviewed)

Borrowing costs totaling approximately Baht 1 million and Baht 9 million were capitalised during the nine-month periods ended 30 September 2013 and 2012, respectively.

As at 30 September 2013, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 121 million (31 December 2012: Baht 125 million).

A subsidiary has mortgaged building, with a total net book value as at 30 September 2013 of Baht 122 million (31 December 2012: Baht 131 million) as collateral for credit facilities granted by bank.

12. Leasehold right

A subsidiary has pledged its land leasehold right, with a total net book value as at 30 September 2013 of Baht 101 million (31 December 2012: Baht 107 million) as collateral for credit facilities granted by banks.

13. Goodwill

(Unit: Million Baht)

	Balance as at	
	30 September 2013	31 December 2012
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	(300)	(300)
Net	1,087	1,087

As at 31 December 2012, the Company has assessed and considered that the provision for impairment of goodwill of AAPICO Forging Public Company Limited of Baht 300 million was adequate. This amount was estimated based on discounted cash flow projections of the subsidiary prepared under current circumstances. Pre-tax discount rates of 8.67% 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 current period, the Company entered into a loan agreement with a bank, granting a credit facility of Baht 800 million to be used to fund expansion of the operations of the Company and its subsidiaries. The loan is repayable within 4 years and subject to interest at a fixed rate in the first year and then at a floating rate. It is secured by a negative pledge of assets of the Company and its subsidiaries, and the agreement includes covenants relating to the shareholding of the major shareholders and the maintenance of a certain debt to equity ratio.

During the current period, a subsidiary entered into a loan agreement with a bank, granting a credit facility of Baht 20 million. The loan is repayable within 3 years and subject to interest at a floating rate. The agreement includes conditions prohibiting the disposal or transfer of assets, other than disposals in the ordinary course of business, and the creation of any lien or encumbrance over the subsidiary's assets. The loan agreement also includes covenants relating to the shareholding of the major shareholders and the maintenance of certain financial ratios.

As at 30 September 2013 and 31 December 2012, previous bank overdrafts and loans from banks are secured by the pledge of leasehold land and building thereon, inventories and deposits of subsidiaries, by guarantees provided by the subsidiary companies, and a negative pledge of assets of the Company.

The previous loan agreements contain covenants relating to various matters as specified in the agreements, including restrictions on providing loans other than loans to intercompanies with approval from bank, and the maintenance of certain financial ratios, such as a debt to equity ratio, in accordance with the agreements.

15. Share capital

On 26 April 2013, the Annual General Meeting of the Company's shareholders passed the below resolutions:

- a) A decrease in the registered capital from Baht 271,697,900 to Baht 268,874,300 through the cancellation of the 2,823,600 shares.
- b) An increase in the registered capital from Baht 268,874,300 to Baht 322,649,160 through the issue of 53,774,860 new shares with a par value of Baht 1 each, in order to support the issue of the dividend shares.

The Company registered this change with the Ministry of Commerce in May 2013.

(Unaudited but reviewed)

In June 2013, holders of the Company's preferred shares notified the Company of their intention to exercise their rights converting all preference shares to ordinary shares, and the extraordinary shareholders' meeting of the Company acknowledged this exercise of rights in July 2013. The Company registered the change in its ordinary share capital to 322,649,160 shares with the Ministry of Commerce on 2 August 2013.

16. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the nine-month periods ended 30 September 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	39,729	38,583	-	8,260
Deferred tax:				
Relating to origination and reversal of temporary differences	(10,187)	(185)	(1,956)	5,334
Income tax expense (income) reported in the statement of income	<u>29,542</u>	<u>38,398</u>	<u>(1,956)</u>	<u>13,594</u>

17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of stock dividend, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

(Unaudited but reviewed)

In 2012, the convertible preferred shares were excluded from determination of the number of potential ordinary shares since the value of the convertible preferred shares exceeded the fair value of the ordinary shares. However in 2013, these preferred shares were converted to ordinary shares, even though the value of the convertible preferred shares exceeded the fair value of the ordinary shares. For this reason, diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all preference shares to ordinary shares. The calculation assumes that the conversion took place at the beginning of the period.

The following tables set forth the computation of basic and diluted earnings per share.

Consolidated financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)		(Restated)		(Restated)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company						
143,776	170,721	307,850	280,224	0.47	0.61	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	14,734	-			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of dilutive						
potential ordinary shares						
<u>143,776</u>	<u>170,721</u>	<u>322,584</u>	<u>280,224</u>	0.45	0.61	

(Unaudited but reviewed)

Separate financial statements					
For the three-month periods ended 30 September					
Profit (loss) for the period		Weighted average number of ordinary shares		Earnings (loss) per share	
2013	2012	2013	2012	2013	2012
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
	(Restated)		(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders					
of the Company					
<u>(51,234)</u>	<u>8,976</u>	<u>307,850</u>	<u>280,224</u>	(0.17)	0.03

There is no disclosure of diluted earnings per share in the Separate financial statements for the three-month period ended 30 September 2013 as the diluted earnings per share is antidilutive.

Consolidated financial statements					
For the nine-month periods ended 30 September					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2013	2012	2013	2012	2013	2012
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
	(Restated)		(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders					
of the Company					
609,507	544,160	289,534	280,224	2.11	1.94
Effect of dilutive potential ordinary shares					
Preference shares					
Diluted earnings per share					
Profit of ordinary shareholders					
assuming the conversion of dilutive					
potential ordinary shares					
<u>-</u>	<u>-</u>	<u>33,050</u>	<u>-</u>		
<u>609,507</u>	<u>544,160</u>	<u>322,584</u>	<u>280,224</u>	1.89	1.94

(Unaudited but reviewed)

Separate financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Thousand Baht)	(Thousand Baht) (Restated)	(Thousand Shares)	(Thousand Shares) (Restated)	(Baht)	(Baht) (Restated)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
24,659	115,148	289,534	280,224	0.09	0.41	
Effect of dilutive potential ordinary shares						
Preference shares						
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>24,659</u>	<u>115,148</u>	<u>322,584</u>	<u>280,224</u>	0.08	0.41	

18. Dividend

On 23 May 2013, the Company paid a dividend from the earnings of the second half of 2012, comprising a cash dividend of Baht 0.25 per share, or approximately Baht 67 million, and a stock dividend of up to 53,774,860 shares of Baht 1 each, to be paid at a rate of one dividend share for every five existing shares. The value of the stock dividend was thus Baht 0.20 per share in monetary terms, and so the total dividend was equivalent to Baht 0.45 per share.

On 12 September 2012, the Company paid a dividend from the earnings of the first half of 2013 at Baht 0.35 per share, or a total of Baht 113 million.

19. Commitment and contingent liabilities

19.1 Capital commitments

- a) As at 30 September 2013, the Group had capital commitments of approximately Baht 18 million, RMB 4 million, EUR 0.1 million and USD 0.6 million (31 December 2012: Baht 86 million, RMB 10 million, EUR 0.06 million and USD 3 million), totalling Baht 62 million (31 December 2012: Baht 233 million), relating to the purchase of land, the construction of factory buildings, and acquisition of machinery from third parties.

(Unaudited but reviewed)

- b) As at 30 September 2013, the Company had outstanding commitment of Baht 94 million and Baht 44 million in respect of uncalled portion of investments in its subsidiaries and an associate, respectively (31 December 2012: Baht 94 million in respect of uncalled portion of investments in its subsidiaries).

19.2 Operating lease and service commitments

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

The Group had future minimum lease and service payments required under these non-cancellable operating leases and service agreement as follows.

(Unit: Million Baht)

Payable	As at 30 September 2013	As at 31 December 2012
In up to 1 year	48	38
In over 1 to up to 5 years	29	36
In over 5 years	7	13

19.3 Long-term service commitments

Two subsidiaries have entered into the technical assistance 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 sales of particular products to the customer of the Company and its subsidiary. 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 2013 amounted to approximately Baht 40 million (2012: Baht 19 million) were recognised as expenses.

19.4 Guarantee

- a) As at 30 September 2013, the Company had guaranteed bank credit facilities of its overseas subsidiary companies amounting to RMB 40 million (31 December 2012: RMB 53 million and USD 4 million).
- b) As at 30 September 2013, there were outstanding bank guarantees of approximately Baht 80 million RM 0.1 million (31 December 2012: Baht 80 million, USD 0.2 million and RM 0.3 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 55 million (31 December 2012: Baht 58 million, USD 0.2 million) to guarantee contractual performance, the Baht 25 million and RM 0.1 million (31 December 2012: Baht 22 million and RM 0.3 million) to guarantee electricity use, among others.
- c) During the period, the Company entered into an agreement related to the Supplier Financing Program, as a sponsor, whereby it provides guarantees of credit lines of its suppliers used to purchase raw materials and goods, up to a limited of Baht 200 million. As at 30 September 2013, the Company has no guarantee liabilities under this agreement.

19.5 Interest rate swap agreements

The Company has outstanding interest rate swap agreements with the banks as follows:

As at 30 September 2013

<u>Notional amount</u>	<u>Interest Receipt Rate</u>	<u>Interest Payment Rate</u>	<u>Due date</u>
(Million Baht)	(per annum)	(per annum)	
247	FDR plus 3.3%	Fixed rate at 5.65%	30 December 2015
272	MLR minus 1.75%	Fixed rate at 5.33%	30 December 2015
286	MLR minus 1.75%	Fixed rate at 5.98%	30 December 2015

As at 31 December 2012

<u>Notional amount</u>	<u>Interest Receipt Rate</u>	<u>Interest Payment Rate</u>	<u>Due date</u>
(Million Baht)	(per annum)	(per annum)	
328	FDR plus 3.3%	Fixed rate at 5.65%	30 December 2015
340	MLR minus 1.75%	Fixed rate at 5.33%	30 December 2015
350	MLR minus 1.75%	Fixed rate at 5.98%	30 December 2015

(Unaudited but reviewed)

As at 30 September 2013, the Company had unrealised loss from change in the fair value of interest rate swap agreements of approximately Baht 0.4 million (31 December 2012: unrealised gain of Baht 0.6 million).

19.6 Forward foreign exchange contracts

Foreign exchange contracts outstanding are summarised below.

As at 30 September 2013					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	0.16	7.5	32.00 - 32.28	29.15 - 32.28	October 2013 - May 2014
Euro	0.02	-	42.02	-	October 2013

As at 31 December 2012					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	-	3.6	-	31.15 - 31.22	October 2013
Yen	124.1	-	0.37 - 0.39	-	May 2013

As at 30 September 2013, the Group had unrealised loss from change in the fair value of forward foreign exchange contracts of approximately Baht 8.0 million (31 December 2012: Baht 3.2 million).

20. Employee Joint Investment Program

The meeting of the Board of Directors of the Company held on 14 September 2012 passed a resolution approving the Employee Joint Investment Program for 2 years from 1 October 2012 to 30 September 2014. This program is a compensation scheme offered to eligible employees of the Company and its subsidiaries. Under the program, the Company deducts up to 10% of salary from the payroll of eligible employees each month, until the completion of the program period. The Company makes contributions at a rate of 50% of the contributions made by the program participants each month. A securities company that has been appointed as program manager by the Company then invests both employee and employer contributions in shares of the Company, through the Stock Exchange of Thailand, in accordance with the specified conditions and period. The value invested by this program in the Stock Exchange of Thailand is around Baht 0.3 million per month. After 1 year (30 September 2013), program participants can sell 50% of their shares, and after 2 years (30 September 2014), they can sell the remaining shares.

(Unaudited but reviewed)

The program was approved by the Office of the Securities and Exchange Commission on 17 October 2012.

21. Segment information

For management purposes, the Company and its subsidiaries are organised into business units based on their products and services and have two reported segments: (1) the manufacture of automobiles assembly tools and parts and (2) sales of automobiles and the provision of automobiles repair service. These operations are carried on geographical areas in Thailand, The People's Republic of China and Malaysia.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2013 and 2012, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 September 2013				
	Manufacture of automobiles assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated
Revenues					
Revenues from external customers					
Thailand	2,481	402	2,883	-	2,883
The People's Republic of China	227	-	227	-	227
Malaysia	-	702	702	-	702
Total revenues from external customers	2,708	1,104	3,812	-	3,812
Intersegment revenues	247	28	275	(275)	-
Total revenues	2,955	1,132	4,087	(275)	3,812
Results					
Segment profit	233	20	253	(108)	145
Share gain of investments in associates					62
Finance cost					(69)
Profit before income tax expense					138
Income tax expense					12
Profit for the period					150

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2012

	Manufacture of automobiles assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated (Restated)
Revenues					
Revenues from external customers					
Thailand	2,729	707	3,436	-	3,436
The People's Republic of China	214	-	214	-	214
Malaysia	-	654	654	-	654
Total revenues from external customers	2,943	1,361	4,304	-	4,304
Intersegment revenues	421	5	426	(426)	-
Total revenues	3,364	1,366	4,730	(426)	4,304
Results					
Segment profit	344	34	378	(131)	247
Share gain of investments in associates					23
Finance cost					(77)
Profit before income tax expense					193
Income tax expense					(19)
Profit for the period					174

(Unit: Million Baht)

For the nine-month period ended 30 September 2013

	Manufacture of automobiles assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated
Revenues					
Revenues from external customers					
Thailand	8,239	1,397	9,636	-	9,636
The People's Republic of China	683	-	683	-	683
Malaysia	-	1,938	1,938	-	1,938
Total revenues from external customers	8,922	3,335	12,257	-	12,257
Intersegment revenues	1,304	46	1,350	(1,350)	-
Total revenues	10,226	3,381	13,607	(1,350)	12,257
Results					
Segment profit	1,098	66	1,164	(499)	665
Share gain of investments in associates					197
Finance cost					(210)
Profit before income tax expense					652
Income tax expense					(29)
Profit for the period					623

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2012

	Manufacture of automobiles assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated (Restated)
Revenues					
Revenues from external customers					
Thailand	7,824	1,512	9,336	-	9,336
The People's Republic of China	620	-	620	-	620
Malaysia	-	1,285	1,285	-	1,285
Total revenues from external customers	8,444	2,797	11,241	-	11,241
Intersegment revenues	1,045	16	1,061	(1,061)	-
Total revenues	9,489	2,813	12,302	(1,061)	11,241
Results					
Segment profit	915	60	975	(360)	615
Share gain of investments in associates					193
Finance cost					(220)
Profit before income tax expense					588
Income tax expense					(38)
Profit for the period					550

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 14 November 2013.