

AAPICO Hitech Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month periods ended 31 March 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 no change in the structure of the Group.

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 periods ended 31 March 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 31 March				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	-	-	29.8	19.2	Cost plus margin, averaging around 1% - 5%
Interest income	-	-	35.1	24.2	4% - 4.7% p.a. (2010: 3.1% - 4.1% p.a.)
Interest expense	-	-	2.0	6.7	2% and 2.3% p.a.
Purchases of goods and services	-	-	52.3	26.6	Cost plus margin of 1% - 20%
Rental income	-	-	0.5	0.5	Close to rental rates for other building in the vicinity
Management fee income	-	-	0.8	0.8	Approximate cost
Dividend income	-	-	320.0	-	As declared
<u>Transactions with associated companies</u>					
Sales of goods and services	10.2	8.5	0.2	0.2	Cost plus margin around 4% and cost minus, averaging around 20% - 30%
Purchases of goods and services	8.8	4.2	7.5	4.2	Cost plus margin of 30% - 50%
Interest income	1.3	1.0	1.3	1.0	5% p.a.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer Pricing Policy
	Consolidated		Separate financial		
	financial statements		statements		
	2011	2010	2011	2010	
<u>Transactions with related parties</u>					
Sales of goods and services	0.9	-	-	-	Cost plus margin of 11%
Purchases of goods and services	118.0	84.8	-	-	Cost plus margin of 5% - 20%
Interest income	0.3	0.3	0.3	0.3	7.5% p.a.
Management fee expense	1.8	2.4	1.8	2.4	Approximate cost
Purchase of machinery	16.2	239.4	-	-	Cost plus margin
Other income	-	3.4	-	-	Approximate cost

As at 31 March 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	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiary companies</u>				
AAPICO Amata Company Limited	-	-	11,637	11,463
AAPICO Hitech Parts Company Limited	-	-	17,252	10,816
AAPICO Plastics Public Company Limited	-	-	3,449	2,904
AAPICO Hitech Tooling Company Limited	-	-	157	138
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	173	111	173	111
MINTH AAPICO (Thailand) Company Limited	9,783	7,241	-	-
Thai Takagi Seiko Company Limited	1,903	1,747	-	-
<u>Related company</u>				
AAPICO ITS CO. SDN. BHD.	4	4	-	-
	<u>11,863</u>	<u>9,103</u>	<u>32,668</u>	<u>25,432</u>

Advances and short-term loans to related parties**Advances**Subsidiary companies

AAPICO Amata Company Limited	-	-	377	257
New Era Sales Company Limited	-	-	104	104
AAPICO Engineering Company Limited	-	-	819	771

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Kunshan Chaitai-Xincheng Precision Forging Company Limited	-	-	4,627	4,445
AAPICO Hitech Parts Company Limited	-	-	5,924	8,088
AAPICO Hitech Tooling Company Limited	-	-	2,654	2,127
AAPICO ITS Company Limited	-	-	295	176
AAPICO Mitsuike (Thailand) Company Limited	-	-	222	226
A Maction Company Limited	-	-	85	85
AAPICO Jackspeed Company Limited	-	-	987	1,001
AAPICO Forging Public Company Limited	-	-	38	24
AAPICO Plastics Public Company Limited	-	-	700	24
AAPICO Investment Pte., Limited	-	-	8,596	8,343
AAPICO Technology Company Limited	-	-	6	6
AERP Company Limited	-	-	43	46
Dongfeng Commercial Vehicle Company Limited	-	-	304	304
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	53	39	20	28
MINTH AAPICO (Thailand) Company Limited	40	10	40	10
Thai Takagi Seiko Company Limited	113	-	-	-
<u>Related companies</u>				
Katsuya International Pte., Limited	95	95	-	-
Able Autoparts Company Limited	-	3	-	-
Thai Mekki Limited Partnership	-	88	-	-
AAPICO ITS CO. SDN. BHD.	3,982	-	-	-
	<u>4,283</u>	<u>235</u>	<u>25,841</u>	<u>26,065</u>
Short-term loans and interest receivable				
Subsidiary companies	-	-	292,155	273,558
Associated company	20,456	110,467	20,456	110,467
Related companies	30,240	33,911	2,099	5,770
	<u>50,696</u>	<u>144,378</u>	<u>314,710</u>	<u>389,795</u>
Less: Allowance for doubtful accounts	<u>(28,141)</u>	<u>(28,141)</u>	<u>-</u>	<u>-</u>
	<u>22,555</u>	<u>116,237</u>	<u>314,710</u>	<u>389,795</u>
	<u>26,838</u>	<u>116,472</u>	<u>340,551</u>	<u>415,860</u>
<u>Share subscription receivable - related party</u>				
Related person	-	150	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<u>Long-term loans to related parties</u>				
Subsidiary companies	-	-	3,023,200	2,952,383
Associated company	10,000	-	10,000	-
Related company	11,178	11,071	11,178	11,071
	<u>21,178</u>	<u>11,071</u>	<u>3,044,378</u>	<u>2,963,454</u>
<u>Deposit for purchase of assets - related party</u>				
<u>Related company</u>				
Yamakawa Dies Manufacturing R&D Company Limited	-	10,391	-	-
	<u>-</u>	<u>10,391</u>	<u>-</u>	<u>-</u>
<u>Trade accounts payable - related parties</u>				
<u>Subsidiary companies</u>				
AAPICO Plastics Public Company Limited	-	-	66	332
AAPICO Hitech Tooling Company Limited	-	-	145	1,099
AAPICO Hitech Parts Company Limited	-	-	55,340	100,327
AAPICO ITS Company Limited	-	-	40	-
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	8,345	8,691	8,333	8,674
Thai Takagi Seiko Company Limited	1,396	971	-	-
<u>Related companies</u>				
Metal One (Thailand) Company Limited	159,652	161,481	-	-
Sojitz (Thailand) Company Limited	19,927	16,004	-	-
Thai Mekki Limited Partnership	1,709	1,479	-	-
Mitsuike Corporation Company Limited	219	2,579	-	-
	<u>191,248</u>	<u>191,205</u>	<u>63,924</u>	<u>110,432</u>
<u>Other payable - related parties</u>				
Deposit received in advance				
<u>Subsidiary</u>				
AAPICO Structural Products Company Limited	-	-	8,182	8,182
	<u>-</u>	<u>-</u>	<u>8,182</u>	<u>8,182</u>
Accrued royalty and management fee				
<u>Related companies</u>				
Mitsuike Corporation Company Limited	-	13,194	-	-
SAIT Company Limited	1,800	1,800	1,800	1,800
	<u>1,800</u>	<u>14,994</u>	<u>1,800</u>	<u>1,800</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Account payable - purchase of machinery				
<u>Related companies</u>				
Sojitz Corporation Limited	-	3,344	-	-
Yamakawa Dies Manufacturing R&D Company Limited	-	576	-	-
	-	3,920	-	-
	1,800	18,914	9,982	9,982
<u>Advances and short-term loans from related parties</u>				
Advances				
<u>Subsidiary companies</u>				
New Era Sales Company Limited	-	-	87	65
AAPICO Forging Public Company Limited	-	-	28	93
AAPICO Hitech Tooling Company Limited	-	-	893	432
Able Motors Company Limited	-	-	39	8
AAPICO Plastics Public Company Limited	-	-	-	118
<u>Associated companies</u>				
Thai Takagi Seiko Company Limited	80	80	-	-
MINTH AAPICO (Thailand) Company Limited	69	69	-	-
<u>Related companies</u>				
Coryor Surface Treatment Company Limited	1,073	1,072	-	-
Mitsuike Corporation Company Limited	-	2,682	-	-
	1,222	3,903	1,047	716
Short-term loans and interest payable				
Subsidiary companies	-	-	344,015	410,639
Related company	3,449	3,449	-	-
Director	29	29	-	-
	3,478	3,478	344,015	410,639
	4,700	7,381	345,062	411,355

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 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
	-	-	24,378	24,378
<u>Associated company</u>				
PAPAGO (Thailand) Company Limited	4,500	-	4,500	-
	4,500	-	28,878	24,378

During the three-month period ended 31 March 2011, movements of loans to related parties and loans from related parties were as follows: -

Consolidated financial statements

(Unit: Thousand Baht)

	Balance as at 1 January 2011	During the period		Unrealised gain (loss) on exchange	Balance as at 31 March 2011
		Increase	Decrease		
<u>Short-term loans and interest receivable from related parties</u>					
<i>Associated company</i>					
MINTH AAPICO (Thailand) Company Limited	110,467	1,345	(91,356)	-	20,456
<i>Related companies</i>					
Protech Link Technology Incorporation Limited	28,141	-	-	-	28,141
Yamakawa Dies Manufacturing R&D Company Limited	5,770	255	(3,926)	-	2,099
Total	144,378	1,600	(95,282)	-	50,696
<u>Long-term loans to related parties</u>					
<i>Associated company</i>					
MINTH AAPICO (Thailand) Company Limited	-	10,000	-	-	10,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

	During the period				Balance as at 31 March 2011
	Balance as at 1 January 2011	Increase	Decrease	Unrealised gain (loss) on exchange	
Related company					
Yamakawa Dies Manufacturing R&D Company Limited	11,071	107	-	-	11,178
Total	11,071	10,107	-	-	21,178
Short-term loans and interest payable to related parties					
Related company					
Metal One (Thailand) Company Limited	3,449	-	-	-	3,449
Director	29	-	-	-	29
Total	3,478	-	-	-	3,478

Separate financial statements

(Unit: Thousand Baht)

	During the period				Balance as at 31 March 2011
	Balance as at 1 January 2011	Increase	Decrease	Unrealised gain (loss) on exchange	
Short-term loans and interest receivable from related parties					
Subsidiary companies					
New Era Sales Company Limited	40,686	2,452	-	-	43,138
Able Motors Company Limited	10,288	729	-	-	11,017
Kunshan Chaitai-Xincheng Precision Forging Company Limited	8,041	91	-	9	8,141
AAPICO Hitech Parts Company Limited	121,352	8,529	(6,432)	-	123,449
AAPICO Hitech Tooling Company Limited	48,475	1,203	-	-	49,678
AAPICO Forging Public Company Limited	34,060	16,140	(10,060)	-	40,140
AAPICO Structural Products Company Limited	10,634	5,923	-	-	16,557
Katsuya (Thailand) Company Limited	21	14	-	-	35
AERP Company Limited	1	-	(1)	-	-
Associated company					
MINTH AAPICO (Thailand) Company Limited	110,467	1,345	(91,356)	-	20,456
Related company					
Yamakawa Dies Manufacturing R&D Company Limited	5,770	255	(3,926)	-	2,099
Total	389,795	36,681	(111,775)	9	314,710

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Balance as at 1 January 2011	During the period		Unrealised gain (loss) on exchange	Balance as at 31 March 2011
		Increase	Decrease		
<u>Long-term loans to related parties</u>					
Subsidiary companies					
New Era Sales Company Limited	214,000	-	-	-	214,000
Able Motors Company Limited	68,000	-	(1,000)	-	67,000
AAPICO Forging Public Company Limited	1,387,499	55,500	-	-	1,442,999
AAPICO Hitech Parts Company Limited	738,314	-	(68,000)	-	670,314
AAPICO Hitech Tooling Company Limited	93,100	-	(9,500)	-	83,600
Kunshan Chaitai-Xincheng Precision Forging Company Limited	2,402	-	-	43	2,445
Katsuya (Thailand) Company Limited	1,268	574	-	-	1,842
AAPICO Structural Products Company Limited	447,800	93,200	-	-	541,000
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	159,381	(78,500)	43	3,044,378
<u>Short-term loans and interest payable to related parties</u>					
Subsidiary companies					
AAPICO Engineering Company Limited	10,011	3	-	-	10,014
AAPICO Amata Company Limited	400,628	66,001	(132,628)	-	334,001
Total	410,639	66,004	(132,628)	-	344,015

Directors and management's benefits

During the three-month period ended 31 March 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 (Separate financial statements: Baht 5.2 million).

Guarantee obligations with related parties

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

(Unaudited but reviewed)

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
Cash	772	663	228	228
Bank deposits	379,401	280,934	49,357	13,975
Total	380,173	281,597	49,585	14,203

6. Trade accounts receivable

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
<u>Age of receivables</u>				
<u>Trade accounts receivable - related parties</u>				
Not yet due and past due				
not over 3 months	8,069	6,280	25,317	23,162
Past due 3 - 12 months	3,794	2,823	5,960	879
Past due more than 12 months	-	-	1,391	1,391
Total	11,863	9,103	32,668	25,432
<u>Trade accounts receivable - unrelated parties</u>				
Not yet due and past due				
not over 3 months	1,498,162	1,479,393	220,157	212,995
Past due 3 - 12 months	18,921	61,578	516	24,117
Past due more than 12 months	18,053	18,983	1,967	1,881
Total	1,535,136	1,559,954	222,640	238,993
Less: Allowance for doubtful accounts	(14,616)	(13,697)	(2,580)	(2,580)
	1,520,520	1,546,257	220,060	236,413
Total trade accounts receivable - net	1,532,383	1,555,360	252,728	261,845

(Unaudited but reviewed)

7. Inventories

As at 31 March 2011, certain subsidiaries have pledged finished goods totaling approximately Baht 151.2 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	
	31 March 2011	31 December 2010	31 March 2011 (%)	31 December 2010 (%)	31 March 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

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)

The financial statements for the three-month periods ended 31 March 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 assets as at 31 March		Total revenues for the three-month periods ended 31 March	
	2011	2010	2011	2010
Tenaga Setia Resources SDN. BHD.	117	133	369	306
Kunshan Chaitai-Xincheng Precision Forging Company Limited	622	505	195	180
AAPICO Shanghai Company Limited	76	86	1	1
New Era Sales (M) SDN. BHD.	271	183	169	172
Total	1,086	907	734	659

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 period ended 31 March 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 and AAPICO Technology Company Limited for the three-month period ended 31 March 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)

9. 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
			<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(%)	(%)					
<u>Investments in associated companies, directly held by the Company</u>								
Able Sanoh Industries (1996) Company Limited	Manufacture and distribution of autoparts	Thailand	46	46	30,700	30,700	301,115	278,048
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	20	20	29,250	29,250	42,102	39,254
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	40	40	151,400	71,400	96,188	20,598
Thai Takagi Seiko Company Limited	Distribution of dies	Thailand	49	49	13,229	13,229	11,636	10,586
PAPAGO (Thailand) Company Limited	Development of software	Thailand	30	30	7,500	3,000	7,782	3,187
Hyundai Motor (Thailand) Company Limited	Manufacture and distribution of vehicles, and distribution of spare parts	Thailand	30	30	120,000	120,000	219,834	172,003
Total					<u>352,079</u>	<u>267,579</u>	<u>678,657</u>	<u>523,676</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(%)	(%)					
<u>Investments in associated companies, directly held by the Company</u>								
Able Sanoh Industries (1996) Company Limited	46	46	30,700	30,700	-	-	30,700	30,700
Sanoh Industries (Thailand) Company Limited	20	20	29,250	29,250	(5,982)	(5,982)	23,268	23,268
MINTH AAPICO (Thailand) Company Limited	40	40	151,400	71,400	-	-	151,400	71,400
Thai Takagi Seiko Company Limited	49	49	13,229	13,229	-	-	13,229	13,229
PAPAGO (Thailand) Company Limited	30	30	7,500	3,000	-	-	7,500	3,000
Hyundai Motor (Thailand) Company Limited	30	30	120,000	120,000	-	-	120,000	120,000
Total			<u>352,079</u>	<u>267,579</u>	<u>(5,982)</u>	<u>(5,982)</u>	<u>346,097</u>	<u>261,597</u>

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

1. In March 2011, MINTH AAPICO (Thailand) Company Limited increased its share capital by Baht 200 million, of which Baht 80 million was invested by the Company to retain its shareholding proportion.
2. In March 2011, PAPAGO (Thailand) Company Limited increased its share capital by Baht 15 million, of which Baht 4.5 million was invested by the Company to retain its shareholding proportion.

(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 31 March	
	2011	2010
<u>Investments in associated companies, directly held by the Company</u>		
Able Sanoh Industries (1996) Company Limited	26,917	16,375
Sanoh Industries (Thailand) Company Limited	3,292	2,217
MINTH AAPICO (Thailand) Company Limited	(4,218)	3,591
Hyundai Motor (Thailand) Company Limited	47,832	19,259
Thai Takagi Seiko Company Limited	1,061	-
PAPAGO (Thailand) Company Limited	102	-
Total	<u>74,986</u>	<u>41,442</u>

The Company's interest in the equity of Able Sanoh Industries (1996) Company Limited, Sanoh Industries (Thailand) Company Limited, MINTH AAPICO (Thailand) Company Limited, Thai Takagi Seiko Company Limited and PAPAGO (Thailand) Company Limited for the three-month period ended 31 March 2011 were determined based on the unreviewed financial statements of those companies.

The Company's interest in the equity of Able Sanoh Industries (1996) Company Limited, Sanoh Industries (Thailand) Company Limited and MINTH AAPICO (Thailand) Company Limited for the three-month period ended 31 March 2010 were determined based on the unreviewed financial statements of those companies.

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
Available-for-sale securities				
Marketable equity securities	160,666	160,666	-	-
Allowance for change in value	(70,499)	(86,269)	-	-
Total	<u>90,167</u>	<u>74,397</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

11. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 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	341,243	33,540
Transfer during period	(34)	-
Capitalised interest	292	-
Disposals during period - net book value at disposal date	(4,330)	(631)
Depreciation for the period	(102,952)	(14,255)
Impairment loss during the period	(29,569)	-
Exchange differences on translation of financial statements in foreign currency	6,171	-
Net book value as at 31 March 2011	<u>5,757,553</u>	<u>1,126,222</u>

Borrowing costs totaling approximately Baht 0.3 million and Baht 1.5 million were capitalised during the three-month periods ended 31 March 2011 and 2010, respectively.

As at 31 March 2011, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 11.0 million (31 December 2010: Baht 6.8 million).

Some subsidiaries have mortgaged land with structures thereon, certain machinery and factory equipment with a total net book value as at 31 March 2011 of Baht 449 million (31 December 2010: Baht 494 million) as collateral for credit facilities granted by banks

(Unaudited but reviewed)

12. Leasehold right

Subsidiaries have pledged their land leasehold right with a net book value as at 31 March 2011 of Baht 114 million (31 December 2010: Baht 112 million) as collateral for credit facilities granted by banks.

13. Goodwill

(Unit: Million Baht)

	Balance as at	
	31 March 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

As at 31 March 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 allowance 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 rates 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.

(Unaudited but reviewed)

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

During the current period, the Company entered into an agreement with a local bank, granting loan facilities amounting to Baht 400 million. The loans carry interest at MLR-1.9% per annum and are repayable in monthly installments within 5 years. As at 31 March 2011, the Company has drawn down Baht 100 million under the loan agreement.

As at 31 March 2011 and 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 leasehold land, certain machinery, factory equipment and inventories of subsidiaries, and by guarantees provided by directors of the Group, by the Company and by the subsidiary 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 (loss) per share is calculated by dividing profit (loss) 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 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Profit (loss) for the period	87,792	55,160	300,400	(1,336)
Weighted average number of ordinary shares (Thousand shares)	226,514	226,514	226,514	226,514
Earnings (loss) per share (Baht/share)	0.39	0.24	1.33	(0.01)

(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 31 March 2011, the Group had capital commitments of approximately Baht 295.1 million, USD 0.4 million, RM 7.7 million and Euro 0.4 million, totalling Baht 402.7 million, relating to the purchase of plots of land, construction and renovation of factory buildings, and acquisition of machinery from third parties; and commitments of Baht 2.8 million, relating to the acquisition of machinery from a related company.
- (b) As at 31 March 2011, the Company had outstanding commitment of Baht 94.1 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 31 March 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	13.2
1 to 5 years	21.7

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,

(Unaudited but reviewed)

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 2011 amounted to approximately Baht 12.8 million.

16.4 Guarantees

- (a) As at 31 March 2011, the Company had guaranteed bank credit facilities of its subsidiary companies amounting to Baht 15 million, USD 12 million and RMB 8 million.
- (b) As at 31 March 2011, there were outstanding bank guarantees of approximately Baht 81.3 million and RM 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 61.8 million to guarantee contractual performance and Baht 19.5 million and RM 0.2 million to guarantee electricity use, among others.

16.5 Interest rate swap agreements

As at 31 March 2011, the Company has outstanding interest rate swap agreements with the banks as follows:

<u>Notional amount</u> (Million Baht)	<u>Interest Receipt Rate</u>	<u>Interest Payment Rate</u>	<u>Due date</u>
450	THBFIX plus 0.65%	Fixed rate at 4.77%	28 September 2012
100	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
394	FDR plus 3.3%	Fixed rate at 5.65%	30 December 2015
395	MLR minus 1.75%	Fixed rate at 5.33%	30 December 2015

As at 31 March 2011, the Company had unrealised gain from change in the fair value of interest rate swap agreements of approximately Baht 6.3 million.

16.6 Forward foreign exchange contracts

As at 31 March 2011, the Group had outstanding forward foreign exchange contracts with bank for the purchase of USD 0.1 million at the rate of Baht 30.75 per USD 1 and for the sale of USD 3.6 million at the rates of Baht 30.15 - 31.50 per USD 1.

(Unaudited but reviewed)

17. Events after the reporting period

The Annual General Meeting of the Company's shareholders held on 26 April 2011, passed a resolution to approve the payment of a dividend of Baht 0.21 per share, or a total of approximately Baht 56 million, to be paid in May 2011.

18. Segment information

The Group' 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 periods ended 31 March 2011 and 2010 of the Group by segment.

(Unit: Million Baht)

Consolidated financial statements for the three-month periods ended 31 March								
	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	1,764	1,539	342	133	-	-	2,106	1,672
The People's Republic of China	194	170	-	-	-	-	194	170
Malaysia	-	-	531	470	-	-	531	470
Intersegment revenues	242	144	11	-	(253)	(144)	-	-
Total revenues	<u>2,200</u>	<u>1,853</u>	<u>884</u>	<u>603</u>	<u>(253)</u>	<u>(144)</u>	<u>2,831</u>	<u>2,312</u>
Segment income	176	128	49	37	(7)	(16)	218	149
Unallocated income and expenses:								
Exchange gain							1	12
Other income							125	94
Selling expenses							(52)	(34)
Administrative expenses							(155)	(122)
Loss on impairment of assets							(33)	-
Share of income of associates							75	41
Finance cost							(55)	(36)
Corporate income tax							(32)	(36)
Profit for the period							<u>92</u>	<u>68</u>

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 18 May 2011.