

**AAPICO Hitech Public Company Limited and its subsidiaries**  
**Notes to consolidated interim financial statements**  
**For the three-month period ended 31 March 2014**

**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 2012) 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 interim 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 2013, except for the changes in the composition of the Group from the additional investment in subsidiary as discussed in Note 7 to the financial statements.

**1.3 New accounting standards**

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

The Group disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

(Unaudited but reviewed)

The Group management has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Group or do not have a significant impact.

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

The Group has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The Group's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Group.

**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 2013.

**2. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Cash	311	5,635	62	62
Bank deposits	174,149	232,002	20,190	11,723
Total	174,460	237,637	20,252	11,785

**3. Related party transactions**

During the periods, 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.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	24	46	Cost plus margin, averaging around 5% - 15%
Interest income	-	-	31	38	4.7% - 4.9% p.a. (2013: 4.8% - 5.4% p.a.)
Rental income	-	-	1	1	Close to rental rates for other building in the vicinity
Management fee income	-	-	16	2	Approximate cost
Other income	-	-	5	-	Approximate cost
Purchases of goods and services	-	-	68	175	Cost plus margin, averaging around 5% - 20%
Purchases of machinery and equipment	-	-	8	2	Cost plus margin, averaging around 15% and 40%
<b><u>Transactions with associated companies and joint venture</u></b>					
Sales of goods and services	38	12	-	-	Cost plus margin, averaging around 30% - 40%
Dividend income	122	106	122	106	As declared
Management fee income	1	-	1	-	Approximate cost
Purchases of goods and services	49	15	49	10	Cost plus margin, averaging around 50%
<b><u>Transactions with related parties</u></b>					
Purchases of goods and services	83	136	-	-	Cost plus margin of 5% - 25%

As at 31 March 2014 and 31 December 2013, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<b><u>Trade and other receivables - related parties (Note 4)</u></b>				
Subsidiaries	-	-	176,246	169,145
Associates	39,238	38,355	9,343	2,310
Related companies (common shareholder/director)	339	488	339	-
	<u>39,577</u>	<u>38,843</u>	<u>185,928</u>	<u>171,455</u>
<b><u>Dividend receivable</u></b>				
Subsidiary	-	-	-	200,000
Associates	119,880	-	119,880	-
	<u>119,880</u>	<u>-</u>	<u>119,880</u>	<u>200,000</u>
<b><u>Trade and other payables - related parties</u></b>				
Subsidiaries	-	-	61,150	84,900
Associates	82,302	66,339	75,660	59,737
Related companies (common shareholder/director)	156,800	94,376	-	-
	<u>239,102</u>	<u>160,715</u>	<u>136,810</u>	<u>144,637</u>

(Unaudited but reviewed)

Loans to related parties and loans from related parties

As at 31 March 2014 and 31 December 2013, 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 2013	Increase during the period	Decrease during the period	Unrealised loss on exchange	Balance as at 31 March 2014	
<u>Short-term loans to</u>						
Dee Mak SDN. BHD.	Common director	653	389	-	-	1,042
Total		653	389	-	-	1,042
<u>Long-term loans to</u>						
Edscha AAPICO Automotive Company Limited	Associate	180	-	(180)	-	-
Total		180	-	(180)	-	-
<u>Short-term loans from</u>						
Dee Mak SDN. BHD.	Common director	-	1,281	-	-	1,281
Directors		17,813	-	(1,000)	5	16,818
Total		17,813	1,281	(1,000)	5	18,099

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 2013	Increase during the period	Decrease during the period	Unrealised loss on exchange	Balance as at 31 March 2014	
<u>Short-term loans to</u>						
New Era Sales Company Limited	Subsidiary	12,600	-	-	-	12,600
Able Motors Company Limited	Subsidiary	34,200	-	-	-	34,200
Katsuya (Thailand) Company Limited	Subsidiary	2,400	-	-	-	2,400
AAPICO Hitech Parts Company Limited	Subsidiary	91,200	58,800	-	-	150,000
AAPICO Hitech Tooling Company Limited	Subsidiary	18,000	10,100	-	-	28,100
AAPICO Forging Public Company Limited	Subsidiary	180,000	-	-	-	180,000
Foton Pasenger Vehicles Distribution (Thailand) Company Limited	Subsidiary	-	300	-	-	300
Total		338,400	69,200	-	-	407,600
<u>Long-term loans to</u>						
New Era Sales Company Limited	Subsidiary	220,400	26,000	(10,000)	-	236,400
Able Motors Company Limited	Subsidiary	48,800	70,000	(39,000)	-	79,800
AAPICO Forging Public Company Limited	Subsidiary	1,793,500	238,300	(176,000)	-	1,855,800
AAPICO Hitech Parts Company Limited	Subsidiary	-	297,400	(178,000)	-	119,400
AAPICO Hitech Tooling Company Limited	Subsidiary	61,300	23,900	(85,200)	-	-
Kunshan Chaitai-Xincheng Precision Forging Company Limited	Subsidiary	65,159	-	-	(549)	64,610
Katsuya (Thailand) Company Limited	Subsidiary	1,403	-	-	-	1,403
Edscha AAPICO Automotive Company Limited	Associate	180	-	(180)	-	-
Total		2,190,742	655,600	(488,380)	(549)	2,357,413

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements				
		Balance as at			Unrealised	Balance as at
		31 December	Increase during	Decrease during	loss on	31 March
Related by		2013	the period	the period	exchange	2014
<u>Short-term loans from</u>						
AAPICO Engineering Company Limited	Subsidiary	9,200	-	-	-	9,200
AAPICO Amata Company Limited	Subsidiary	35,550	50,800	(60,000)	-	26,350
AAPICO Structural Products Company Limited	Subsidiary	43,052	950,800	(789,952)	-	203,900
Total		87,802	1,001,600	(849,952)	-	239,450

Directors and management's benefits

During the three-month periods ended 31 March 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

		For the three-month period ended 31 March			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Short-term employee benefits		7.7	6.1	7.7	5.9
Post-employment benefits		0.2	-	0.2	-
Total		7.9	6.1	7.9	5.9

Guarantee obligations with related parties

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

**4. Trade and other receivables**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
<u>Trade receivables - related parties</u>					
Aged on the basis of due dates					
Not yet due and past due					
not over 3 months		27,877	26,324	16,688	19,314
Past due 3 - 12 months		162	137	7	7
Past due more than 12 months		18	45	4	4
Total trade receivables - related parties		28,057	26,506	16,699	19,325

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	1,962,317	1,895,214	295,304	258,039
Past due 3 - 12 months	7,252	10,898	157	4,637
Past due more than 12 months	18,697	22,020	5,694	6,785
Total	1,988,266	1,928,132	301,155	269,461
Less: Allowance for doubtful accounts	(16,010)	(21,962)	(991)	(991)
Total trade receivables - unrelated parties, net	1,972,256	1,906,170	300,164	268,470
Total trade receivables - net	2,000,313	1,932,676	316,863	287,795
<u>Other receivables – net</u>				
Advances - related parties	1,436	11,666	31,824	23,479
Interest receivable - related parties	-	-	137,405	128,651
Advances	7,981	11,410	-	-
Accrued insurance compensation	3,572	234,836	-	182,505
Accrued income	20,125	31,083	5,205	7,205
Others - related parties	10,084	671	-	-
Others - unrelated parties	28,706	34,457	170	947
Total other receivables - net	71,904	324,123	174,604	342,787
Total trade and other receivables - net	2,072,217	2,256,799	491,467	630,582

## 5. Inventories

As at 31 March 2014, certain subsidiaries have pledged finished goods of approximately Baht 280 million (31 December 2013: Baht 235 million) to secure short-term loans from banks.

(Unaudited but reviewed)

**6. 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		
			31 March	31 December	31 March	31 December	31 March	31 December	
			2014	2013	2014	2013	2014	2013	
			(%)	(%)					
Able Sanoh Industries (1996) Company Limited	Manufacture and distribution of autoparts	Thailand	46	46	30,700	30,700	327,789	326,434	
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	20	20	29,250	29,250	60,560	55,504	
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	40	40	151,400	151,400	171,530	174,109	
Thai Takagi Seiko Company Limited	Distribution of dies	Thailand	49	49	13,229	13,229	26,441	22,668	
Hyundai Motor (Thailand) Company Limited	Manufacture and distribution of vehicles and parts	Thailand	30	30	120,000	120,000	391,483	474,679	
Edscha AAPICO Automotive Company Limited	Manufacture and distribution of autoparts	Thailand	49	49	19,600	19,600	26,766	21,513	
Sumino AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	49	49	98,000	98,000	94,257	95,178	
Total					462,179	462,179	1,098,826	1,170,085	

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
	(%)	(%)		
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	49	19,600	19,600
Sumino AAPICO (Thailand) Company Limited	49	49	98,000	98,000
Total			462,179	462,179

(Unaudited but reviewed)

During the three-month periods ended 31 March 2014 and 2013, 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 31 March			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend income	
	2014	2013	2014	2013
Able Sanoh Industries (1996) Company Limited	1,355	19,274	-	-
Sanoh Industries (Thailand) Company Limited	5,056	2,515	-	-
MINTH AAPICO (Thailand) Company Limited	(2,579)	11,057	-	-
Thai Takagi Seiko Company Limited	5,757	547	1,985	-
Hyundai Motor (Thailand) Company Limited	36,685	52,985	119,880	105,504
Edscha AAPICO Automotive Company Limited	5,253	-	-	-
Sumino AAPICO (Thailand) Company Limited	(921)	-	-	-
Total	50,606	86,378	121,865	105,504

## 7. 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	
	31 March	31 December	31 March	31 December	31 March	31 December
	2014	2013	2014	2013	2014	2013
			(%)	(%)		
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



(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2014	2013	2014	2013	2014	2013
			(%)	(%)		
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 Plc.	Baht 500 million	Baht 500 million	100	100	1,823,907	1,823,907
AAPICO Structural Products Co., Ltd.	Baht 200 million	Baht 200 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
Foton Passenger Vehicles Distribution (Thailand) Co., Ltd.	Baht 25 million	Baht 25 million	97	97	24,250	24,250
AAPICO Lemtech (Thailand) Co., Ltd.	Baht 40 million	Baht 40 million	60	60	24,000	24,000
Total					4,044,713	4,044,713
Less: Allowance for impairment					(1,211,708)	(1,211,708)
Net					2,833,005	2,833,005

No dividend received from all above subsidiaries during the three-month periods ended 31 March 2014 and 2013.

During the current period, AAPICO ITS Company Limited (a subsidiary) entered into the Joint Venture Agreement with Quantum Inventions Pte. Ltd. to establish AAPICO QI SDN. BHD. in Malaysia, with a registered capital of RM 400,000. The subsidiary held a 60% interest.

## 8. Investment in joint venture

Investment in joint venture 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					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March	31 December	31 March	31 December	31 March	31 December
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
AAPICO Sodexia (Thailand)	Manufacture and	Thailand	50	50	20,000	15,000	19,816	14,816

(Unaudited but reviewed)

Company Limited

distribution of  
autoparts

(Unaudited but reviewed)

(Unit: Thousand Baht)

Jointly controlled entity	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	(%)	(%)		
AAPICO Sodectia (Thailand) Company Limited	50	50	20,000	15,000

## 9. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<b>Available-for-sale securities</b>				
Marketable equity securities	160,666	160,666	-	-
Allowance for change in value	(91,995)	(85,885)	-	-
	68,671	74,781	-	-
<b>Other investments</b>				
Equity securities	48,820	48,820	3,000	3,000
Total	117,491	123,601	3,000	3,000

## 10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2014</b>	6,674,348	1,411,560
Acquisitions during period - at cost	166,383	15,369
Transfers to intangible assets and other assets	(12,310)	(42)
Capitalised interest	284	233
Disposals/write-off during period - net book value at disposal date/write-off date	(22,934)	(1,099)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Depreciation for the period	(170,439)	(30,129)
Exchange differences on translation of financial statements in foreign currency	(22,727)	-
<b>Net book value as at 31 March 2014</b>	<b>6,612,605</b>	<b>1,395,892</b>

Borrowing costs totaling approximately Baht 0.3 million and Baht 0.1 million were capitalised during the three-month periods ended 31 March 2014 and 2013, respectively.

As at 31 March 2014, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 116 million (31 December 2013: Baht 118 million).

Some subsidiaries have mortgaged building, machinery and factory equipment, with a total net book value as at 31 March 2014 of Baht 122 million (31 December 2013: Baht 124 million) as collateral for credit facilities granted by banks.

#### 11. Leasehold right

A subsidiary has pledged its land leasehold right, with a total net book value as at 31 March 2014 of Baht 103 million (31 December 2013: Baht 104 million) as collateral for credit facilities granted by banks.

#### 12. Goodwill

(Unit: Million Baht)

	Consolidated financial statements	
	31 March 2014	31 December 2013
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	(1,152)	(1,152)
Net	235	235

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

Bank overdrafts and short-term loans from banks are secured by the pledge of leasehold land and building thereon, certain inventory and deposits of subsidiaries, by guarantees provided by subsidiary companies, and a negative pledge of assets by the Company.

Long-term loans of the Company are secured by a negative pledge of assets of the Company and its subsidiaries. Long-term loans of the subsidiaries are secured by the pledge of leasehold land and building thereon, certain machinery and factory equipment of subsidiaries, and by guarantees provided by subsidiary companies and a negative pledge of assets by the Company.

The loan agreements contain covenants relating to various matters specified in the agreements, including restrictions on providing loans other than loans to intercompany and covenants relating to the shareholding of the major shareholders, and the maintenance of certain financial ratios.

**14. 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 three-month periods ended 31 March 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
<b>Current income tax:</b>				
Interim corporate income tax charge	10,036	22,592	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(6,508)	(2,033)	316	730
<b>Income tax expense reported in the statement of income</b>	<b>3,528</b>	<b>20,559</b>	<b>316</b>	<b>730</b>

**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.

During 2013, the preferred shares of the Company 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 was 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 assumed 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 31 March						
Profit for the periods		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders						
of the Company						
152,707	278,520	322,584	280,224	0.47	0.99	
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares						
-	-	-	42,360			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders						
assuming the conversion of dilutive						
potential ordinary shares						
152,707	278,520	322,584	322,584	0.47	0.86	

(Unaudited but reviewed)

	Separate financial statements					
	For the three-month periods ended 31 March					
	Profit for the periods		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	127,500	80,324	322,584	280,224	0.40	0.29
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares	-	-	-	42,360		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>127,500</u>	<u>80,324</u>	<u>322,584</u>	<u>322,584</u>	0.40	0.25

## 16. Commitment and contingent liabilities

### 16.1 Capital commitments

- a) As at 31 March 2014, the Group had capital commitments of approximately Baht 35 million, USD 0.5 million and RMB 2 million, totalling Baht 62 million (31 December 2013: Baht 51 million, USD 4 million, RMB 2 million, EUR 0.12 million, totalling Baht 208 million), relating to the purchase of land, the construction of factory buildings, and acquisition of machinery.
- b) As at 31 March 2014, the Company had outstanding commitment of Baht 94 million and Baht 40 million (31 December 2013: Baht 94 million and Baht 45 million, respectively) in respect of uncalled portion of investments in its subsidiaries and a joint venture.

### 16.2 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.

(Unaudited but reviewed)

Future minimum lease and service payments required under these non-cancellable operating leases and service agreement were as follows.

(Unit: Million Baht)

Payable	As at 31 March 2014	As at 31 December 2013
In up to 1 year	39	33
In over 1 to up to 5 years	30	29
In over 5 years	2	3

### 16.3 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 three-month period ended 31 March 2014 amounted to approximately Baht 8 million (2013: Baht 16 million) were recognised as expenses.

### 16.4 Guarantee

- a) As at 31 March 2014, the Company had guaranteed bank credit facilities of its subsidiary companies amounting to RMB 50 million (31 December 2013: RMB 40 million).
- b) As at 31 March 2014 and 31 December 2013, two foreign subsidiaries had provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 14 million and RM 10 million, respectively.



(Unaudited but reviewed)

- c) As at 31 March 2014 and 31 December 2013, there were outstanding bank guarantees of approximately Baht 79 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, to guarantee contractual performance, the Baht 24 million and RM 0.3 million to guarantee electricity use, among others.
- d) The Company and a subsidiary entered into agreements related to the Supplier Financing Program, as a sponsor, whereby they provide guarantees of credit lines of their suppliers used to purchase raw materials and goods, up to a limited of Baht 200 million. As at 31 March 2014 and 31 December 2013, the Company and its subsidiary had no guarantee liabilities under these agreements.

### 16.5 Interest rate swap agreements

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

As at 31 March 2014			
<u>Notional amount</u>	<u>Interest Receipt Rate</u>	<u>Interest Payment Rate</u>	<u>Due date</u>
(Million Baht)	(per annum)	(per annum)	
193	FDR plus 3.3%	Fixed rate at 5.65%	30 December 2015
219	MLR minus 1.75%	Fixed rate at 5.33%	30 December 2015
235	MLR minus 1.75%	Fixed rate at 5.98%	30 December 2015

As at 31 December 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)	
220	FDR plus 3.3%	Fixed rate at 5.65%	30 December 2015
250	MLR minus 1.75%	Fixed rate at 5.33%	30 December 2015
265	MLR minus 1.75%	Fixed rate at 5.98%	30 December 2015

As at 31 March 2014, the Company had unrealised loss from change in the fair value of interest rate swap agreements of approximately Baht 3.7 million (31 December 2013: Baht 4.0 million).

**16.6 Forward foreign exchange contracts**

Foreign exchange contracts outstanding are summarised below.

As at 31 March 2014					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	-	9.8	-	29.15 - 32.23	April - November 2014

  

As at 31 December 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	0.6	10.4	29.15 - 30.30	29.15 - 32.23	January - November 2014

**17. Litigation**

In late 2011 a subsidiary company in which the Company has an equity interest of 60 percent was sued for approximately Baht 450 million under civil litigation for copyright infringement related to map data. In 2012, this subsidiary was sued for the same infringement under criminal litigation. In January 2013, the Central Intellectual Property and International Trade Court ordered dismissed the criminal case. However, the plaintiff has appealed to the Supreme Court. Currently, the civil case is being considered by the Central Intellectual Property and International Trade Court, and the criminal case is being considered by the Supreme Court.

**18. 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 (September 30, 2013), program participants can sell 50% of their shares, and after 2 years (September 30, 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.

## 19. Segment information

The Company and its subsidiaries are organized into business units based on their products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2014 and 2013, respectively.

(Unit: Million Baht)

	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
<b>Three months ended 31 March 2014</b>					
<b>Revenues</b>					
External customers	2,336	1,238	3,574	-	3,574
Inter-segment	310	5	315	(315)	-
<b>Total revenues</b>	<b>2,646</b>	<b>1,243</b>	<b>3,889</b>	<b>(315)</b>	<b>3,574</b>
<b>Operating results</b>					
<b>Segment profit</b>	208	36	244	(81)	163
Share of profit from investments in associates					51
Finance cost					(56)
<b>Profit before income tax expense</b>					<b>158</b>
Income tax expense					(4)
<b>Profit for the period</b>					<b>154</b>

(Unaudited but reviewed)

(Unit: Million Baht)

	Manufacture of automobiles and assembly tools and parts segment	Sales of automobiles and the provision of automobiles repair service segment	Total segment	Adjustments and eliminations	Consolidated
<b>Three months ended 31 March 2013</b>					
<b>Revenues</b>					
External customers	3,295	1,248	4,543	-	4,543
Inter-segment	527	10	537	(537)	-
<b>Total revenues</b>	<b>3,822</b>	<b>1,258</b>	<b>5,080</b>	<b>(537)</b>	<b>4,543</b>
<b>Operating results</b>					
<b>Segment profit</b>	491	28	519	(230)	289
Share of profit from investments in associates					86
Finance cost					(71)
<b>Profit before income tax expense</b>					304
Income tax expense					(20)
<b>Profit for the period</b>					<b>284</b>

## 20. Event after the reporting period

The Annual General Meeting of the Company's shareholders held on 25 April 2014, passed a resolution to approve the payment of a dividend of Baht 0.14 per share, or a total of approximately Baht 45 million, to be paid in May 2014.

## 21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 15 May 2014.