

## **AAPICO Hitech Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2017**

#### **1. General information**

AAPICO Hitech Public Company Limited is a public company incorporated and domiciled in Thailand. The Company is principally engaged in manufacture and distribution of automobile parts, dies and jigs. The registered office of the Company is at 99 Moo 1 Hitech Industrial Estate, Tambol Ban Lane, Ampur Bang Pa-in, Ayutthaya.

#### **2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### **2.2 Basis of consolidation**

a) The consolidated financial statements include the financial statements of AAPICO Hitech Public Company Limited (“the Company”) and the following subsidiaries (hereinafter called as “the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017 (%)	2016 (%)
<b>Held by the Company</b>				
AAPICO Amata Company Limited	Manufacture of autoparts	Thailand	100	100
AAPICO Engineering Company Limited	Research and development in field of automobile engineering	Thailand	100	100
New Era Sales Company Limited	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
Able Motors Company Limited	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
AAPICO Hitech Parts Company Limited	Manufacture of autoparts	Thailand	100	100
AAPICO Hitech Tooling Company Limited	Design and manufacture of car stamping dies and assemble jigs	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017 (%)	2016 (%)
AAPICO Forging Plc.	Manufacture of autoparts	Thailand	100	100
AAPICO Structural Products Company Limited	Manufacture of autoparts	Thailand	100	100
AAPICO Technology Company Limited	Not yet operation	Thailand	100	100
AAPICO Training Center Company Limited	Provide training services	Thailand	100	100
AAPICO Venture Company Limited	Venture capital	Thailand	100	100
Foton Passenger Vehicles Distribution (Thailand) Company Limited	Import and exports of vehicles and parts	Thailand	97	97
AERP Company Limited	IT consulting and advisory	Thailand	94	88
Katsuya (Thailand) Company Limited	Manufacture of autoparts	Thailand	76	76
AAPICO Lemtech (Thailand) Company Limited	Manufacture of autoparts	Thailand	60	60
AAPICO ITS Company Limited	Manufacture of car navigation systems and its derivatives	Thailand	60	60
AAPICO Mitsuike (Thailand) Company Limited	Design and distribution of autoparts and dies	Thailand	51	51
New Era Sales (M) Sdn. Bhd.	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49
Tenaga Setia Resources Sdn. Bhd.	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49
Kunshan Chaitai-Xincheng Precision Forging Company Limited	Manufacture and sales of autoparts	China	100	100
AAPICO Investment Pte. Ltd.	Investment in other companies	Singapore	100	100
<b>Held by the Company's subsidiaries</b>				
AAPICO Plastics Plc. (100% held by AAPICO Forging Plc.)	Manufacture and contract manufacture of plastic parts	Thailand	100	100
AAPICO Precision Company Limited (100% held by AAPICO Forging Plc.)	Manufacture of autoparts	Thailand	100	100
Katsuya (Thailand) Company Limited (24% held by AAPICO Plastics Plc.)	Manufacture of autoparts	Thailand	24	24
AAPICO Engineering Sdn. Bhd.(49% held by Tenaga Setia Resources Sdn. Bhd. and 51% held by New Era Sales (M) Sdn. Bhd.)	Investment in other companies	Malaysia	49	49
AAPICO ITS Sdn. Bhd. (49 percent held by AAPICO ITS Company Limited)	Manufacture of software for car navigation systems and distribution of its derivatives	Malaysia	29	29
AAPICO QI Sdn. Bhd. (60% held by AAPICO ITS Company Limited and 40% held by Quantum Inventions Pte. Ltd.)	Manufacture of software for car navigation systems and distribution of its derivatives	Malaysia	-	46
Able ITS Pte. Ltd. (100% held by AAPICO ITS Company Limited)	Investment in other companies	Singapore	60	60

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
  - f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
  - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

### **3. New financial reporting standards**

#### **(a) Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’ financial statements.

#### **(b) Financial reporting standards that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are valued after deducting discounts and allowance.

###### *Rendering of services*

Service revenues are recognised when services have been rendered taking into account the stage of completion.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

###### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

##### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

##### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

##### **4.4 Inventories**

Finished goods and work in process are valued at the lower of average cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Merchandise inventories are valued at the lower of cost (specific basis for automobiles and the first-in, first-out method for others) and net realisable value.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Certain subsidiaries record other merchandise inventories using the first-in, first-out method. The effect of the difference in accounting policy is immaterial to the consolidated financial statements.

#### **4.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries, joint ventures and associates, accounted for in the separate financial statements, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

#### **4.6 Property, plant and equipment/Depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment (except for some of factory equipment, on a production unit method and diminishing method) are calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Buildings and building improvements	5 - 35 years
Apartment	20 years
Machinery and factory equipment	3 - 20 years
Motor vehicles and office equipment	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **4.8 Intangible assets and amortisation**

The intangible assets are carried at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Intangible assets with finite useful lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss on the following basis.

Computer software	Straight-line basis over useful lives of 5 and 10 years
Cost of product development	Depending on unit sold

#### **4.9 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.10 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### **4.11 Long-term leases**

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease term. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of assets which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on the straight line basis over the lease term.

#### **4.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements as measured using the functional currency of the entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange rate are included in determining income.

#### **4.13 Impairment of assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

#### **4.14 Income tax**

Income tax expenses represent the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

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

## **Deferred tax**

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

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

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

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

### **4.15 Employee benefits**

#### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

#### **Post-employment benefits and other long-term employee benefits**

##### *Defined contribution plans*

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

##### *Defined benefit plans and other long-term employee benefits*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefits plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in profit and loss.

#### **4.16 Treasury shares**

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury shares are determined by reference to the carrying amount and are presented as premium on treasury shares. Losses on disposal of treasury shares are determined by reference to the carrying amount and are presented net of premium on treasury shares and retained earnings, consecutively.

#### **4.17 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.18 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows.

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows.

### **Consolidation of subsidiaries that the Company holds less than half of shares**

The management of the Company determined that the Company has control over Tenaga Setia Resources Sdn. Bhd., New Era Sales (M) Sdn. Bhd., AAPICO Engineering Sdn. Bhd., AAPICO ITS Sdn. Bhd. and AAPICO QI Sdn. Bhd., even though the Company holds shares and voting rights that is less than half of shares and voting rights. This is because the Company has the ability to direct the significant activities. As a result, those companies are deemed to be included in the consolidated financial statements from the date on which the Company assumed control.

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates the expected loss from obsolete and slow-moving inventories based upon aging profile of inventories and the prevailing economic condition.

### **Allowance for doubtful accounts for receivables and loans**

In determining an allowance for doubtful accounts for receivables and loans, the management needs to exercise judgement and make estimates based upon consideration of, among other things, ability to make debt repayment, past collection history, the aging profile of outstanding debts and the prevailing economic conditions.

### **Impairment of assets**

The Group performed an impairment review in respect of assets, which consisted of investments and other assets whenever events or changes in circumstances indicate that the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use (calculated from the estimated future discounted cash flows) is less than the carrying amount.

The preparation of the estimated future discounted cash flows requires the management to make forecasts of future revenues and expenses, and appropriate discount rates and other assumptions.

### **Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Goodwill**

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligations under the defined benefit plan and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### Litigation

A subsidiary has contingent liabilities as a result of litigation. The subsidiary's used judgement to assess the results of the litigation and record this provision in the financial statements.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cash	1,628	1,818	29	48
Bank deposits	439,251	269,825	60,868	48,727
Total	<u>440,879</u>	<u>271,643</u>	<u>60,897</u>	<u>48,775</u>

As at 31 December 2017, bank deposits in savings accounts and fixed deposits of the Group carried interest at the rates between 0.25% and 2.03% per annum (2016: between 0.25% and 0.88% per annum), the Company only: between 0.38% and 0.40% per annum (2016: between 0.37% and 0.38% per annum).

## 7. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Held for trade investments				
Unit trusts (fixed income fund)				
- fair value	54,480	202,463	14,000	161,424
Held to maturity investments				
12-month fixed deposit	-	5,136	-	-
Total	<u>54,480</u>	<u>207,599</u>	<u>14,000</u>	<u>161,424</u>

As at 31 December 2016, fixed deposits of the Group carried interest at a rate of 0.9% per annum.

## 8. Related party transactions

8.1 During the years, significant business transactions with related parties, 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)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2017	2016	2017	2016	
<b>Transactions with subsidiaries</b>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	167	171	Close to selling price to third party
Sales of machinery and equipment	-	-	-	3	Cost plus margin of 5%
Dividend income	-	-	490	208	As declared
Interest income	-	-	150	116	4.03% - 5.00% p.a. (2016: 0.01% - 5.10% p.a.)
Rental income	-	-	2	3	Close to rental rates for other building in the vicinity
Management fee income	-	-	61	62	Approximate cost
Other income	-	-	20	11	Approximate cost
Purchases of goods and services	-	-	178	286	Cost plus margin, averaging around 2% - 25% (2016: 1% - 25%)
Purchases of machinery and equipment	-	-	7	13	Close to selling price to third party
Other expenses	-	-	11	16	Approximate cost
Interest expense	-	-	17	8	0.05% - 4.36% p.a. (2016: 0.50% - 5.10% p.a.)
<b>Transactions with associates and joint ventures</b>					
Sales of goods and services	214	210	-	1	Close to selling price to third party
Dividend income	118	-	117	96	As declared
Interest income	191	-	-	-	4.12% - 4.35% and 20.00% p.a.
Rental income	9	16	-	-	Close to rental rates for other building in the vicinity
Management fee income	6	5	6	5	Approximate cost
Other income	10	8	4	7	Approximate cost
Purchases of goods and services	274	269	192	180	Cost plus margin, averaging around 2% - 3% (2016: 1% - 3%), 20% and 46% (2016: 30 and 70%)

8.2 The balances of the accounts between the Company and those related parties as at 31 December 2017 and 2016

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Trade and other receivables - related parties (Note 9)</b>				
Subsidiaries	-	-	551,145	419,808
Associates	132,883	41,485	2,540	3,513
Joint ventures	254	13	210	-
Related persons				
(common shareholders/directors)	750	750	-	-
Total	<u>133,887</u>	<u>42,248</u>	<u>553,895</u>	<u>423,321</u>
<b>Trade and other payables - related parties (Note 21)</b>				
Subsidiaries	-	-	38,155	38,170
Associates	60,944	43,361	44,589	26,105
Related persons (director and management)	470	-	470	-
Total	<u>61,414</u>	<u>43,361</u>	<u>83,214</u>	<u>64,275</u>

8.3 The balances of loans between the Company and those related parties as at 31 December 2017 and 2016

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Short-term loans to related parties</b>				
Subsidiaries	-	-	384,863	378,600
Total	<u>-</u>	<u>-</u>	<u>384,863</u>	<u>378,600</u>
<b>Long-term loans to related parties</b>				
Subsidiaries	-	-	3,419,063	2,121,346
Associates	1,648,014	-	14,000	-
Total	<u>1,648,014</u>	<u>-</u>	<u>3,433,063</u>	<u>2,121,346</u>
<b>Short-term loans from related parties</b>				
Subsidiaries	-	-	553,710	421,140
Related company (common director)	11,282	4,794	-	-
Total	<u>11,282</u>	<u>4,794</u>	<u>553,710</u>	<u>421,140</u>

8.4 The movements of loans between the Company and those related parties during the year ended 31 December 2017

Loans to related parties	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	-	2,499,946
Increase during the year	1,715,723	4,522,758
Decrease during the year	-	(3,131,484)
Unrealised loss on exchange rate	(50,031)	(73,294)
Translation adjustments	(17,678)	-
Balance as at 31 December 2017	<u>1,648,014</u>	<u>3,817,926</u>

Loans from related parties	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	4,794	421,140
Increase during the year	6,447	3,679,417
Decrease during the year	-	(3,546,847)
Translation adjustments	41	-
Balance as at 31 December 2017	<u>11,282</u>	<u>553,710</u>

8.5 Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	30,509	29,694	30,509	29,694
Post-employment benefits	134	170	134	170
Total	<u>30,643</u>	<u>29,864</u>	<u>30,643</u>	<u>29,864</u>

8.6 Guarantee obligations with related parties

The Company has outstanding guarantee obligations for credit facilities of its related parties, as described in Note 34.5 to the financial statements.

## 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	33,500	35,892	18,121	28,963
Total trade receivables - related parties	33,500	35,892	18,121	28,963
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due and past due				
not over 3 months	2,014,202	1,780,541	239,703	191,737
Past due 3 - 12 months	1,393	690	6	12
Past due more than 12 months	14,463	3,329	173	199
Total	2,030,058	1,784,560	239,882	191,948
Less: Allowance for doubtful accounts	(14,402)	(3,044)	(197)	(14)
Total trade receivables - unrelated parties, net	2,015,656	1,781,516	239,685	191,934
Total trade receivables - net	2,049,156	1,817,408	257,806	220,897
<b>Other receivables</b>				
Advances - related parties	3,102	5,193	2,488	3,513
Advances - unrelated parties	20,569	18,607	-	-
Interest receivable - related parties	92,244	-	521,530	379,968
Accrued income - related parties	-	-	2,702	-
Accrued income - unrelated parties	28,841	23,406	-	-
Others - related parties	5,041	1,163	9,054	10,877
Others - unrelated parties	21,173	15,036	1,086	1,535
Total other receivables - net	170,970	63,405	536,860	395,893
Total trade and other receivables - net	2,220,126	1,880,813	794,666	616,790

## 10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	541,791	521,798	(19,684)	(14,125)	522,107	507,673
Raw materials, spare parts and supplies	442,211	416,292	(42,726)	(57,343)	399,485	358,949
Work in process	218,223	190,195	(30,169)	(19,141)	188,054	171,054
Goods in transit	11,452	7,176	-	-	11,452	7,176
<b>Total</b>	<b>1,213,677</b>	<b>1,135,461</b>	<b>(92,579)</b>	<b>(90,609)</b>	<b>1,121,098</b>	<b>1,044,852</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	47,523	51,375	(4,173)	(2,093)	43,350	49,282
Raw materials, spare parts and supplies	51,884	51,824	(11,754)	(10,547)	40,130	41,277
Work in process	6,918	7,712	(3,080)	(4,736)	3,838	2,976
<b>Total</b>	<b>106,325</b>	<b>110,911</b>	<b>(19,007)</b>	<b>(17,376)</b>	<b>87,318</b>	<b>93,535</b>

During the year 2017, the Group reduced cost of inventories by Baht 2 million (2016: Baht 36 million), to reflect the net realisable value, the Company only: Baht 2 million (2016: Baht 9 million). This was included in cost of sales.

As at 31 December 2017, certain subsidiaries have pledged finished goods of Baht 95 million (2016: Baht 158 million) to secure loans from banks.

## 11. Investments in associates

### 11.1 Details of investments in associates

(Unit: Thousand Baht)

		Consolidated financial statements					
Company	Nature of business	Shareholding percentage		Cost		Carrying amounts based on equity method	
		2017	2016	2017	2016	2017	2016
		(%)	(%)				
<b>Associates in Thailand</b>							
Able Sanoh Industries (1996) Company Limited	Manufacture and distribution of autoparts	46	46	30,700	30,700	626,530	508,899
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	20	20	29,250	29,250	89,098	78,073
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	40	40	151,400	151,400	130,121	135,406
Thai Takagi Seiko Company Limited	Distribution of dies	49	49	49,587	49,587	11,066	31,486
Hyundai Motor (Thailand) Company Limited	Distribution of vehicles and parts	30	30	120,000	120,000	644,416	474,828
Edscha AAPICO Automotive Company Limited	Manufacture and distribution of autoparts	49	49	25,480	25,480	57,065	44,534
Sumino AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	49	49	147,000	147,000	127,120	115,546
<b>Associates in overseas</b>							
Quantum Inventions Pte., Ltd. (25% held by AAPICO Investment Pte., Ltd.)	Manufacture of car navigation systems	-	25	-	76,085	-	82,311
Sakthi Global Auto Holdings Limited (24.1% held by the Company and 1% held by AAPICO Investment Pte., Ltd.)	Holding company	25.1	-	1,702,423	-	1,774,960	-
Total				<u>2,255,840</u>	<u>629,502</u>	<u>3,460,376</u>	<u>1,471,083</u>

(Unit: Thousand Baht)

		Separate financial statements							
Company		Shareholding percentage		Cost		Allowance for impairment		Carrying amounts based on cost method - net	
		2017	2016	2017	2016	2017	2016	2017	2016
		(%)	(%)						
<b>Associates in Thailand</b>									
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	-	-	29,250	29,250
MINTH AAPICO (Thailand) Company Limited		40	40	151,400	151,400	-	-	151,400	151,400
Thai Takagi Seiko Company Limited		49	49	49,587	49,587	-	-	49,587	49,587
Hyundai Motor (Thailand) Company Limited		30	30	120,000	120,000	-	-	120,000	120,000
Edscha AAPICO Automotive Company Limited		49	49	25,480	25,480	-	-	25,480	25,480
Sumino AAPICO (Thailand) Company Limited		49	49	147,000	147,000	-	-	147,000	147,000
<b>Associate in overseas</b>									
Sakthi Global Auto Holdings Limited		24.1	-	1,668,450	-	-	-	1,668,450	-
Total				<u>2,221,867</u>	<u>553,417</u>	<u>-</u>	<u>-</u>	<u>2,221,867</u>	<u>553,417</u>

## 11.2 Changes in investments in associates

### *The Company and a subsidiary*

In June 2017, the Group acquired 25.1% (24.1% held by the Company and 1% held by AAPICO Investment Pte., Ltd.) of the registered and paid-up share capital of Sakthi Global Auto Holdings Limited ("SGAH"), which was incorporated in the United Kingdom and is the holding company of a group companies engaged in the manufacture of automotive parts in India, Portugal and the United States with a value of USD 50 million. The structure of the investment is as follows.

- a. A USD 50 million investment in 2,510 newly issued ordinary shares of SGAH with a par value of USD 1 each, representing 25.1% of the total registered and paid-up share capital of SGAH.
- b. A USD 50 million synthetic convertible loan from the Company, carrying interest at a rate of 20% per annum, due and payable in full on 31 March 2020 and secured by directors of SGAH's parent company, the parent company of SGAH and the pledge of shares in SGAH's subsidiary in the United States.

The objective of this investment structure is that the synthetic convertible loan will form part of the purchase price of the 25.1% interest acquired, if conditions stipulated in the relevant agreement are fully met or waived. The conversion of the loan is dependent on the value of SGAH's shares, calculated on the basis of SGAH's future financial performance. The synthetic convertible loan is to be converted to 1 ordinary share (equivalent to 0.01% of total registered and paid-up shares of SGAH) on 31 March 2020 and this share has no special rights and is merely a consideration used to void the synthetic convertible loan for SGAH if it is able to meet the profit targets under the conversion conditions in the next 2 years. After the conversion, the Company's shareholding in SGAH will be 25.11%. The reinvestment is based on the following conditions applied as applicable.

- a. If 25.1% of the equity value of SGAH exceeds or equals USD 100 million, the Company will reinvest the amount of USD 50 million in exchange for 1 ordinary share in SGAH; or
- b. If 25.1% of the equity value of SGAH is between USD 50 million and USD 100 million, the Company will reinvest the amount in excess of USD 50 million of 25.1% of SGAH's equity value in exchange for 1 ordinary share in SGAH; or
- c. If 25.1% of the equity value of SGAH is less than USD 50 million, there will be no reinvestment, and the Company will not convert the synthetic convertible loan to 1 ordinary share in SGAH.

In June 2017, the Company paid SGAH USD 50 million for the purchase of the investment and provided a loan to SGAH of USD 50 million through AAPICO Investment Pte., Ltd., the Company's subsidiary in Singapore, or a total of USD 100 million, equivalent to Baht 3,404 million. The Company would recognise the excess of the purchase price over the fair value of the net assets acquired as goodwill which record as a part of investments in associates. However, some tangible assets is in process of appraisal by third parties in order to allocate the fair value associated with the assets. The Company expects to obtain this appraisal and complete the purchase price allocation by June 2018.

### *Subsidiaries*

In June 2017, AAPICO Investment Pte., Ltd. ("AIPL"), the Company's subsidiary, entered into an agreement to sell a 25% investment in Quantum Inventions Pte., Ltd. ("QI"), to an unrelated company ("buyer"). The Company's share of the proceeds from the sale after deducting related transaction fees was SGD 9.43 million.

Under the agreement, AAPICO ITS Company Limited, the Company's subsidiary, was required to sell its 60% interest in AAPICO QI Sdn. Bhd. to the buyer, with a value of SGD 0.45 million.

These sales of investments are made at the behest of the founders and major shareholders of QI, who are not related parties to the Group, and want to sell the whole business to the buyer. The subsidiaries of the Company received the proceeds from disposals of the investments in July and October 2017.

### 11.3 Share of profit (loss), share of other comprehensive income and dividend income

During the years, the Group recognised its share of profit (loss), share of other comprehensive income from investments in associates in the consolidated financial statements, and the Company recognised dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Company	Consolidated financial statements						Separate financial statements	
	Share of profit (loss)		Share of other comprehensive income		Dividend income		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Associates in Thailand</b>								
Able Sanoh Industries (1996) Company Limited	159,515	110,828	-	-	41,884	14,176	41,884	14,176
Sanoh Industries (Thailand) Company Limited	11,025	13,120	-	-	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(5,285)	(3,037)	-	(241)	-	-	-	-
Thai Takagi Seiko Company Limited	(20,420)	(9,169)	-	-	-	-	-	-
Hyundai Motor (Thailand) Company Limited	244,588	98,228	-	-	75,000	75,000	75,000	75,000
Edscha AAPICO Automotive Company Limited	12,531	9,918	-	-	-	6,533	-	6,533
Sumino AAPICO (Thailand) Company Limited	11,574	(1,935)	-	-	-	-	-	-
<b>Associates in overseas</b>								
Quantum Inventions Pte. Ltd.	1,937	7,342	-	(2,492)	929	3,789	-	-
Sakthi Global Auto Holdings Limited	72,537	-	-	-	-	-	-	-
Total	488,002	225,295	-	(2,733)	117,813	99,498	116,884	95,709

#### 11.4 Summarised financial information of material associates

Summarised information about financial position as at 31 December 2017 and 2016

(Unit: Million Baht)

	Able Sanoh Industries (1996) Company Limited		Hyundai Motor (Thailand) Company Limited		Sakthi Global Auto Holdings Limited	
	2017	2016	2017	2016	2017	2016
Current assets	1,403	993	2,314	1,637	3,898	-
Non-current assets	578	672	264	312	10,250	-
Current liabilities	(586)	(531)	(585)	(524)	(7,092)	-
Non-current liabilities	(22)	(18)	(8)	(6)	(5,256)	-
Net assets	1,373	1,116	1,985	1,419	1,800	-
Shareholding percentage (%)	45.6	45.6	30.0	30.0	25.1	-
Share of net assets	626	509	595	426	452	-
Goodwill	-	-	49	49	1,323	-
Carrying amounts of associates based on equity method	626	509	644	475	1,775	-

Summarised information about comprehensive income for the years ended 31 December 2017 and 2016

(Unit: Million Baht)

	Able Sanoh Industries (1996) Company Limited		Hyundai Motor (Thailand) Company Limited		Sakthi Global Auto Holdings Limited	
	2017	2016	2017	2016	2017*	2016
	Revenue	3,165	2,873	7,658	5,768	8,485
Profit (loss)	352	243	814	325	(37)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	352	243	814	325	(37)	-

\* Above financial information is for the period as from the date of investment in the associate to 31 December 2017.

## 12. Investments in subsidiaries

### 12.1 Details of investments in subsidiaries

Investments in subsidiaries as presented in the separate financial statements are as follows.

Company	Paid-up capital		Shareholding percentage		Cost	
	2017	2016	2017	2016	2017	2016
			(%)	(%)		
<b>Subsidiaries in Thailand</b>						
New Era Sales Company Limited	Baht 20 million	Baht 20 million	100	100	20,000	20,000
AAPICO Amata Company Limited	Baht 800 million	Baht 800 million	100	100	1,164,139	1,164,139
Able Motors Company Limited	Baht 20 million	Baht 20 million	100	100	19,999	19,999
AAPICO Engineering Company Limited	Baht 10 million	Baht 10 million	100	100	10,000	10,000
AAPICO Hitech Parts Company Limited	Baht 120 million	Baht 120 million	100	100	120,000	120,000
AAPICO Hitech Tooling Company Limited	Baht 65 million	Baht 65 million	100	100	65,000	65,000
AAPICO Forging Public Company Limited	Baht 500 million	Baht 500 million	100	100	1,823,907	1,823,907
AAPICO Structural Products Company Limited	Baht 200 million	Baht 200 million	100	100	200,000	200,000
AAPICO Technology Company Limited	Baht 0.25 million	Baht 0.25 million	100	100	250	250
AAPICO Training Center Company Limited	Baht 3 million	Baht 3 million	100	100	3,000	3,000
AAPICO Venture Company Limited	Baht 20 million	Baht 20 million	100	100	20,000	20,000
Foton Passenger Vehicles Distribution (Thailand) Company Limited	Baht 25 million	Baht 25 million	97	97	24,250	24,250
AERP Company Limited	Baht 1.25 million	Baht 1.25 million	94	88	1,175	1,100
Katsuya (Thailand) Company Limited	Baht 28.5 million	Baht 28.5 million	76	76	15,675	15,675
AAPICO Lemtech (Thailand) Company Limited	Baht 40 million	Baht 40 million	60	60	24,000	24,000
AAPICO ITS Company Limited	Baht 100 million	Baht 100 million	60	60	62,175	62,175
AAPICO Mitsuike (Thailand) Company Limited	Baht 8.25 million	Baht 8.25 million	51	51	4,208	4,208
<b>Subsidiaries in overseas</b>						
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	USD 8.1 million	USD 8.1 million	100	100	277,426	277,426
AAPICO Investment Pte., Ltd.	SGD 6.97 million	SGD 6.97 million	100	100	167,950	167,950
Tenaga Setia Resources Sdn. Bhd.	RM 6 million	RM 6 million	49	49	31,393	31,393
New Era Sales (M) Sdn. Bhd.	RM 1.5 million	RM 1.5 million	49	49	8,263	8,263
Total					4,062,810	4,062,735
Less: Allowance for impairment					(1,336,608)	(1,336,608)
Net					2,726,202	2,726,127

The above net investments in subsidiaries included investment in a subsidiary which has a capital deficit. The Group's management is implementing financial and operational measures to improve the subsidiary's future performance and this subsidiary's operating results have been improved since prior year.

## 12.2 Changes in investments in subsidiaries

### *The Company*

In June 2017, the Company purchased additional shares from the unrelated existing shareholders of AERP Company Limited. The additional investment increased the Company's shareholding from 88% to 94%.

### *Subsidiaries*

- a. In April 2017, the Board of Directors of AAPICO Forging Public Company Limited approved to purchase additional share capital increase of Baht 55 million of AAPICO Precision Company Limited, of which 25% of par value was initially called-up, totaling Baht 13.75 million, in order to maintain its percentage shareholding. The subsidiary paid in the additional share capital amounting to Baht 13.75 million in May 2017.
- b. Disposal of investment in a subsidiary of AAPICO ITS Company Limited, as described in Note 11.2 to the financial statements.
- c. During the current year, Tenaga Setia Resources Sdn. Bhd. and New Era Sales (M) Sdn. Bhd. purchased additional share capital increase of AAPICO Engineering Sdn. Bhd. of RM 1 million, in order to maintain their shareholding percentage.

## 12.3 Dividend income from subsidiaries for the years ended 31 December 2017 and 2016

Company	(Unit: Thousand Baht)	
	Separate financial statements	
	2017	2016
AAPICO Structural Products Company Limited	400,000	200,000
Tenaga Setia Resources Sdn. Bhd.	-	6,353
New Era Sales (M) Sdn. Bhd.	-	2,118
AAPICO Investment Pte., Ltd.	90,341	-
<b>Total</b>	<b>490,341</b>	<b>208,471</b>

#### 12.4 Details of subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2017	2016	2017	2016	2017	2016	2017	2016
	(%)	(%)						
Tenaga Setia Resources Sdn. Bhd.	51	51	126	105	21	22	-	7
New Era Sales (M) Sdn. Bhd.	51	51	58	45	13	12	-	2
AAPICO ITS Company Limited	40	40	14	21	(7)	(4)	-	-
AAPICO Lemtech (Thailand) Company Limited	40	40	15	15	-	(3)	-	-

#### 12.5 Summarised financial information that based on amounts before inter-company elimination of subsidiaries that have material non-controlling interests

Summarised information about financial position as at 31 December 2017 and 2016

(Unit: Million Baht)

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	2017	2016	2017	2016	2017	2016	2017	2016
Tenaga Setia Resources Sdn. Bhd.	267	274	58	52	73	118	4	2
New Era Sales (M) Sdn. Bhd.	202	166	162	168	118	103	123	139
AAPICO ITS Company Limited	32	45	14	20	11	13	3	3
AAPICO Lemtech (Thailand) Company Limited	37	26	36	41	35	28	-	-

Summarised information about comprehensive income for the years ended 31 December 2017 and 2016

(Unit: Million Baht)

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2017	2016	2017	2016	2017	2016	2017	2016
	Tenaga Setia Resources Sdn. Bhd.	2,452	2,160	40	42	3	(11)	43
New Era Sales (M) Sdn. Bhd.	1,623	1,370	24	24	1	(5)	25	19
AAPICO ITS Company Limited	17	32	(16)	(9)	-	-	(16)	(9)
AAPICO Lemtech (Thailand) Company Limited	113	82	(1)	(7)	-	-	(1)	(7)

Summarised information about cash flows for the years ended 31 December 2017 and 2016

(Unit: Million Baht)

Company	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Net increase (decrease) in cash and cash equivalents	
	2017	2016	2017	2016	2017	2016	2017	2016
	Tenaga Setia Resources Sdn. Bhd.	10	(53)	1	(2)	(41)	31	(30)
New Era Sales (M) Sdn. Bhd.	32	(4)	1	3	(7)	(9)	26	(10)
AAPICO ITS Company Limited	(3)	1	8	(1)	-	-	5	-
AAPICO Lemtech (Thailand) Company Limited	8	2	(3)	(15)	(5)	9	-	(4)

### 13. Investments in joint ventures

#### 13.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which is jointly controlled by the Group and other company. Detail of these investments is as follows.

(Unit: Thousand Baht)

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2017	2016	2017	2016	2017	2016
		(%)	(%)				
<b>Joint ventures in Thailand</b>							
AAPICO Sodectia (Thailand) Company Limited	Manufacture and distribution of autoparts	50	50	82,500	82,500	73,941	74,068
AAPICO Electronics Company Limited	Distribution of electronics equipment inventive	51	-	12,750	-	12,338	-
Mappico Company Limited (50% held by AAPICO Venture Co., Ltd.)	Technology services	-	50	-	200	-	196
Total				95,250	82,700	86,279	74,264

(Unit: Thousand Baht)

Joint venture	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method	
	2017	2016	2017	2016
	(%)	(%)		
<b>Joint ventures in Thailand</b>				
AAPICO Sodectia (Thailand) Company Limited	50	50	82,500	82,500
AAPICO Electronics Company Limited	51	-	12,750	-
Total			95,250	82,500

#### 13.2 Changes in investments in joint ventures

##### *The Company*

In April 2017, the Company purchased a 51% interest in AAPICO Electronics Company Limited, a newly established company in Thailand, which is 100% called-up, totaling Baht 12.75 million. This company has a registered share capital of Baht 25 million.

##### *Subsidiary*

In May 2017, AAPICO Venture Company Limited disposed of 2,000 shares of Mappico Company Limited, representing 50% interest, to an unrelated person at the price of Baht 0.2 million.

### 13.3 Share of profit (loss), share of other comprehensive income and dividend income

During the years, the Group recognised its share of profit or loss and share of comprehensive income from investments in joint ventures in the consolidated financial statements, and the Company recognised dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements				Separate financial statements	
	Share of loss		Share of other comprehensive income		Dividend income	
	2017	2016	2017	2016	2017	2016
AAPICO Sodecia (Thailand) Company Limited	127	761	-	-	-	-
AAPICO Electronics Company Limited	412	-	-	-	-	-
Mappico Company Limited	17	4	-	-	-	-
<b>Total</b>	<b>556</b>	<b>765</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 13.4 Summarised financial information of material joint ventures

Summarised information about financial position as at 31 December 2017 and 2016

(Unit: Million Baht)

	AAPICO Sodecia (Thailand) Company Limited	
	2017	2016
Cash and cash equivalents	24	25
Current assets	2	1
Non-current assets	122	122
Current liabilities	-	-
Net assets	148	148
Shareholding percentage (%)	50	50
Carrying amounts of joint venture based on equity method	74	74

Summarised information about comprehensive income for the years ended 31 December 2017 and 2016

(Unit: Million Baht)

	AAPICO Sodecia (Thailand) Company Limited	
	2017	2016
Revenue	-	-
Loss	(1)	(2)
Other comprehensive income	-	-
Total comprehensive income	(1)	(2)

**14. Other long-term investments**

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Investments in available-for-sale securities		
Marketable equity securities	-	160,666
Allowance for change in value and translation adjustments	-	(72,260)
	-	88,406
Other investments		
Equity securities	11,375	11,375
Total	11,375	99,781

During the current year, a subsidiary sold all of its available-for-sale securities to an unrelated individual at a price of Baht 105 million (net of share transferring fees and other related expenses). The subsidiary transferred loss previously recognised in other comprehensive income to the income statement amounting to Baht 62 million. The subsidiary transferred the securities to the unrelated individual, and received the payment in May 2017.

## 15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Building on leasehold land	Building and building improvements	Apartment	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation	
<b>Cost</b>								
1 January 2016	748,895	40,719	2,429,124	14,210	9,303,121	310,648	152,567	12,999,284
Acquisitions	-	-	9,063	-	27,446	40,265	90,454	167,228
Disposals/write-off	-	-	(6,855)	-	(31,454)	(39,824)	(13,208)	(91,341)
Transfer in (out)	-	-	2,945	-	182,705	5,550	(106,483)	84,717
Capitalised interest	-	-	-	-	-	-	357	357
Translation adjustments	-	-	(30,899)	-	(35,872)	(4,007)	(3,730)	(74,508)
31 December 2016	748,895	40,719	2,403,378	14,210	9,445,946	312,632	119,957	13,085,737
Acquisitions	-	-	9,248	-	33,669	45,677	70,627	159,221
Disposals/write-off	-	-	-	-	(17,311)	(29,645)	-	(46,956)
Decrease from disposal of a subsidiary	-	-	-	-	-	(556)	-	(556)
Transfer from inventories	-	-	-	-	41,617	2,441	-	44,058
Transfer to intangible assets	-	-	-	-	-	-	(9,431)	(9,431)
Transfer to other non-current assets	-	-	-	-	-	-	(4,587)	(4,587)
Transfer in (out)	-	-	7,126	-	78,257	3,415	(88,798)	-
Capitalised interest	-	-	-	-	-	-	303	303
Translation adjustments	-	-	(7,153)	-	(11,926)	(608)	(1,792)	(21,479)
31 December 2017	748,895	40,719	2,412,599	14,210	9,570,252	333,356	86,279	13,206,310

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Building on leasehold land	Building and building improvements	Apartment	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation	Total
<b>Accumulated depreciation</b>								
1 January 2016	-	25,527	972,923	1,550	5,997,369	127,428	-	7,124,797
Depreciation for the year	-	2,036	119,003	712	535,252	31,832	-	688,835
Depreciation on disposals/write-off	-	-	(2,053)	-	(28,645)	(28,680)	-	(59,378)
Translation adjustments	-	-	(6,575)	-	(17,415)	(2,922)	-	(26,912)
31 December 2016	-	27,563	1,083,298	2,262	6,486,561	127,658	-	7,727,342
Depreciation for the year	-	2,036	114,782	710	447,951	29,007	-	594,486
Depreciation on disposals/write-off	-	-	-	-	(14,274)	(10,387)	-	(24,661)
Decrease from disposal of a subsidiary	-	-	-	-	-	(130)	-	(130)
Transfer to inventories	-	-	-	-	(60)	-	-	(60)
Transfer to other non-current assets	-	-	-	-	(4,163)	-	-	(4,163)
Translation adjustments	-	-	(1,262)	-	(6,338)	(320)	-	(7,920)
31 December 2017	-	29,599	1,196,818	2,972	6,909,677	145,828	-	8,284,894
<b>Allowance for impairment loss</b>								
1 January 2016	-	-	-	-	27,792	-	-	27,792
Increase during the year	-	-	-	-	32,320	-	-	32,320
31 December 2016	-	-	-	-	60,112	-	-	60,112
31 December 2017	-	-	-	-	60,112	-	-	60,112
<b>Net book value</b>								
31 December 2016	748,895	13,156	1,320,080	11,948	2,899,273	184,974	119,957	5,298,283
31 December 2017	748,895	11,120	1,215,781	11,238	2,600,463	187,528	86,279	4,861,304
<b>Depreciation for the years</b>								
2016 (Baht 645 million included in manufacturing cost, and the balance in administrative expenses)								688,835
2017 (Baht 560 million included in manufacturing cost, and the balance in administrative expenses)								594,486

(Unit: Thousand Baht)

## Separate financial statements

	Land	Building and building improvements	Apartment	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation	Total
<b>Cost</b>							
1 January 2016	163,406	560,961	14,210	1,277,005	68,751	6,728	2,091,061
Acquisitions	-	-	-	-	2,499	32,667	35,166
Disposals/write-off	-	(2,684)	-	(4,583)	(12,362)	-	(19,629)
Transfer from inventories	-	-	-	10,079	-	-	10,079
Transfer in (out)	-	340	-	27,764	-	(28,104)	-
Capitalised interest	-	-	-	-	-	299	299
31 December 2016	163,406	558,617	14,210	1,310,265	58,888	11,590	2,116,976
Acquisitions	-	-	-	10,593	5,268	2,967	18,828
Disposals/write-off	-	-	-	(562)	-	-	(562)
Transfer to inventories	-	-	-	(891)	-	-	(891)
Transfer to intangible assets	-	-	-	-	-	(9,431)	(9,431)
Transfer in (out)	-	-	-	4,528	-	(4,528)	-
Capitalised interest	-	-	-	-	-	15	15
31 December 2017	163,406	558,617	14,210	1,323,933	64,156	613	2,124,935
<b>Accumulated depreciation</b>							
1 January 2016	-	242,522	1,550	521,362	54,332	-	819,766
Depreciation for the year	-	29,730	712	95,880	5,587	-	131,909
Depreciation on disposals/ write-off	-	(1,760)	-	(1,853)	(12,359)	-	(15,972)
31 December 2016	-	270,492	2,262	615,389	47,560	-	935,703
Depreciation for the year	-	31,797	711	80,188	4,926	-	117,622
Transfer to inventories	-	-	-	(60)	-	-	(60)
Depreciation on disposals/write-off	-	-	-	(555)	-	-	(555)
31 December 2017	-	302,289	2,973	694,962	52,486	-	1,052,710

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Building and building improvements	Apartment	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation	Total
<b>Allowance for impairment loss</b>							
1 January 2016	-	-	-	18,849	-	-	18,849
Increase during the year	-	-	-	18,000	-	-	18,000
31 December 2016	-	-	-	36,849	-	-	36,849
31 December 2017	-	-	-	36,849	-	-	36,849
<b>Net book value</b>							
31 December 2016	163,406	288,125	11,948	658,027	11,328	11,590	1,144,424
31 December 2017	163,406	256,328	11,237	592,122	11,670	613	1,035,376
<b>Depreciation for the years</b>							
2016 (Baht 125 million included in manufacturing cost, and the balance in administrative expenses)							131,909
2017 (Baht 111 million included in manufacturing cost, and the balance in administrative expenses)							117,622

During the year ended 31 December 2017, borrowing costs of Baht 0.3 million (2016: Baht 0.4 million) were capitalised as cost of assets under construction and installation, the Company only: Baht 0.02 million (2016: Baht 0.3 million). The weighted average rates used to determine the amount of borrowing costs eligible for capitalisation were 4.0% - 5.2% (2016: 4.0% - 5.2%).

As at 31 December 2017, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 25 Million (2016: Baht 18 million), the Company only: Baht 4 million (2016: Baht 4 million).

As at 31 December 2017, certain building, machinery and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 4,452 million (2016: Baht 3,974 million), the Company only: Baht 282 million (2016: Baht 218 million).

A subsidiary has mortgaged its building with a net book value as at 31 December 2017 of Baht 75 million (2016: Baht 80 million) to secure the credit facilities granted by a bank.

#### 16. Leasehold rights

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2017	2016
Cost	173,125	171,065
Accumulated amortisation	(39,693)	(36,669)
Net book value	<u>133,432</u>	<u>134,396</u>

A reconciliation of the net book value of leasehold right for the years 2017 and 2016

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Net book value at beginning of year	134,396	147,987
Increase during the year	5,000	-
Amortisation	(5,301)	(5,512)
Translation adjustments	(663)	(8,079)
Net book value at end of year	133,432	134,396

A subsidiary has pledged its land leasehold right with a net book value as at 31 December 2017 of Baht 76 million (2016: Baht 77 million) to secure the credit facilities granted by a bank.

## 17. Goodwill

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Goodwill from purchases of subsidiaries		
AAPICO Amata Company Limited	229,368	229,368
AAPICO Forging Public Company Limited	1,152,332	1,152,332
Other companies	5,162	5,162
Total	1,386,862	1,386,862
Less: Allowance for impairment	(1,152,332)	(1,152,332)
Net	234,530	234,530

For the purposes of impairment testing of goodwill from the acquisitions of subsidiaries, the Company determines the recoverable amount of assets from the value in use of assets by accessing the future cash flow projection based on the financial plan which approved by the management, and had the significant assumptions relating to the growth of revenue and discount rate.

## 18. Other intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software	Cost of product development	Total
<b>Cost</b>			
1 January 2016	152,109	96,027	248,136
Addition during the year	4,126	13,804	17,930
Transfer in	2,087	-	2,087
Write-off during the year	(8,014)	-	(8,014)
Translation adjustments	(412)	(12)	(424)
31 December 2016	149,896	109,819	259,715
Addition during the year	10,423	8,384	18,807
Transfer from assets under installation and inventories	9,946	-	9,946
Decrease from disposal of a subsidiary	(70)	(211)	(281)
Translation adjustments	(108)	(3)	(111)
31 December 2017	170,087	117,989	288,076
<b>Accumulated amortisation</b>			
1 January 2016	111,625	46,796	158,421
Amortisation	14,310	14,316	28,626
Write-off during the year	(8,014)	-	(8,014)
Translation adjustments	(171)	(8)	(179)
31 December 2016	117,750	61,104	178,854
Amortisation	14,139	18,360	32,499
Decrease from disposal of a subsidiary	(46)	(145)	(191)
Translation adjustments	(41)	(1)	(42)
31 December 2017	131,802	79,318	211,120
<b>Net book value</b>			
31 December 2016	32,146	48,715	80,861
31 December 2017	38,285	38,671	76,956

(Unit: Thousand Baht)

	Separate financial statements Computer software
<b>Cost</b>	
1 January 2016	75,054
Addition during the year	4,876
Write-off during the year	(7,472)
31 December 2016	72,458
Addition during the year	1,082
Transfer from assets under installation	9,431
31 December 2017	82,971
<b>Accumulated amortisation</b>	
1 January 2016	59,920
Amortisation	6,472
Write-off during the year	(7,472)
31 December 2016	58,920
Amortisation	5,707
31 December 2017	64,627
<b>Net book value</b>	
31 December 2016	13,538
31 December 2017	18,344

## 19. Deferred tax and income tax

### 19.1 Tax expenses (income) for the years ended 31 December 2017 and 2016

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax				
Current income tax charge	31,722	28,855	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(376)	(1,875)	(399)	(62)
Tax expenses (income) reported in the income statements	31,346	26,980	(399)	(62)

The company was not liable for corporate income tax for the years ended 31 December 2017 and 2016 due to taxable losses from its non-promoted operations.

19.2 The reconciliation between accounting profit and tax expenses (income) for the years ended 31 December 2017 and 2016

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Accounting profit before tax	<u>1,213,161</u>	<u>596,509</u>	<u>628,815</u>	<u>353,311</u>
Accounting profit before tax multiplied by applicable tax rates:				
Applicable tax rate 15%	1,904	(5,085)	-	-
Applicable tax rate 20%	258,432	107,645	125,763	70,662
Applicable tax rate 24%	21,445	22,124	-	-
	281,781	124,684	125,763	70,662
Unrecognised deferred tax assets:				
Tax losses	35,274	22,726	1,794	5,178
Share of profit from investments in associates and joint ventures	(97,489)	(44,906)	-	-
	(62,215)	(22,180)	1,794	5,178
Utilisation of unrecognised deferred tax assets - tax losses	(10,043)	(8,680)	-	-
Effects of:				
Promotional privileges (Note 31)	(108,356)	(80,695)	(23,750)	(21,163)
Income not subject to tax	(55,935)	-	(103,377)	(60,836)
Non/double deductible expenses and eliminations	(13,886)	13,851	(829)	6,097
	<u>(178,177)</u>	<u>(66,844)</u>	<u>(127,956)</u>	<u>(75,902)</u>
Tax expenses (income) reported in the income statements	<u>31,346</u>	<u>26,980</u>	<u>(399)</u>	<u>(62)</u>

19.3 The components of deferred tax assets and liabilities as at 31 December 2017 and 2016

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	-	15	-	-
Allowance for diminution in value of inventories	2,669	3,422	640	565
Accumulated depreciation - plant and equipment	2,149	1,147	-	-
Allowance for asset impairment	2,642	2,701	2,617	2,617
Provision for long-term employee benefits	5,685	5,133	3,229	2,929
Unused tax losses	1,122	1,343	-	-
Others	-	496	-	2
<b>Total</b>	<b>14,267</b>	<b>14,257</b>	<b>6,486</b>	<b>6,113</b>
<b>Deferred tax liabilities</b>				
Accumulated depreciation - equipment	-	391	-	-
Others	165	140	112	138
<b>Total</b>	<b>165</b>	<b>531</b>	<b>112</b>	<b>138</b>
<b>Net</b>	<b>14,102</b>	<b>13,726</b>	<b>6,374</b>	<b>5,975</b>

19.4 As at 31 December 2017, the Group has unused tax losses totaling Baht 907 million (2016: Baht 877 million), the Company only: Baht 114 million (2016: Baht 105 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

As at 31 December 2017, the unused tax losses of the Company will expire by 2022 (2016: by 2021).

As at 31 December 2017, most of unused tax losses of the subsidiaries will expire by 2022 (2016: by 2021).

**20. Short-term loans from banks**

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	2017	2016	2017	2016	2017	2016
Promissory notes	2.00 - 4.50	4.50	218,000	9,500	213,000	-
Short-term loans	4.35 - 7.15	4.55 - 7.15	272,968	316,703	-	-
<b>Total</b>			<b>490,968</b>	<b>326,203</b>	<b>213,000</b>	<b>-</b>

### *The Company*

The Company's short-term loans from banks are clean loans, while long-term loans from banks are clean loans with a negative pledge of assets belonging to the Company and its subsidiaries.

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.

### *The subsidiaries*

Certain subsidiaries' bank overdrafts, short-term loans and long-term loans from banks are secured by the pledge of inventories, land leasehold right, buildings, a letter of guarantee, a letter of credit, and guarantees provided by the Company or subsidiaries, with a negative pledge of assets by the Group.

## **21. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Related parties				
Trade payables	47,835	34,685	50,987	34,772
Advances	470	-	470	394
Share subscription payable	-	200	19,450	19,450
Accrued interest expenses	-	-	1,630	1,237
Accrued expenses	13,109	8,476	10,677	8,422
Total	61,414	43,361	83,214	64,275
Unrelated parties				
Trade payables	1,863,874	1,716,916	318,140	316,341
Advances	-	100	-	-
Accrued interest expenses	8,899	6,661	8,899	6,660
Payables for purchase of assets	24,049	12,621	889	-
Accrued expenses	139,818	114,253	32,945	40,307
Others	139,386	169,180	21,058	23,048
Total	2,176,026	2,019,731	381,931	386,356
Total trade and other payables	<u>2,237,440</u>	<u>2,063,092</u>	<u>465,145</u>	<u>450,631</u>

## 22. Long-term loans

### 22.1 Details of long-term loans from banks as at 31 December 2017 and 2016

(Unit: Thousand Baht)						
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2017	2016	2017	2016
1	BLR - 2.1	Repayable in 180 monthly installments, with the first due in March 2008	91,740	101,140	-	-
2	5.225	Repayable in quarterly installments within 3 years, with the first due in January 2014	-	26,482	-	-
3	MLR - 2	Repayable in 36 monthly installments, with the first due in October 2014	-	206,000	-	206,000
4	4.5	Repayable in quarterly installments within 3 years, with the first due in June 2015	61,200	184,400	61,200	184,400
5	MLR - 2.25	Repayable in quarterly installments within 4 years, with the first due in September 2014	-	50,000	-	50,000
6	MLR - 2.25	Repayable in quarterly installments within 3 years, with the first due in March 2016	120,000	260,000	120,000	260,000
7	4.3	Repayable in quarterly installments within 5 years, with the first due in October 2016	105,200	268,400	105,200	268,400
8	3.98	Repayable in quarterly installments within 5 years, with the first due in May 2017	1,350,000	-	1,350,000	-
9	5.225	Repayable in quarterly installments within 4 years, with the first due in February 2018	40,111	-	-	-

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	Consolidated		Separate	
			financial statements	financial statements	financial statements	financial statements
			2017	2016	2017	2016
10	3.02	Repayable in quarterly installments within 3 years, with the first due in January 2018	300,000	-	300,000	-
11	LIBOR + 2.5	Repayable in quarterly installments within 5 years, with the first due in March 2018	985,416	-	985,416	-
Total			3,053,667	1,096,422	2,921,816	968,800
Less: Portion due within one year			(834,904)	(603,325)	(811,083)	(582,400)
Portion due more than one year			2,218,763	493,097	2,110,733	386,400

The loan agreements contain conditions and covenants as discussed in Note 20 to the financial statements.

## 22.2 Movements in the long-term loans from banks account during the year ended 31 December 2017

(Unit: Thousand Baht)

Movements	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2017	1,096,422	968,800
Additions during the year	2,658,328	2,629,050
Repayments during the year	(707,624)	(682,400)
Unrealised loss on exchange rate	6,366	6,366
Translation adjustments	175	-
Balance as at 31 December 2017	3,053,667	2,921,816
Less: Portion due within one year	(834,904)	(811,083)
Portion due more than one year	2,218,763	2,110,733

## 22.3 As at 31 December 2016, the long-term credit facilities of the Group which were not drawn down amounted to Baht 26 million (2017: none).

### 23. Long-term debentures

The Company issued the unsecured, senior, name-registered debentures and offered them to institutional and large investors by private placement as detailed below.

(Unit: Thousand Baht)

Debentures	Interest rate (% per annum)	Term (years)	Due date	Consolidated/Separate financial statements	
				2017	2016
No. 1/2015	4.34	3	29 April 2018	800,000	800,000
No. 1/2016	3.10	3	11 June 2019	300,000	300,000
No. 1/2017	3.09	3	6 October 2020	300,000	-
Total debentures - at face value				1,400,000	1,100,000
Less: Deferred debenture issuing costs				(710)	(1,251)
Long-term debentures - net				1,399,290	1,098,749
Less: Portion due within one year				(799,778)	-
Portion due more than one year				599,512	1,098,749

The debentures contain terms of the issuer relating to the transfer or disposal of assets that need to be used in or maintained for the operation of the business, negative pledges of assets and the maintenance of a certain financial ratio at the end of each quarter.

### 24. Liabilities under finance lease agreements

#### 24.1 Details of liabilities under finance lease agreements as at 31 December 2017 and 2016

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Liabilities under finance lease agreements	24,163	18,102	4,303	4,122
Less: Deferred interest expenses	(1,622)	(1,304)	(242)	(306)
Total	22,541	16,798	4,061	3,816
Less: Portion due within one year	(7,469)	(5,771)	(1,651)	(1,183)
Portion due more than one year	15,072	11,027	2,410	2,633

The Group has entered into the finance lease agreements with leasing companies for rental of machinery, motor vehicles and equipment for use in its operations, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years and are non-cancellable.

24.2 Future minimum lease payments required under the finance lease agreements as at 31 December 2017 and 2016

	(Unit: Thousand Baht)		
	2017		
	<u>Consolidated financial statements</u>		
	Less than		
	<u>1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	8,194	15,969	24,163
Deferred interest expenses	(725)	(897)	(1,622)
Present value of future minimum lease payments	<u>7,469</u>	<u>15,072</u>	<u>22,541</u>
	(Unit: Thousand Baht)		
	2016		
	<u>Consolidated financial statements</u>		
	Less than		
	<u>1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	6,386	11,716	18,102
Deferred interest expenses	(615)	(689)	(1,304)
Present value of future minimum lease payments	<u>5,771</u>	<u>11,027</u>	<u>16,798</u>
	(Unit: Thousand Baht)		
	2017		
	<u>Separate financial statements</u>		
	Less than		
	<u>1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	1,797	2,506	4,303
Deferred interest expenses	(146)	(96)	(242)
Present value of future minimum lease payments	<u>1,651</u>	<u>2,410</u>	<u>4,061</u>
	(Unit: Thousand Baht)		
	2016		
	<u>Separate financial statements</u>		
	Less than		
	<u>1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	1,341	2,781	4,122
Deferred interest expenses	(158)	(148)	(306)
Present value of future minimum lease payments	<u>1,183</u>	<u>2,633</u>	<u>3,816</u>

## 25. Provision for long-term employee benefits

25.1 Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Group and long service awards, was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for retirement benefits	Provision for other long-term benefits	Total
Balance as at 1 January 2016	94,142	2,205	96,347
Included in profit or loss			
Current service cost	10,008	221	10,229
Interest cost	2,852	63	2,915
Benefit paid during the year	(5,508)	(82)	(5,590)
Balance as at 31 December 2016	101,494	2,407	103,901
Included in profit or loss			
Current service cost	10,070	203	10,273
Interest cost	3,057	61	3,118
Past service cost	-	4,453	4,453
Benefit paid during the year	(9,051)	(89)	(9,140)
Balance as at 31 December 2017	105,570	7,035	112,605

(Unit: Thousand Baht)

	Separate financial statements		
	Provision for retirement benefits	Provision for other long-term benefits	Total
Balance as at 1 January 2016	14,772	-	14,772
Included in profit or loss			
Current service cost	2,063	-	2,063
Interest cost	450	-	450
Benefit paid during the year	(1,232)	-	(1,232)
Balance as at 31 December 2016	16,053	-	16,053
Included in profit or loss			
Current service cost	2,024	-	2,024
Interest cost	499	-	499
Past service cost	-	1,361	1,361
Benefit paid during the year	(555)	-	(555)
Balance as at 31 December 2017	18,021	1,361	19,382

During the current year, the Company and certain subsidiaries amended their defined benefits plans, introducing additional benefits in the form of long service awards. This had resulted in an increase of Baht 4.5 million in the Group's liabilities related to past service cost (the Company only: Baht 1.4 million).

25.2 Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cost of sales	14,838	10,062	3,042	1,731
Selling and administrative expenses	3,006	3,082	842	782
Total	<u>17,844</u>	<u>13,144</u>	<u>3,884</u>	<u>2,513</u>

25.3 The Group expects to pay Baht 5.0 million of long-term employee benefits during the next year (2016: Baht 7.3 million), the Company only: Baht 0.3 million (2016: Baht 0.5 million).

25.4 As at 31 December 2017 and 2016, the weighted average duration of the liabilities for long-term employee benefits is 17 years.

25.5 Significant actuarial assumptions

	Consolidated/Separate	
	financial statements	
	2017	2016
	(% per annum)	(% per annum)
Discount rate	3.1	3.1
Salary increase rate	4.0 - 6.0	4.0 - 6.0
Gold price inflation rate	3.0	3.0

25.6 The result of sensitivity analysis for significant assumptions that affect the increase (decrease) in present value of long-term employee benefit obligations as at 31 December 2017 and 2016

	(Unit: Thousand Baht)			
	Provision for retirement benefits			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Discount rate				
Increase by 1%	(11,271)	(10,442)	(1,944)	(1,731)
Decrease by 1%	13,315	12,314	2,292	2,039
Salary increase rate				
Increase by 1%	12,740	11,784	2,085	1,855
Decrease by 1%	(11,213)	(10,213)	(1,808)	(1,610)

(Unit: Thousand Baht)

	Provision for other long-term benefits			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Discount rate				
Increase by 1%	(431)	(106)	(72)	-
Decrease by 1%	488	116	81	-

## 26. Provision for product warranty

(Unit: Thousand Baht)

	Consolidated
	financial statements
As at 1 January 2016	12,242
Increase during the year	14,145
Utilisation	(814)
Reversal of provisions	(3,110)
As at 31 December 2016	22,463
Increase during the year	8,935
Utilisation	(735)
Reversal of provisions	(3,539)
As at 31 December 2017	27,124

The subsidiary recognises a provision for expected warranty claims on products sold, based on past experience of the level of repairs and returns.

## 27. Treasury shares

On 26 February 2016, the Company's Board of Directors' meeting passed a resolution to approve a share repurchase program for financial management purposes for the amount not exceeding Baht 150 million. The number of ordinary shares to be repurchased did not exceed 14.5 million shares, with a par value of Baht 1 per share, equivalent to 4.5% of paid-up capital of the Company. The Company repurchased its ordinary shares through the Stock Exchange of Thailand from 15 March 2016 to 14 September 2016 and will resell these shares through the Stock Exchange of Thailand. Treasury shares could not be counted in determining a quorum and there were no voting or dividend rights.

As of the end of the repurchase period, the Company repurchased 6,007,700 of its shares under the share repurchase program, equivalent to 1.9% of its paid-up capital, at a total cost of Baht 76 million. At the same time, an equivalent amount was appropriated from retained earnings to treasury share reserve.

On 28 February 2017, the Company's Board of Directors' meeting passed a resolution to approve treasury shares sales through the Stock Exchange of Thailand from 15 March 2017 to 13 September 2019. If there are remaining treasury shares after the end of sales period, the Company will register the decrease in its share capital with the Ministry of Commerce equivalent to the remaining balance of treasury shares.

As at 31 December 2017, the Company has yet to sell any treasury shares under the program.

## 28. Dividend paid

Dividend	Approved by	No. of shares	Dividend per share	Dividend paid
		(Thousand shares)	(Baht)	(Thousand Baht)
Final dividend for 2016	The Annual General Meeting of shareholders on 20 April 2017	316,576	0.33	104,354
Interim dividend for 2017	The Board of Directors' Meeting on 14 August 2017	316,576	0.60	189,944
Total for 2017				<u>294,298</u>
Final dividend for 2015	The Annual General Meeting of shareholders on 27 April 2016	322,584	0.20	64,517
Interim dividend for 2016	The Board of Directors' Meeting on 11 August 2016	318,117	0.33	104,978
Total for 2016				<u>169,495</u>

## 29. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

### 30. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Salaries, wages and other employee benefits	1,338,239	1,435,133	273,882	276,298
Depreciation and amortisation	632,286	722,973	123,329	138,381
Loss on exchange rate	87,632	-	85,108	720
Loss on disposal of other long-term investment	61,789	-	-	-
Loss on impairment of assets	-	32,320	-	18,000
Rental expenses from operating lease agreements	86,356	77,343	14,573	9,178
Raw materials and consumables used	7,305,248	6,355,686	1,004,949	836,235
Purchases of merchandise goods	5,271,285	4,665,733	-	-
Changes in finished goods and work in process	(48,021)	27,925	4,646	31,215

### 31. Promotional privileges

The Group has received promotional privileges from the Board of Investment for various operations. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on net profit of the following activities.

	Exemption from corporate income tax for the periods of		
	3 years	7 years	8 years
	commencing from	commencing from	commencing from
<b>The Company</b>			
Manufacture of stamping parts	-	-	19 May 2011
<b>Subsidiaries</b>			
AAPICO Hitech Parts Company Limited			
Manufacture of metal and electronic parts	-	-	18 December 2012
AAPICO Hitech Tooling Company Limited			
Manufacture of die and grapple parts	-	-	8 January 2013
AAPICO ITS Company Limited			
Software operation	-	-	14 August 2009 (expired)
AAPICO Precision Company Limited			
Manufacture of autoparts	-	-	17 July 2014
AAPICO Plastics Public Company Limited			
Manufacture of plastic parts	Not yet utilised	-	-
Manufacture of plastic autoparts	Not yet utilised	-	-
Manufacture of plastic autoparts	-	-	10 June 2009 (expired)

	Exemption from corporate income tax for the periods of		
	3 years	7 years	8 years
	commencing from	commencing from	commencing from
AAPICO Structural Products Company Limited			
Manufacture of autoparts	-	3 January 2012	-
Manufacture of autoparts	-	Not yet utilised	-
AAPICO Amata Company Limited			
Manufacture of metal parts	-	21 December 2010 (expired)	-
Manufacture of metal parts	-	Not yet utilised	-
AAPICO Lemtech (Thailand) Company Limited			
Manufacture of metal parts	-	12 February 2014	-

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	Separate financial statements					
	2017			2016		
	Promoted operations	Non-promoted operations	Total	Promoted operations	Non-promoted operations	Total
Sales and service income						
Domestic	943,865	1,041,110	1,984,975	914,821	1,113,645	2,028,466
Export	148	16,850	16,998	143	17,468	17,611
Total	<u>944,013</u>	<u>1,057,960</u>	<u>2,001,973</u>	<u>914,964</u>	<u>1,131,113</u>	<u>2,046,077</u>

### 32. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issue during the year, net of treasury shares held by the Company as follows.

(Unit: Thousand Baht/Thousand shares)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Profit attributable to shareholders of the Company	<u>1,157,614</u>	<u>543,092</u>	<u>629,214</u>	<u>353,373</u>
Number of ordinary shares issues	322,584	322,584	322,584	322,584
Effect of treasury shares	<u>(6,008)</u>	<u>(2,883)</u>	<u>(6,008)</u>	<u>(2,883)</u>
Weighted average number of ordinary shares	<u>316,576</u>	<u>319,701</u>	<u>316,576</u>	<u>319,701</u>
Earnings per share (Baht)	<u>3.66</u>	<u>1.70</u>	<u>1.99</u>	<u>1.11</u>

### 33. Provident fund

The Company and certain subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Both employees who are member of the funds and the Company and certain subsidiaries contribute to the funds monthly at rates of 3% - 7% of wage or basic salary. The funds will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to Baht 27 million (2016: Baht 22 million), the Company only: Baht 4 million (2016: Baht 4 million) were recognised as expenses.

### 34. Commitments and contingent liabilities

#### 34.1 Capital commitments

As at 31 December 2017 and 2016, the Group had capital commitments relating to the acquisition of machinery from unrelated parties as follows.

(Unit: Million)

Currency	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Baht	1.6	3.5	-	-
RMB	5.2	2.5	-	-
EURO	0.3	-	-	-
USD	0.1	-	-	-

#### 34.2 Uncalled portion of long-term investments

As at 31 December 2017 and 2016, the Group had outstanding commitments in respect of uncalled portion of investments as follows.

(Unit: Million Baht)

Investment type	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Associate	25	25	25	25
Subsidiaries	131	89	89	89
Joint venture	68	68	68	68

### 34.3 Operating leases and service commitments

The Group has entered into operating lease agreements in respect of the lease of land, building, office building space, equipment and motor vehicle and service agreements. The terms of the agreements are generally between 1 and 10 years.

As at 31 December 2017 and 2016, the Group had future minimum payments required under these agreements as follows.

(Unit: Million Baht)

Payable	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
In up to 1 year	55	59	13	7
In over 1 to up to 5 years	94	73	18	15
In over 5 year	32	43	-	-

### 34.4 Long-term service commitments

Two local subsidiaries have entered into technical assistance agreements with a Japanese company and a German company, under which they have to pay fees at rates stipulated in the agreements, on sales of certain products. The first agreement is for one year and automatically renews annually for a further period of one year, while the other agreement is effective until 2027. Other two local subsidiaries have entered into memorandums with two Japanese companies, under which the subsidiaries have to pay fees at certain rates on sales of particular products. These agreements are effective for as long as the products are sold.

The fees for the year ended 31 December 2017 amounting to Baht 25 million (2016: Baht 22 million) were recognised as expenses.

### 34.5 Guarantees

- a) As at 31 December 2017, the Company has guaranteed bank credit facilities of its foreign subsidiary amounting to RMB 8 million (2016: RMB 18 million) and its local associate amounting to Baht 100 million (2016: Baht 100 million).
- b) As at 31 December 2017, two foreign subsidiaries have provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 11 million and RM 7 million, respectively (2016: RM 13 million and RM 8 million, respectively).

- c) As at 31 December 2017 and 2016, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows.

Letter of guarantee	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Contractual performance	Baht 31 million	Baht 24 million	-	-
Electricity use and others	Baht 30 million RM 0.3 million	Baht 30 million RM 0.2 million	Baht 6 million	Baht 6 million

- 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 limit of Baht 200 million. As at 31 December 2017 and 2016, the Company and its subsidiary had no guarantee liabilities under these agreements.

#### 34.6 Contingent liabilities

A subsidiary in China calculates social welfare payments for employees based on the minimum rate stipulated by the Labour and Social Security Bureau in the precinct in which it is located. However, according to central government regulations on this issue, the subsidiary should pay social welfare based on the actual salary of staff, if those salaries are between the lowest and highest salary rates stipulated. The subsidiary could therefore potentially be at risk of additional assessment by the Chinese authorities, which the subsidiary's management has assessed, as at 31 December 2017, would not exceed RMB 7.9 million (2016: not exceed RMB 3.6 million). However, the subsidiary's management believes that the practice is in line with that of other international firms situated in the same precinct, and the likelihood of such assessment is remote.

### **35. Litigation**

In late 2011, a subsidiary in which the Company has an equity interest of 60% 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 (“IP&IT Court”) ordered the dismissal of the criminal case. However, the plaintiff has appealed to the Supreme Court. In October 2014, the Supreme Court rendered its judgement in favor of the subsidiary. Therefore, the criminal case was finalised. In the civil case, the IP&IT Court rendered a judgement in favor of the plaintiff and the subsidiary was ordered to pay compensation of approximately Baht 1 million plus interest at a rate of 7.5% per annum from the date the lawsuit was filed until the payment is made. This subsidiary’s management has assessed the circumstances and believes that it will incur losses not exceeding the amount of the award ordered by the IP&IT Court. This subsidiary has therefore recorded provision for compensation claim of Baht 1 million in the 2014 financial statements. Subsequently, in May 2015, the subsidiary appealed this judgement of IP&IT Court to the Supreme Court. As of this report date, the case is being considered by the Supreme Court.

### **36. Segment information**

36.1 Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have three reported segments.

- 1) Manufacture of automobiles assembly tools and parts.
- 2) Sales of automobiles and provision of automobiles repair service.
- 3) Others represent the manufacture and sales of car navigation systems and services relating to technology.

No operating segments have been aggregated to from the above reportable operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

36.2 The following tables present revenues and profit (loss) information regarding the Group’s operating segments for the years ended 31 December 2017 and 2016.

(Unit: Million Baht)

	Manufacture of automobile assembly tools and parts segment		Sales of automobiles and provision of automobile repair service segment		Others		Total segments		Adjustments and eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenues</b>												
External customers	9,680	9,292	6,087	5,405	9	34	15,776	14,731	-	-	15,776	14,731
Inter-segment	1,157	1,270	4	2	10	11	1,171	1,283	(1,171)	(1,283)	-	-
<b>Total revenues</b>	<b>10,837</b>	<b>10,562</b>	<b>6,091</b>	<b>5,407</b>	<b>19</b>	<b>45</b>	<b>16,947</b>	<b>16,014</b>	<b>(1,171)</b>	<b>(1,283)</b>	<b>15,776</b>	<b>14,731</b>
Interest income	1	-	2	2	191	-	194	2	-	-	194	2
Depreciation and amortisation	594	682	31	35	7	6	632	723	-	-	632	723
Finance cost	133	115	16	16	-	-	149	131	-	-	149	131
<b>Segment profit (loss)</b>	<b>401</b>	<b>295</b>	<b>63</b>	<b>86</b>	<b>158</b>	<b>(25)</b>	<b>622</b>	<b>356</b>	<b>5</b>	<b>15</b>	<b>627</b>	<b>371</b>
Gain on disposal of investments in associate and joint venture											150	-
Gain on disposal of investment in subsidiary											10	-
Loss on disposal of other long-term investment											(62)	-
Share of profit from investments in associates and joint ventures											488	225
<b>Profit before income tax expenses</b>											<b>1,213</b>	<b>596</b>
Income tax expenses											(31)	(27)
<b>Profit for the year</b>											<b>1,182</b>	<b>569</b>

### 36.3 Geographic information

	(Unit: Million Baht)	
	For the years ended 31 December	
	2017	2016
Revenue from external customers based on country of domicile		
Thailand	11,116	10,771
China	631	482
Malaysia	4,029	3,478
Total	<u>15,776</u>	<u>14,731</u>

	(Unit: Million Baht)	
	As at 31 December	
	2017	2016
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	8,121	6,501
China	552	601
Malaysia	219	219
Total	<u>8,892</u>	<u>7,321</u>

### 36.4 Major customers

For the year 2017, the Group had revenues from 2 major customers in amount of Baht 5,397 million (2016: Baht 5,399 million derived from 2 major customers), arising from the manufacture of automobile assembly tools and parts segment.

## 37. Financial instruments

### 37.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, other long-term investments, trade and other payables, short-term and long-term loans, liabilities under finance lease agreements, and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Group is exposed to credit risks primarily with respect to trade and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. However, certain subsidiaries are exposed to concentrations of credit risk with respect to trade receivables because they have only main customer.

**Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash at bank, liabilities under finance lease agreements, debentures, and interest-carrying loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities of the Group classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

## Consolidated financial statements

	Fixed interest rates				Floating		Non-interest		Total		Interest rate	
	Within 1 year		1 - 5 years		interest rate		bearing				(% per annum)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	80	85	361	186	441	271	Note 6	Note 6
Current investments	-	5	-	-	-	-	54	202	54	207	-	0.9
Trade and other receivables	-	-	-	-	-	-	2,220	1,881	2,220	1,881	-	-
Long-term loans to related parties	-	-	1,648	-	-	-	-	-	1,648	-	20.0	-
Other long-term investments	-	-	-	-	-	-	11	100	11	100	-	-
	-	5	1,648	-	80	85	2,646	2,369	4,374	2,459		
<b>Financial liabilities</b>												
Short-term loans from banks	491	326	-	-	-	-	-	-	491	326	Note 20	Note 20
Trade and other payables	-	-	-	-	-	-	2,237	2,063	2,237	2,063	-	-
Short-term loans from related parties	11	5	-	-	-	-	-	-	11	5	5.0	5.0
Liabilities under finance lease agreements	7	6	15	11	-	-	-	-	22	17	2.0 - 7.8	1.9 - 7.1
Long-term loans	508	186	1,349	266	1,197	644	-	-	3,054	1,096	Note 22	Note 22
Long-term debentures	800	-	599	1,099	-	-	-	-	1,399	1,099	Note 23	Note 23
	1,817	523	1,963	1,376	1,197	644	2,237	2,063	7,214	4,606		

(Unit: Million Baht)

## Separate financial statements

	Fixed interest rates				Floating		Non-interest		Total		Interest rate	
	Within 1 year		1 - 5 years		interest rate		bearing				(% per annum)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Financial assets</b>												
Cash and cash equivalent	-	-	-	-	18	13	43	36	61	49	Note 6	Note 6
Current investments	-	-	-	-	-	-	14	161	14	161	-	-
Trade and other receivables	-	-	-	-	-	-	795	617	795	617	-	-
Loans to related parties	-	-	-	-	3,818	2,500	-	-	3,818	2,500	4.0 - 5.0	4.0 - 5.0
	-	-	-	-	3,836	2,513	852	814	4,688	3,327		
<b>Financial liabilities</b>												
Short-term loans from banks	213	-	-	-	-	-	-	451	213	-	Note 20	Note 20
Trade and other payables	-	-	-	-	-	-	465	-	465	451	-	-
Liabilities under finance lease agreements	2	2	2	2	-	-	-	-	4	4	3.8 - 5.8	4.5 - 5.8
Long-term loans	494	187	1,321	266	1,105	516	-	-	2,922	969	Note 22	Note 22
Long-term debentures	800	-	599	1,099	-	-	-	-	1,399	1,099	Note 23	Note 23
	1,509	189	1,922	1,367	1,105	516	465	451	5,003	2,523		

## Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from purchase/sales of goods and purchases of machinery transactions that are denominated in foreign currencies. The Group uses derivative instruments, as and when it considers appropriate, to manage such risks.

As at 31 December 2017 and 2016, the Group had outstanding forward foreign exchange contracts as follows.

2017			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
USD	2.5	33.00	November 2018

  

2016			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
USD	1.9	35.08 - 35.87	January - September 2017

In addition, the Group is exposed to foreign exchange risk on its investments in overseas subsidiaries and associates. These investments are currently not hedged by derivative financial instruments.

### 37.2 Fair values of financial instruments

The majorities of the Group's financial instruments are short-term in nature and loans and debentures carry interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

As at 31 December 2017 and 2016, the Group had the assets that were measured at fair value using different levels of inputs as follows.

(Unit: Thousand Baht)

Consolidated financial statements					
Level 1		Level 2		Total	
2017	2016	2017	2016	2017	2016

#### Financial assets measured at fair value

Held for trade investments

Debt instruments	-	-	54,480	202,463	54,480	202,463
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Available-for-sale investments

Equity instruments	-	88,406	-	-	-	88,406
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(Unit: Thousand Baht)

	Separate financial statements					
	Level 1		Level 2		Total	
	2017	2016	2017	2016	2017	2016
<b>Financial assets measured at fair value</b>						
Held for trade investments	-	-	14,000	161,42		161,42
Debt instruments				4	14,000	4

During the current year, there were no transfers within the fair value hierarchy.

### 38. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 1.1:1 (2016: 0.8:1) and the Company's was 1:1 (2016: 0.6:1).

### 39. Events after the reporting period

On 28 February 2018, a meeting of the Company's Board of Directors passed resolutions to propose for approval by the 2018 Annual General Meeting of the Company's shareholders the payment of a dividend of Baht 0.60 per share, totaling Baht 189.9 million, from the operating results of the Company for the accounting period from 1 July 2017 to 31 December 2017. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### 40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2018.