

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 2010 and 2009

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 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of 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 2009. During the current period, there were changes in the structure of the Group as following: -

- a) The Company acquired a 88% interest in the equity of AERP Company Limited, a company newly registered in Thailand.

(Unaudited but reviewed)

- b) AAPICO Plastics Public Company Limited, a subsidiary, purchased an investment in Katsuya (Thailand) Co., Ltd. to gain benefits from the business chain. As a result, the Company's direct and indirect percentage of shareholding in that company rose to 76%. The Company therefore transferred this investment from other investments to investment in subsidiary.
- c) The Company acquired a 97% interest in the equity of Dongfeng Commercial Vehicle Company Limited, a company newly registered in Thailand.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.

1.4 Adoption of new accounting standards

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

- a) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements
(revised 2009)

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 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies

(Unaudited but reviewed)

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
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

- b) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except TAS 12. Management has yet to complete its evaluation of the impact of such accounting standard in the year when it is adopted.

2. Related party transactions

During the three-month and nine-month periods ended 30 September 2010 and 2009, 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 30 September					
	Consolidated		Separate financial		Transfer Pricing Policy
	financial statements		statements		
	2010	2009	2010	2009	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	26.9	20.1	Cost plus margin, averaging around 1% - 30%
Interest income	-	-	30.0	19.8	3.8% - 4.4% p.a. (2009: 3.1% - 3.6% p.a.)
Interest expense	-	-	4.5	2.6	2% and 2.3% p.a. (2009: 1% p.a.)
Dividend income	-	-	400.0	-	As declared
Purchases of goods and services	-	-	66.3	4.4	Approximate cost and cost plus margin of 1% - 25%
Rental income	-	-	0.6	0.5	Close to rental rates for other building in the vicinity
Management fee income	-	-	1.0	0.7	Approximate cost
Other income	-	-	2.6	-	Approximate cost
<u>Transactions with associated companies</u>					
Sales of goods and services	9.7	22.3	0.2	22.2	Cost minus around 3% - 30% (2009: cost plus margin of 10% - 15%)
Purchases of goods and services	9.3	5.4	7.5	5.4	Cost plus margin of 25% - 55%
Interest income	1.2	-	1.2	-	5% p.a.
<u>Transactions with related parties</u>					
Purchases of goods and services	69.6	67.3	-	-	Cost plus margin of 3% - 20%
Interest income	0.3	0.4	0.3	0.3	7.5% p.a.
Management fee expense	1.8	2.6	1.8	2.6	Approximate cost
Purchase of machinery	5.7	-	4.2	-	Cost plus margin

(Unit: Million Baht)

For the nine-month periods ended 30 September					
	Consolidated		Separate financial		Transfer Pricing Policy
	financial statements		statements		
	2010	2009	2010	2009	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	168.2	46.9	Cost plus margin, averaging around 1% - 30%
Interest income	-	-	82.6	62.4	3.4% - 4.4% p.a. (2009: 3.1% - 4.1% p.a.)
Interest expense	-	-	17.4	9.2	2% and 2.3% p.a. (2009: 1% and 2% p.a.)
Dividend income	-	-	650.0	-	As declared
Purchases of goods and services	-	-	137.4	12.0	Approximate cost and cost plus margin of 1% - 25%
Rental income	-	-	1.6	1.5	Close to rental rates for other building in the vicinity
Management fee income	-	-	2.6	2.4	Approximate cost
Other income	-	-	2.6	-	Approximate cost

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate financial		
	financial statements		statements		Transfer Pricing Policy
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<u>Transactions with associated companies</u>					
Sales of goods and services	20.5	22.8	0.5	22.5	Cost minus around 3% - 30% (2009: Cost plus margin of 10% - 15%)
Purchases of goods and services	19.9	14.2	18.1	14.2	Cost plus margin of 25% - 55%
Dividend income	7.0	-	7.0	-	As declared
Interest income	3.2	-	3.2	-	5% p.a.
<u>Transactions with related parties</u>					
Purchases of goods and services	336.8	175.6	-	-	Cost plus margin of 3% - 20%
Interest income	0.9	1.9	0.9	0.9	7.5% p.a.
Management fee expense	6.0	7.6	6.0	7.6	Approximate cost
Purchase of machinery	245.1	-	4.2	-	Cost plus margin
Other income	3.4	-	-	-	Approximate cost

As at 30 September 2010 and 31 December 2009, the balances of accounts between the Company and those related companies are as follows: -

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiary companies</u>				
AAPICO Amata Company Limited	-	-	11,509	15,659
AAPICO Hitech Parts Company Limited	-	-	7,861	30,399
AAPICO Plastics Public Company Limited	-	-	2,680	1,123
AAPICO Hitech Tooling Company Limited	-	-	558	4,404
AAPICO Forging Public Company Limited	-	-	2	139
AAPICO Mitsuike (Thailand) Company Limited	-	-	-	826
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	233	661	167	100
MINTH AAPICO (Thailand) Company Limited	9,903	1,801	-	-
Thai Takagi Seiko Company Limited	481	-	-	-
<u>Related company</u>				
AAPICO ITS Co. SDN. BHD	1,268	-	-	-
	<u>11,885</u>	<u>2,462</u>	<u>22,777</u>	<u>52,650</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
<u>Advances and short-term loans to related parties</u>				
Advances				
<u>Subsidiary companies</u>				
AAPICO Amata Company Limited	-	-	52	113
New Era Sales Company Limited	-	-	11	9
AAPICO Engineering Company Limited	-	-	722	578
Kunshan Chaitai-Xincheng Precision Forging Company Limited	-	-	4,445	4,445
AAPICO Hitech Parts Company Limited	-	-	3,044	1,211
AAPICO Hitech Tooling Company Limited	-	-	3,864	36,152
AAPICO ITS Company Limited	-	-	520	426
AAPICO Mitsuike (Thailand) Company Limited	-	-	464	554
A Maction Company Limited	-	-	87	206
AAPICO Jackspeed Company Limited	-	-	1,192	987
AAPICO Forging Public Company Limited	-	-	81	659
AAPICO Plastics Public Company Limited	-	-	99	17,932
AAPICO Investment Pte., Limited	-	-	8,261	8,491
AAPICO Technology Company Limited	-	-	6	6
AERP Company Limited	-	-	78	-
Dongfeng Commercial Vehicle Company Limited	-	-	304	-
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	78	57	46	34
MINTH AAPICO (Thailand) Company Limited	10	90	10	5
<u>Related companies</u>				
Mitsuike Kogyo Company Limited	-	592	-	-
Thai Mekki Limited Partnership	-	8	-	-
AAPICO ITS Co. SDN. BHD.	3,922	-	-	-
	<u>4,010</u>	<u>747</u>	<u>23,286</u>	<u>71,808</u>
Short-term loans and interest receivable				
Subsidiary companies	-	-	191,724	193,871
Associated company	71,159	340	71,159	340
Related companies	44,361	53,047	7,560	7,258
	<u>115,520</u>	<u>53,387</u>	<u>270,443</u>	<u>201,469</u>
Less: Allowance for doubtful accounts	(28,141)	(28,141)	-	-
	<u>87,379</u>	<u>25,246</u>	<u>270,443</u>	<u>201,469</u>
	<u>91,389</u>	<u>25,993</u>	<u>293,729</u>	<u>273,277</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
<u>Dividend receivable from related party</u>				
<u>Associated company</u>				
Able Sanoh Industries (1996) Company Limited	-	5,262	-	5,262
<u>Share subscription receivable - related party</u>				
<u>Related company</u>				
Maction Technology Company Limited	2,400	2,400	-	-
<u>Long-term loans to related parties</u>				
Subsidiary companies	-	-	2,978,099	2,306,103
Associated company	40,000	80,000	40,000	80,000
Related company	8,998	9,390	8,998	9,390
	<u>48,998</u>	<u>89,390</u>	<u>3,027,097</u>	<u>2,395,493</u>
<u>Deposit for purchase of assets - related parties</u>				
<u>Related companies</u>				
Sojitz Corporation Limited	-	24,809	-	-
Yamakawa Dies Manufacturing R&D				
Company Limited	-	5,487	-	-
	<u>-</u>	<u>30,296</u>	<u>-</u>	<u>-</u>
<u>Trade accounts payable - related parties</u>				
<u>Subsidiary companies</u>				
AAPICO Plastics Public Company Limited	-	-	479	243
AAPICO Forging Public Company Limited	-	-	53	-
AAPICO Hitech Tooling Company Limited	-	-	2,442	105,366
AAPICO Hitech Parts Company Limited	-	-	65,188	19,268
<u>Associated companies</u>				
Able Sanoh Industries (1996) Company Limited	8,427	6,643	8,427	6,643
Thai Takagi Seiko Company Limited	370	-	-	-
<u>Related companies</u>				
Metal One (Thailand) Company Limited	165,963	140,846	-	-
Thai Mekki Limited Partnership	2,070	3,988	-	-
Sojitz (Thailand) Company Limited	18,170	-	-	-
	<u>195,000</u>	<u>151,477</u>	<u>76,589</u>	<u>131,520</u>
<u>Other payable - related parties</u>				
<u>Accrued management fee</u>				
<u>Related company</u>				
SAIT Company Limited	6,000	3,600	6,000	3,600
<u>Accounts payable - purchase of machinery</u>				
<u>Related companies</u>				
Sojitz Corporation Limited	44,624	482,585	24,764	336,689
Yamakawa Dies Manufacturing R&D Company				
Limited	517	5,871	-	-
	<u>45,141</u>	<u>488,456</u>	<u>24,764</u>	<u>336,689</u>
	<u>51,141</u>	<u>492,056</u>	<u>30,764</u>	<u>340,289</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
<u>Advances and short-term loans from related parties</u>				
Advances				
<u>Subsidiary companies</u>				
AAPICO ITS Company Limited	-	-	14,643	4,577
AAPICO Amata Company Limited	-	-	-	1
New Era Sales Company Limited	-	-	90	231
AAPICO Plastics Public Company Limited	-	-	59	-
AAPICO Forging Public Company Limited	-	-	28	29
AAPICO Hitech Tooling Company Limited	-	-	484	481
Able Motors Company Limited	-	-	76	56
A Maction Company Limited	-	-	-	49
<u>Associated companies</u>				
Thai Takagi Seiko Company Limited	80	-	-	-
MINTH AAPICO (Thailand) Company Limited	69	-	-	-
<u>Related company</u>				
Mitsui Kogyo Company Limited	2,598	3,660	-	-
	<u>2,747</u>	<u>3,660</u>	<u>15,380</u>	<u>5,424</u>
Short-term loans and interest payable				
Subsidiary companies	-	-	698,908	1,521,489
Related company	3,449	6,686	-	-
Director	29	76	-	-
	<u>3,478</u>	<u>6,762</u>	<u>698,908</u>	<u>1,521,489</u>
	<u>6,225</u>	<u>10,422</u>	<u>714,288</u>	<u>1,526,913</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
<u>Share subscription payable - related parties</u>				
<u>Subsidiary companies</u>				
AAPICO Technology Company Limited	-	-	127	127
Dongfeng Commercial Vehicle Company Limited	-	-	24,250	-
	<u>-</u>	<u>-</u>	<u>24,377</u>	<u>127</u>

(Unaudited but reviewed)

During the nine-month period ended 30 September 2010, movements of loans to related parties and loans from related parties were as follows: -

Consolidated financial statements

(Unit: Thousand Baht)

		During the period			
	Balance as at 1 January 2010			Unrealised loss on exchange	Balance as at 30 September 2010
		Increase	Decrease		
<u>Short-term loans and interest receivable from related parties</u>					
Associated company					
MINTH AAPICO (Thailand) Company Limited	340	91,687	(20,868)	-	71,159
Related companies					
Katsuya International Pte., Limited	8,893	-	-	(233)	8,660
Protech Link Technology Incorporation Limited	28,141	-	-	-	28,141
Yamakawa Dies Manufacturing R&D Company Limited	7,258	1,240	(938)	-	7,560
Thai Mekki Limited Partnership	8,755	53	(8,808)	-	-
Total	53,387	92,980	(30,614)	(233)	115,520
<u>Long-term loans to related parties</u>					
Associated company					
MINTH AAPICO (Thailand) Company Limited	80,000	-	(40,000)	-	40,000
Related company					
Yamakawa Dies Manufacturing R&D Company Limited	9,390	-	(392)	-	8,998
Total	89,390	-	(40,392)	-	48,998
<u>Short-term loans and interest payable to related parties</u>					
Related company					
Metal One (Thailand) Company Limited	6,686	10	(3,247)	-	3,449
Director	76	-	(48)	1	29
Total	6,762	10	(3,295)	1	3,478

(Unaudited but reviewed)

Separate financial statements

(Unit: Thousand Baht)

		During the period			
	Balance as at			Unrealised	Balance as at
	1 January			loss on	30 September
	2010	Increase	Decrease	exchange	2010
<u>Short-term loans and interest receivable</u>					
<u>from related parties</u>					
Subsidiary companies					
New Era Sales Company Limited	31,412	7,253	(472)	-	38,193
Able Motors Company Limited	8,358	33,327	(32,000)	-	9,685
Kunshan Chaitai-Xincheng Precision					
Forging Company Limited	7,877	270	-	(181)	7,966
AAPICO Hitech Parts Company Limited	102,806	488,691	(495,589)	-	95,908
AAPICO Hitech Tooling Company Limited	10,765	208,881	(218,796)	-	850
AAPICO Forging Public Company Limited	32,126	530,335	(529,486)	-	32,975
AAPICO Plastics Public Company Limited	-	5,769	(5,769)	-	-
AAPICO Structural Products Company					
Limited	527	357,598	(352,000)	-	6,125
Katsuya (Thailand) Company Limited	-	11	-	-	11
AAPICO Mitsuike (Thailand) Company					
Limited	-	9	-	-	9
AERP Company Limited	-	302	(300)	-	2
Associated company					
MINTH AAPICO (Thailand) Company					
Limited	340	91,687	(20,868)	-	71,159
Related company					
Yamakawa Dies Manufacturing R&D					
Company Limited	7,258	1,240	(938)	-	7,560
Total	201,469	1,725,373	(1,656,218)	(181)	270,443
<u>Long-term loans to related parties</u>					
Subsidiary companies					
New Era Sales Company Limited	214,500	-	(500)	-	214,000
Able Motors Company Limited	31,000	12,000	-	-	43,000
AAPICO Forging Public Company Limited	1,287,226	100,773	-	-	1,387,999
AAPICO Hitech Parts Company Limited	519,194	242,620	-	-	761,814
AAPICO Hitech Tooling Company Limited	138,881	-	(35,181)	-	103,700
Kunshan Chaitai-Xincheng Precision					
Forging Company Limited	3,302	-	-	(826)	2,476
AAPICO Structural Products Company					
Limited	112,000	352,000	-	-	464,000
Katsuya (Thailand) Company Limited	-	810	-	-	810
AERP Company Limited	-	300	-	-	300
Associated company					
MINTH AAPICO (Thailand) Company					
Limited	80,000	-	(40,000)	-	40,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

		During the period			
	Balance as at 1 January 2010			Unrealised loss on exchange	Balance as at 30 September 2010
		Increase	Decrease		
Related company					
Yamakawa Dies Manufacturing R&D Company Limited	9,390	-	(392)	-	8,998
Total	2,395,493	708,503	(76,073)	(826)	3,027,097
<u>Short-term loans and interest payable to related parties</u>					
Subsidiary companies					
AAPICO Engineering Company Limited	10,025	58	(75)	-	10,008
AAPICO Amata Company Limited	1,511,450	190,258	(1,012,813)	-	688,895
AAPICO Mitsuike (Thailand) Company Limited	14	33,053	(33,067)	-	-
AAPICO Hitech Tooling Company Limited	-	28,105	(28,105)	-	-
A Maction Company Limited	-	8,020	(8,015)	-	5
Total	1,521,489	259,494	(1,082,075)	-	698,908

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 13.4.

3. Trade accounts receivable

The balances of trade accounts receivable as at 30 September 2010 and 31 December 2009, aged on the basis of due dates, are summarised below: -

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<u>Age of receivables</u>				
<u>Trade accounts receivable - related parties</u>				
Not yet due and past due				
not over 3 months	10,868	2,462	21,357	23,951
Past due 3 - 12 months	26	-	-	3,961
Past due more than 12 months	991	-	1,420	24,738
Total	11,885	2,462	22,777	52,650

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Age of receivables				
<u>Trade accounts receivable - unrelated parties</u>				
Not yet due and past due				
not over 3 months	1,396,543	1,105,100	287,744	206,027
Past due 3 - 12 months	26,194	5,581	8,115	73
Past due more than 12 months	16,688	14,378	1,664	1,571
Total	1,439,425	1,125,059	297,523	207,671
Less: Allowance for doubtful accounts	(15,674)	(12,849)	(2,181)	(1,769)
	1,423,751	1,112,210	295,342	205,902
Total trade accounts receivable - net	1,435,636	1,114,672	318,119	258,552

As at 31 December 2009, rights of claim over trade accounts receivable of the subsidiary of Baht 3.6 million have been transferred to a company as collateral to secure the loan facility granted by that company under finance lease agreements.

4. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December
	2010	2009	2010	2009	2010	2009
			(%)	(%)		
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 3.5 million	USD 3.5 million	100	100	136,377	136,377
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	100,000	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	-	88	-	1,100	-
Katsuya (Thailand) Co., Ltd.	Baht 28.5 million	-	76	-	15,675	-
Dongfeng Commercial Vehicle Co., Ltd.	Baht 25 million	-	97	-	24,250	-
Total					3,860,346	3,819,321
Less: Allowance for impairment					(159,376)	(136,701)
Net					3,700,970	3,682,620

(Unaudited but reviewed)

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

1. In April 2010, the Company acquired a 88% equity interest in AERP Company Limited, a new company registered in Thailand, at a cost of Baht 1.1 million.
2. In June 2010, AAPICO Plastics Public Company Limited, a subsidiary, purchased an investment in Katsuya (Thailand) Co., Ltd. to gain benefits from the business chain. As a result, the Company's direct and indirect percentage of shareholding in that company rose to 76%. The Company therefore transferred this investment from other investments to investment in subsidiary.
3. In September 2010, the Company acquired a 97% equity interest in Dongfeng Commercial Vehicle Company Limited, a new company registered in Thailand, at a cost of Baht 24.3 million.

The financial statements for the three-month and nine-month periods ended 30 September 2010 and 2009 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 30 September		Total revenues			
			For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2010	2009	2010	2009	2010	2009
Tenaga Setia Resources SDN. BHD.	120	125	444	302	1,171	974
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	486	387	197	136	572	362
AAPICO Shanghai Co., Ltd.	79	82	1	1	2	2
New Era Sales (M) SDN. BHD.	188	172	198	146	589	146
Total	873	766	840	585	2,334	1,484

The financial statements of AAPICO Engineering Company Limited, AAPICO ITS Company Limited, AAPICO Hitech Tooling Company Limited, AAPICO Investment Pte., Limited, AAPICO Mitsuike (Thailand) Company Limited, A Maction Company Limited, AAPICO Technology Company Limited, AERP Company Limited, Katsuya (Thailand) Company Limited and Dongfeng Commercial Vehicle Company Limited for the three-month and nine-month periods ended 30 September 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)

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 and nine-month periods ended 30 September 2009, 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.

5. 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	31 December	30 September	31 December	30 September	31 December
			<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</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	261,136	211,375
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	20	20	29,250	29,250	37,148	28,327
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	Thailand	40	40	71,400	71,400	48,716	53,799
Thai Takagi Seiko Company Limited	Distribution of dies	Thailand	49	-	13,229	-	12,100	-
PAPAGO (Thailand) Company Limited	Development of software	Thailand	30	-	3,000	-	3,186	-
					<u>147,579</u>	<u>131,350</u>	<u>362,286</u>	<u>293,501</u>
<u>Investments in associated company, directly held by a subsidiary</u>								
Hyundai Motor (Thailand) Company Limited	Automobile and autoparts distribution	Thailand	30	30	120,000	120,000	135,617	84,715
Total					<u>267,579</u>	<u>251,350</u>	<u>497,903</u>	<u>378,216</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	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</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	71,400	71,400	-	-	71,400	71,400
Thai Takagi Seiko Company Limited	49	-	13,229	-	-	-	13,229	-
PAPAGO (Thailand) Company Limited	30	-	3,000	-	-	-	3,000	-
			<u>147,579</u>	<u>131,350</u>	<u>(5,982)</u>	<u>(5,982)</u>	<u>141,597</u>	<u>125,368</u>
<u>Investments in associated company, directly held by a subsidiary</u>								
Hyundai Motor (Thailand) Company Limited	30	30	120,000	120,000	-	-	120,000	120,000
Total			<u>267,579</u>	<u>251,350</u>	<u>(5,982)</u>	<u>(5,982)</u>	<u>261,597</u>	<u>245,368</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of income (loss) from investments in associates during the three-month periods ended 30 September		Share of income (loss) from investments in associates during the nine-month periods ended 30 September	
	2010	2009	2010	2009
<u>Investments in associated companies, directly held by the Company</u>				
Able Sanoh Industries (1996) Company Limited	23,512	6,644	56,795	4,484
New Era Sales (M) SDN. BHD.	-	-	-	1,962
Sanoh Industries (Thailand) Company Limited	3,567	884	8,821	(1,415)
MINTH AAPICO (Thailand) Company Limited	(74)	(2,751)	(5,083)	(4,815)
Thai Takagi Seiko Company Limited	(1,129)	-	(1,129)	-
PAPAGO (Thailand) Company Limited	186	-	186	-
<u>Investments in associated company, directly held by a subsidiary</u>				
Hyundai Motor (Thailand) Company Limited	7,009	(7,662)	50,902	(22,494)
Total	33,071	(2,885)	110,492	(22,278)

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

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

1. In June 2010, the Company acquired a 49% equity interest in Thai Takagi Seiko Company Limited, a company registered in Thailand, at a cost of Baht 13.2 million.
2. In June 2010, the Company acquired a 30% equity interest in PAPAGO (Thailand) Company Limited, a company registered in Thailand, at a cost of Baht 3 million.
3. The Company reclassified Baht 120 million of loans to AAPICO ITS Company Limited, a subsidiary, as investment in an associate in the separate financial statements since the Company's intention in providing the loans was to invest in Hyundai Motor (Thailand) Company Limited, an associate, through the subsidiary. The Company had presented the transaction in the consolidated financial statements as investment in an associate since the transaction occurred.

(Unaudited but reviewed)

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 and nine-month periods ended 30 September 2010 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, MINTH AAPICO (Thailand) Company Limited and Katsuya International Pte. Limited for the three-month and nine-month periods ended 30 September 2009 were determined based on the unreviewed financial statements of those companies.

6. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Available-for-sale securities				
Marketable equity securities	193,305	193,305	-	-
Allowance for change in value	(78,969)	(89,059)	-	-
	<u>114,336</u>	<u>104,246</u>	<u>-</u>	<u>-</u>
Other investments				
Equity securities	-	15,675	-	15,675
Less: Allowance for impairment	-	(15,675)	-	(15,675)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other long-term investments - net	<u>114,336</u>	<u>104,246</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

7. Goodwill

(Unit: Million Baht)

	Balance as at	
	30 September 2010	31 December 2009
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 30 September 2010, 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 2009, 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. A pre-tax discount rate of 8.97% p.a. and financial parameters provided by third parties, were used, with a growth scenario based on a global automotive analyst's report. However, actual results may differ from these estimates depending on the further progress of the global economic crisis and the future economic environment.

(Unaudited but reviewed)

8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2010	4,975,309	967,425
Acquisitions during period - at cost	837,758	141,041
Transfer during period	16,417	(623)
Capitalised interest	1,463	1,463
Disposals during period - net book value at disposal date	(44,521)	-
Depreciation for the period	(299,400)	(42,544)
Adjustment during period	(22,844)	-
Acquisition of subsidiary during the period	7,355	-
Translation adjustment	(4,109)	-
Net book value as at 30 September 2010	<u>5,467,428</u>	<u>1,066,762</u>

During the nine-month periods ended 30 September 2010 and 2009, the weighted average rates used to determine the amount of borrowing costs eligible for capitalisation were 3.8% and 3.7%, respectively.

As at 30 September 2010, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 7.5 million (31 December 2009: Baht 24.6 million).

Some subsidiaries have mortgaged land with structures thereon, certain machinery and factory equipment with a total net book value as at 30 September 2010 of Baht 500 million (31 December 2009: Baht 522 million) as collateral for credit facilities granted by banks.

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

During the first quarter of the current year, the Company and its subsidiaries jointly entered into an agreement with a local bank, granting loan facilities amounting to Baht 1,600 million, comprising Baht 400 million of short-term loan facilities and Baht 1,200 million of long-term loan facilities. The short-term facilities and long-term facilities under the agreement carry interests at the rate specified in each relevant promissory note and at MLR-1.75% per annum, respectively. The long-term loan principal is repayable in quarterly installments within 5 years. As at 30 September 2010, the Company has drawn down Baht 793 million long-term loans under the loan agreement.

As at 30 September 2010 and 31 December 2009, bank overdrafts and loans from banks secured by the mortgage of some plots of land and building thereon of the subsidiaries, the pledge of land leasehold, certain machinery and factory equipment of the subsidiaries and by the guarantees of the directors of the Group, the Company and 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.

As at 31 December 2009, the Company was unable to maintain some financial ratios stipulated in the agreements with certain banks and it was in the process of requesting a waiver from the banks. However, to comply with TAS 35, the Company classified the whole amount of the related debt, including the long-term portion, as current liabilities. During the current period, the Company received a waiver from the requirement to maintain such ratios from the banks and loan classification as of 30 September 2010 is thus in accordance with the repayment schedule specified in the loan agreements.

10. Treasury shares

Details of treasury shares as at 31 December 2009 are as follows: -

	Consolidated and separate <u>financial statements</u>
Value of treasury shares (Thousand Baht)	192,810
Number of treasury shares (Thousand shares)	13,486
Average price per share (Baht)	14.30
Percentage of the Company's shares in issue which are treasury shares	4.78

Any shares bought back were to be resold on the Stock Exchange of Thailand during the period from 1 June 2007 to 28 November 2009. Resale of shares, cancellations of the repurchased shares and reductions of share capital were to conform with the 2001 Ministerial Regulations on the principles and procedures for the repurchase and resale of shares. The determination of the resale price would take into account the prevailing market price at the time of sale.

The meeting of the Board of Directors of the Company held on 8 December 2009 passed a resolution approving a decrease in the Company's registered and paid-up share capital because the period for the Company to hold treasury shares had ended and the Company had not resold the shares. The Company registered the decrease in its registered and paid-up share capital, by 13,485,700 ordinary shares with a par value of Baht 1 each, with the Ministry of Commerce on 18 January 2010. The Company recorded the Baht 179 million excess of the cost of the treasury shares over the par value of the ordinary shares as a reduction against unappropriated retained earnings and reversed reserve for treasury shares against unappropriated retained earnings.

11. Earnings per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the period by the weighted average number of ordinary shares held by outside shareholders in issue during the period by net from the treasury stock held by the Company.

(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.

12. Dividend paid

		(Unit: Baht)	
	Approved by	Total dividends	Dividend per share
Interim dividends for 2010	Board of Directors' Meeting on 13 August 2010	69,907,058	0.26

13. Commitment and contingent liabilities

13.1 Capital commitments

- (a) As at 30 September 2010, the Group had capital commitments of approximately Baht 100 million, USD 6.9 million and RM 12.2 million, totalling Baht 428.7 million, relating to the purchase of plots of land, renovation of factory buildings and acquisition of machinery.
- (b) As at 30 September 2010, the Company had outstanding commitment of Baht 94.2 million in respect of uncalled portion of investments in its subsidiaries.

13.2 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 agreement. The terms of the agreements are generally between 1 and 15 years.

As at 30 September 2010, future minimum lease and service payments required under these operating leases and service contracts were as follows.

	<u>Million Baht</u>
Payable within:	
1 year	10.9
1 to 5 years	29.4
More than 5 years	14.1

13.3 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 has entered into service agreement with the company, under which it has to pay fees at a certain rate, as stipulated in the agreement, on sales of particular products to the customer of the Company. This agreement is effective until the Company finishes the project for the customer. The fees for nine-month period ended 30 September 2010 amounted to approximately Baht 10.1 million.

13.4 Guarantees

- (a) As at 30 September 2010, the Company had guaranteed bank credit facilities of its subsidiary companies amounting to Baht 2 million, USD 2 million and RMB 8 million.
- (b) As at 30 September 2010, there were outstanding bank guarantees of Baht 45.5 million issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of the business. These included letters of guarantee amounting to Baht 25.6 million to guarantee contractual performance and Baht 19.9 million to guarantee electricity use, among others.

13.5 Interest rate swap transaction agreements

As at 30 September 2010, 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>
600	THBFIX plus 0.65%	Fixed rate at 4.77%	28 September 2012
140	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
400	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

(Unaudited but reviewed)

As at 30 September 2010, the Company had unrealised loss from change in the fair value of interest rate swap agreements of approximately Baht 26.5 million.

14. Segment information

The Group' business operations involve 2 principal segments: the manufacture of automobile assembly tools and parts, and sales of automobiles and the provision of automobile repair service. These operations are carried on geographic areas in Thailand, The People's Republic of China and Malaysia. Below is the consolidated financial information for the three-month and nine-month periods ended 30 September 2010 and 2009 of the Group by segment.

(Unit: Million Baht)

Consolidated financial statements for the three-month periods ended 30 September								
	Manufacture of automobile assembly tools and parts segment		Sales of automobiles and the provision of automobile repair service segment		Elimination of inter-segment		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues from external customers								
Thailand	1,764	1,183	199	110	-	-	1,963	1,293
The People's Republic of China	180	136	-	-	-	-	180	136
Malaysia	-	-	636	441	-	-	636	441
Intersegment revenues	247	95	7	-	(254)	(95)	-	-
Total revenues	2,191	1,414	842	551	(254)	(95)	2,779	1,870
Segment income	150	94	44	28	(3)	(6)	191	116
Unallocated income and expenses:								
Exchange loss							(1)	(1)
Other income							101	67
Selling expenses							(42)	(24)
Administrative expenses							(117)	(108)
Management's remuneration							(4)	(5)
Share of income (loss) of associates							33	(3)
Finance cost							(44)	(35)
Corporate income tax							(30)	(1)
Net income							87	6

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements for the nine-month periods ended 30 September								
	Manufacture of automobile assembly tools and parts segment		Sales of automobiles and the provision of automobile repair service segment		Elimination of inter-segment		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues from external customers								
Thailand	5,223	3,014	516	343	-	-	5,739	3,357
The People's Republic of China	554	357	-	-	-	-	554	357
Malaysia	-	-	1,739	1,104	-	-	1,739	1,104
Intersegment revenues	650	244	9	1	(659)	(245)	-	-
Total revenues	6,427	3,615	2,264	1,448	(659)	(245)	8,032	4,818
Segment income	504	190	117	91	(22)	(12)	599	269
Unallocated income and expenses:								
Exchange gain							4	4
Other income							274	133
Selling expenses							(133)	(88)
Administrative expenses							(320)	(274)
Management's remuneration							(18)	(16)
Share of income (loss) of associates							110	(22)
Finance cost							(124)	(97)
Corporate income tax							(100)	(13)
Net income (loss)							292	(104)

15. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current period's classification but with no effect to previously reported net income or shareholders' equity. The significant reclassifications are as follow:

(Unit: Thousand Baht)

	Separate financial statements	
	As reclassified	As previously reported
Advances and short-term loans to related parties - net	273,277	283,430
Long-term loans to related parties	2,395,493	2,500,763
Investments in associates – net	245,368	125,368
Advances and short-term loans from related parties	1,526,913	1,522,336

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 15 November 2010.