

**AAPICO Hitech Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month and nine-month periods ended 30 September 2019**

**1. General information**

**1.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

**1.2 Basis of consolidation**

These interim consolidated financial statements include the financial statements of AAPICO Hitech Public Company Limited (hereinafter called as "the Company") and its subsidiaries (hereinafter called as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018. During the current period, there was no significant change in the structure of the Group except for the changes in interests in investments in associate and joint venture, as mentioned in the notes 6.3 and 7.2 to financial statements.

**1.3 New financial reporting standards**

**a) Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below.

**TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

## Accounting standards

TAS 11 (revised 2017) Construction contracts

TAS 18 (revised 2017) Revenue

## Accounting standard interpretation

TSIC 31 (revised 2017) Revenue - Barter Transactions Involving Advertising Services

## Financial reporting standard interpretations

TFRIC 13 (revised 2017) Customer Loyalty Programmes

TFRIC 15 (revised 2017) Agreements for the Construction of Real Estate

TFRIC 18 (revised 2017) Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

During the current period, the Group has adopted TFRS 15 using the modified retrospective method of adoption, whereby the comparative information was not restated. The adoption of the financial reporting standard does not have any significant impact on the Group's financial statements, except for the reclassification of items in the consolidated financial statements.

The amounts of adjustments affecting reclassification of the consolidated statement of financial position as at 1 January 2019 and the consolidated statements of income for the three-month and nine-month periods ended 30 September 2019, with no effect to previously reported net profit or shareholders' equity, are summarised below.

(Unit: Thousand Baht)

	Consolidated statement of financial position		
	Previous TFRS	Increase (decrease)	TFRS 15
Other intangible assets	93,333	(50,504)	42,829
Assets recognised from costs to fulfill a contract with a customer	-	50,504	50,504

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated income statements

	Previous TFRS	Decrease	TFRS 15
<b>For the three-month period ended 30 September 2019</b>			
Revenues from contracts with			
customers	4,322,703	(4,777)	4,317,926
Selling and distribution expenses	68,782	(4,777)	64,005
<b>For the nine-month period ended 30 September 2019</b>			
Revenues from contracts with			
customers	13,175,580	(14,236)	13,161,344
Selling and distribution expenses	208,162	(14,236)	193,926

The above mentioned reclassifications are described below.

Cost to fulfill a contract with a customer - the Group has determined that product development costs, which were previously recorded as other intangible assets, consist of the costs to be incurred by the Group in satisfying those of its future performance obligations which relate directly to an existing contract or an anticipated contract, provided that the Group is able to specifically identify those costs and expects them to be recoverable. The Group therefore reclassified these items as assets recognised in respect of the costs incurred to fulfill a contract, as a separate item in the statement of financial position, and is amortising them to expenses on a systematic basis that is consistent with the pattern of revenue recognition under the contract, in accordance with the previous accounting policy.

Sales promotions to customers - the Group considers accounting for consideration payable to customers as a reduction of revenues from contracts with customers unless the payment to the customer is in exchange for a distinct goods that the customer transfers to the Group. Previously, the Group recorded sales promotions to customers as selling and distribution expenses.

**b) Financial reporting standards that will be effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards, except the following new standards involve changes to key principles, which are summarised below.

### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows.

#### Financial reporting standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

#### Accounting standard

TAS 32	Financial Instruments: Presentation
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#### Financial reporting standard interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

## **1.4 Significant accounting policies**

The interim financial statements are prepared using the same significant accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.

(Unaudited but reviewed)

## 2. Related party transactions

2.1 During the periods, 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		
	For the three-month periods ended 30 September				
	2019	2018	2019	2018	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	46	51	Close to selling price to third party
Interest income	-	-	39	39	3.80% and 5.00% p.a. (2018: 3.44% and 5.00% p.a.)
Management fee income	-	-	23	22	Approximate cost
Other income	-	-	5	4	Approximate cost
Purchases of goods and services	-	-	195	47	Cost plus margin, averaging around 3% - 42% (2018: 4% - 5%)
Purchases of machine and equipment	-	-	-	4	Close to selling price to third party
Other expenses	-	-	3	-	Approximate cost
Interest expenses	-	-	2	6	0.05% and 3.80% p.a. (2018: 0.90% - 3.44% p.a.)
Transactions with associates and joint ventures					
Sales of goods and services	83	64	74	-	Close to selling price to third party
Dividend income	465	108	465	108	As declared
Interest income	-	85	1	2	3.80% p.a. (2018: 3.44%, 10.00% and 20.00% p.a.)
Rental income	4	2	-	-	Close to rental rates for the other building in the vicinity
Management fee income	4	4	4	4	Approximate cost
Other income	2	1	1	1	Approximate cost
Purchases of goods and services	92	82	53	60	Cost plus margin, averaging around 2% - 22% (2018: 19% - 46%)

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the nine-month periods ended 30 September				
	2019	2018	2019	2018	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	157	151	Close to selling price to third party
Dividend income	-	-	849	9	As declared
Interest income	-	-	113	121	3.59% - 5.00% p.a. (2018: 3.44% - 5.00% p.a.)
Rental income	-	-	1	1	Close to rental rates for other building in the vicinity
Management fee income	-	-	67	65	Approximate cost
Other income	-	-	15	14	Approximate cost
Purchases of goods and services	-	-	331	138	Cost plus margin, averaging around 3% - 42% (2018: 3% - 7%)
Purchases of machine and equipment	-	-	7	7	Close to selling price to third party
Other expenses	-	-	4	3	Approximate cost
Interest expenses	-	-	12	17	0.05% - 3.80% p.a. (2018: 0.90% - 3.99% p.a.)
Transactions with associates and joint ventures					
Sales of goods and services	412	176	175	-	Cost to selling price to third party
Dividend income	799	416	799	416	As declared
Interest income	118	247	33	2	3.59% - 5.00%, and 10.00% and 20.00% p.a. (2018: 3.44% - 3.99%, and 10.00% and 20.00% p.a.)
Rental income	11	7	-	-	Close to rental rates for the other building in the vicinity
Management fee income	11	10	11	10	Approximate cost
Other income	6	5	3	2	Approximate cost
Purchases of goods and services	261	230	176	165	Cost plus margin, averaging around 1% - 29% (2018: 19% - 47%)

(Unaudited but reviewed)

2.2 The balances of the accounts between the Company and those related parties as at 30 September 2019 and 31 December 2018

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Trade and other receivables - related parties (Note 3)				
Subsidiaries	-	-	814,949	709,979
Associates	255,433	106,625	67,391	35,799
Joint ventures	222	736	222	675
Related companies (common directors)	929	750	-	-
Total	<u>256,584</u>	<u>108,111</u>	<u>882,572</u>	<u>746,453</u>
Trade and other payables - related parties				
Subsidiaries	-	-	89,441	94,178
Associates	91,964	71,800	58,378	47,677
Total	<u>91,964</u>	<u>71,800</u>	<u>147,819</u>	<u>141,855</u>

2.3 The balances of loans between the Company and those related parties as at 30 September 2019 and 31 December 2018

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Short-term loans to related parties				
Subsidiaries	-	-	371,504	363,600
Associates	-	451,987	-	451,987
Related companies (common directors)	13,800	1,000	-	-
Total	<u>13,800</u>	<u>452,987</u>	<u>371,504</u>	<u>815,587</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Long-term loans to related parties				
Subsidiaries	-	-	3,346,350	3,281,042
Associates	3,661,914	2,470,304	1,991,144	853,405
	<u>3,661,914</u>	<u>2,470,304</u>	<u>5,337,494</u>	<u>4,134,447</u>
Less: Allowance for doubtful accounts	-	-	(3,000)	(3,000)
Total	<u>3,661,914</u>	<u>2,470,304</u>	<u>5,334,494</u>	<u>4,131,447</u>
Short-term loans from related parties				
Subsidiaries	-	-	263,265	755,587
Related company (common director)	32,549	24,197	-	-
Total	<u>32,549</u>	<u>24,197</u>	<u>263,265</u>	<u>755,587</u>

As at 30 September 2019 the balance of loans to an associate includes the following loans.

#### 2017 Loan Agreement

During the 2nd quarter of 2017, the Group granted SGAH a synthetic convertible loan of USD 50 million, or Baht 1,530 million, carrying interest at a rate of 20% per annum, due and payable in full on 31 March 2020.

#### 2018 Loan Agreement

During the 3rd quarter of 2018, the Company granted SGAH a loan of USD 40 million, or Baht 1,217 million, carrying interest at a rate of 10% per annum, due and payable within 3 years.

Both loans are fully guaranteed by individual directors of SGAH's parent company and the parent company of SGAH (ABT Auto Investments Limited). Both loans are secured by, among other things, a charge (the Share Charge) over 50.01% of the shares in SGAH owned by ABT Auto Investments Limited.

As of 31 March 2019, SGAH had failed to make the principal repayment due in March 2019 in accordance with the 2018 Loan Agreement signed with the Company. The Group therefore ceased recognising interest income from all loans to the associate and its subsidiary.



(Unaudited but reviewed)

The Company as a Lender served acceleration notices and the demand letters on SGAH and ABT Auto Investments Limited, requiring immediate repayment of all outstanding amounts under the 2017 Loan Agreement and the 2018 Loan Agreement. SGAH again has failed to pay the outstanding amounts. ABT has also failed to pay the outstanding amounts. As a result, the security over the remaining 50.01% shares of SGAH owned by ABT Auto Investment Limited, created under the Share Charge has become enforceable. On 15 August 2019, the Company exercised its rights as secured Lender and now it is in the process of appropriating the shares in accordance with the Share Charge under English law. All of the above loans have therefore been classified as long-term loans to the associate.

2.4 The movements of loans between the Company and those related parties during the nine-month period ended 30 September 2019

Loans to related parties	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	2,923,291	4,947,034
Increase during period	928,081	3,191,722
Decrease during period	(1,000)	(2,281,412)
Unrealised loss on exchange rate	(105,662)	(151,346)
Translation adjustments	(68,996)	-
Balance as at 30 September 2019	<u>3,675,714</u>	<u>5,705,998</u>

Loans from related parties	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	24,197	755,587
Increase during period	10,183	883,955
Decrease during period	-	(1,376,277)
Translation adjustments	(1,831)	-
Balance as at 30 September 2019	<u>32,549</u>	<u>263,265</u>

2.5 Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2019 and 2018, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	For the three-month periods ended 30 September			
	2019	2018	2019	2018
Short-term employee benefits	7,627	8,426	7,627	8,426
Post-employment and other long-term benefits	607	28	607	28
Total	<u>8,234</u>	<u>8,454</u>	<u>8,234</u>	<u>8,454</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2019	2018	2019	2018
Short-term employee benefits	24,039	24,732	24,039	24,732
Post-employment and other long-term benefits	1,262	83	1,262	83
<b>Total</b>	<b>25,301</b>	<b>24,815</b>	<b>25,301</b>	<b>24,815</b>

### 2.6 Guarantee obligations with related parties

The Company has outstanding guarantee obligations for credit facilities of its related parties, as described in Note 20.5 to the financial statements.

### 3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	29,732	39,365	18,755	22,274
Past due 3 - 12 months	47,077	-	-	-
<b>Total trade receivables - related parties</b>	<b>76,809</b>	<b>39,365</b>	<b>18,755</b>	<b>22,274</b>
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	2,161,779	2,146,828	739,662	419,077
Past due 3 - 12 months	6,778	3,775	4,914	82
Past due more than 12 months	9,960	15,897	210	178
<b>Total</b>	<b>2,178,517</b>	<b>2,166,500</b>	<b>744,786</b>	<b>419,337</b>
Less: Allowance for doubtful accounts	(6,599)	(14,411)	(197)	(197)
<b>Total trade receivables - unrelated parties, net</b>	<b>2,141,918</b>	<b>2,152,089</b>	<b>744,589</b>	<b>419,140</b>
<b>Total trade receivables - net</b>	<b>2,248,727</b>	<b>2,191,454</b>	<b>763,344</b>	<b>441,414</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
<b>Other receivables</b>				
Receivable from sale of investment	31,140	-	31,140	-
Advances - related parties	356	2,963	-	2,952
Advances - unrelated parties	103,263	100,256	75,953	84,847
Interest receivables - related parties	167,233	58,468	835,575	706,060
Accrued income - related parties	350	421	2,701	2,772
Accrued income - unrelated parties	22,304	16,444	-	279
Others - related parties	11,836	6,894	25,541	12,395
Others - unrelated parties	33,601	38,744	1,991	304
Total other receivables - net	<u>370,083</u>	<u>224,190</u>	<u>972,901</u>	<u>809,609</u>
Total trade and other receivables - net	<u>2,618,810</u>	<u>2,415,644</u>	<u>1,736,245</u>	<u>1,251,023</u>

#### 4. Inventories

Movements in the allowance for reduction of cost of inventories to net realisable value account during the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	85,877	17,325
Reduction of inventory cost to net realisable value	<u>7,129</u>	<u>1,842</u>
Balance as at 30 September 2019	<u>93,006</u>	<u>19,167</u>

As at 30 September 2019, certain subsidiaries have pledged finished goods of Baht 204 million (31 December 2018: Baht 115 million) to secure loans from banks.

(Unaudited but reviewed)

## 5. Investments in subsidiaries

### 5.1 Details of investments in subsidiaries

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

Company	Called-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018
			(%)	(%)		
<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	94	1,175	1,175
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 33 million	Baht 8.25 million	51	51	16,830	4,208
VRoom Company Limited	Baht 1 million	-	100	-	1,000	-
<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
AAPICO Motors Sdn. Bhd.	RM 2 million	RM 2 million	49	49	7,650	7,650
Total					4,084,082	4,070,460
Less: Allowance for impairment					(1,336,608)	(1,336,608)
Net					2,747,474	2,733,852

## 5.2 Changes in investments in subsidiaries

In August 2018, Katsuya (Thailand) Company Limited registered its dissolution with the Ministry of Commerce and is currently in the process of liquidation.

In May 2019, the Company acquired 100% of the ordinary shares of VRoom Company Limited, a newly established company in Thailand, that is engaged in distribution of motorcycles. This company has a registered share capital of Baht 1 million, which is 100% called-up and paid-up.

In July 2019, AAPICO Engineering Company Limited registered its dissolution with the Ministry of Commerce and is currently in the process of liquidation.

In August 2019, AAPICO Mitsuike (Thailand) Company Limited called-up the remaining registered share capital of Baht 24.75 million and the Company has already paid in all Baht 12.6 million of its portion of the additionally called-up capital.

## 5.3 Dividend income from subsidiaries

(Unit: Thousand Baht)

Company	Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September	
	2019	2018	2019	2018
AERP Company Limited	-	-	-	9,400
AAPICO Hitech Parts Company Limited	-	-	84,000	-
AAPICO Amata Company Limited	-	-	150,000	-
AAPICO Structural Products Company Limited	-	-	600,000	-
Tenaga Setia Resources Sdn. Bhd.	-	-	15,031	-
Total	-	-	849,031	9,400

## 6. Investments in associates

### 6.1 Details of investments in associates

(Unit: Thousand Baht)

Company	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(%)	(%)				
<b>Associates in Thailand</b>						
Able Sanoh Industries (1996) Company Limited	45.62	45.62	30,700	30,700	656,490	713,022
Sanoh Industries (Thailand) Company Limited	20	20	29,250	29,250	99,686	96,541
MINTH AAPICO (Thailand) Company Limited	40	40	115,400	115,400	83,259	90,164
Thai Takagi Seiko Company Limited	49	49	49,587	49,587	9,890	10,478
Hyundai Motor (Thailand) Company Limited	20	30	110,000	120,000	154,598	638,338
Edscha AAPICO Automotive Company Limited	49	49	25,480	25,480	40,314	53,009
Sumino AAPICO (Thailand) Company Limited	49	49	147,000	147,000	165,221	148,673
<b>Associates in overseas</b>						
Sakthi Global Auto Holdings Limited (48.99% held by the Company and 1% held by AAPICO Investment Pte., Ltd.)	49.99	49.99	2,525,593	2,525,593	1,992,825	2,077,020
Nuro Technology Incorporated	20.36	20.36	50,866	50,866	45,370	51,695
<b>Total</b>			<b>3,083,876</b>	<b>3,093,876</b>	<b>3,247,653</b>	<b>3,878,940</b>

(Unit: Thousand Baht)

Company	Separate financial statements							
	Shareholding percentage		Cost		Allowance for impairment		Carrying amounts based on cost method - net	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(%)	(%)						
<b>Associates in Thailand</b>								
Able Sanoh Industries (1996) Company Limited	45.62	45.62	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	115,400	115,400	-	-	115,400	115,400
Thai Takagi Seiko Company Limited	49	49	49,587	49,587	-	-	49,587	49,587
Hyundai Motor (Thailand) Company Limited	20	30	110,000	120,000	-	-	110,000	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>Associates in overseas</b>								
Sakthi Global Auto Holdings Limited	48.99	48.99	2,475,194	2,475,194	-	-	2,475,194	2,475,194
Nuro Technology Incorporated	20.36	20.36	50,866	50,866	-	-	50,866	50,866
<b>Total</b>			<b>3,033,477</b>	<b>3,043,477</b>	<b>-</b>	<b>-</b>	<b>3,033,477</b>	<b>3,043,477</b>

## 6.2 Changes in investments in associates

*The Company*

On August 2019, the Company sold 10,000 ordinary shares of Hyundai Motor (Thailand) Company Limited, an associate, to Sojitz Asia Pte. Ltd., at the price of Baht 109 million, resulting in a decrease in the Company's shareholding percentage from 30% to 27.5% of the associate's existing registered capital. The Company recognised gains on the sale of the investment of Baht 94 million and Baht 99 million in the consolidated and separate income statements, respectively. Hyundai Motor (Thailand) Company Limited later approved a Baht 150 million increase in its registered capital, from Baht 400 million to Baht 550 million, by issuing 150,000 new ordinary shares with a par value of Baht 1,000 each. The Company did not intend to purchase these additional shares, which resulted in a decrease in its shareholding percentage from 27.5% to 20% of the associate's new registered capital. As a result, the Company recognised loss on dilution of interest of Baht 18 million in the consolidated financial statements. The gain/loss on this sale and dilution of interest in the investment in the associate are presented under gains on changes in interests in investments in associate and joint venture in the income statements.

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

During the periods, 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.

Company	(Unit: Thousand Baht)						Separate	
	Consolidated financial statements						financial statements	
	Share of profit (loss)		Share of other comprehensive income		Dividend income		Dividend income	
	For the three-month periods ended 30 September							
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Associates in Thailand</b>								
Able Sanoh Industries (1996) Company Limited	51,556	53,737	-	-	-	-	-	-
Sanoh Industries (Thailand) Company Limited	-	1,687	-	-	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(638)	1,164	-	-	-	-	-	-
Thai Takagi Seiko Company Limited	-	5,028	-	-	-	-	-	-
Hyundai Motor (Thailand) Company Limited	3,248	59,942	-	-	464,880	108,000	464,880	108,000
Edscha AAPICO Automotive Company Limited	6,731	5,435	-	-	-	-	-	-
Sumino AAPICO (Thailand) Company Limited	11,168	5,017	-	-	-	-	-	-
<b>Associates in overseas</b>								
Sakthi Global Auto Holdings Limited	(145,103)		(106,851)		-	-	-	-
	)	(70,333)	(2,113)	)	-	-	-	-
Nuro Technology Incorporated	(871)	698	(188)	(13)	-	-	-	-
Total			(106,864)					
	(73,908)	62,375	(2,301)	)	464,880	108,000	464,880	108,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company	Consolidated financial statements						Separate financial statements	
	Share of profit (loss)		Share of other		Dividend income		Dividend income	
			comprehensive income					
	For the nine-month periods ended 30 September							
2019	2018	2019	2018	2019	2018	2019	2018	
<b>Associates in Thailand</b>								
Able Sanoh Industries (1996) Company Limited	170,695	168,615	(1,158)	-	226,069	112,497	226,069	112,497
Sanoh Industries (Thailand) Company Limited	3,193	4,064	(48)	-	-	-	-	-
MINTH AAPICO (Thailand) Company Limited	(7,359)	(736)	454	-	-	-	-	-
Thai Takagi Seiko Company Limited	(196)	(2,710)	(392)	-	-	-	-	-
Hyundai Motor (Thailand) Company Limited	98,112	214,184	-	-	548,280	279,000	548,280	279,000
Edscha AAPICO Automotive Company Limited	12,120	14,841	(26)	-	24,789	24,079	24,789	24,079
Sumino AAPICO (Thailand) Company Limited	16,743	16,392	(195)	-	-	-	-	-
<b>Associates in overseas</b>								
Sakthi Global Auto Holdings Limited	(315,674)	(154,507)	(144,298)	(231,479)	-	-	-	-
Nuro Technology Incorporated	(4,419)	698	(1,906)	(13)	-	-	-	-
Total			(144,311)					
	(26,785)	260,841	228,208		799,138	415,576	799,138	415,576

## 7. Investments in joint ventures

### 7.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Group and other companies. Details of these investments are as follows.

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018
	(%)	(%)				
<b>Joint ventures in Thailand</b>						
AAPICO Sodexia (Thailand) Company Limited	50	50	82,500	82,500	73,738	73,830
AAPICO Electronics Company Limited	51	51	12,750	12,750	7,761	10,047
<b>Joint venture in overseas</b>						
AAPICO VinFast Auto Parts Co., Ltd.	-	-	-	-	-	-
Total			95,250	95,250	81,499	83,877



(Unaudited but reviewed)

(Unit: Thousand Baht)

Joint venture	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	(%)	(%)		
<b>Joint ventures in Thailand</b>				
AAPICO Sodectia (Thailand) Company Limited	50	50	82,500	82,500
AAPICO Electronics Company Limited	51	51	12,750	12,750
<b>Joint venture in overseas</b>				
AAPICO VinFast Auto Parts Co., Ltd.	-	-	-	-
Total			95,250	95,250

## 7.2 Changes in investments in joint ventures

In January 2019, the Company acquired 51% of the ordinary shares of AAPICO VinFast Auto Parts Co., Ltd., a newly established company in Vietnam, that is engaged in the manufacture and distribution of autoparts. This company has a registered share capital of VND 466 billion, which is 100% paid-up.

The management of the Company determined that the Company has no control over this company, even though the Company holds shares and voting rights that is more than half of shares. This is because the joint venture agreement stipulates the key matters, as defined in the agreement, must be approved by each venture. As a result, the Company determined that it has no control over this company, thus the investment is investment in joint venture, and this company is not to be included in the consolidated financial statements.

In September 2019, the Company sold its 51% of the ordinary shares of AAPICO VinFast Auto Parts Co., Ltd., to VinFast Trading and Production LLC, at a price of Bath 380 million and recognised gain on sale of this investment of Baht 75 million and Baht 55 million in the consolidated and separate financial statements, respectively. As at 30 September 2019, the Company has received partial payments for the shares and therefore presented the amount receivable as receivable from sale of investment under trade and other receivables in the statement of financial position.

(Unaudited but reviewed)

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

During the periods, the Group recognised its share of profit (loss), share of other 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.

Joint venture	(Unit: Thousand Baht)					
	Consolidated financial statements				Separate financial statements	
	Share of loss		Share of other comprehensive income		Dividend income	
	For the three-month periods ended 30 September					
	2019	2018	2019	2018	2019	2018
AAPICO Sodecia (Thailand) Company Limited	(30)	(30)	-	-	-	-
AAPICO Electronics Company Limited	(1,198)	(666)	-	-	-	-
AAPICO VinFast Auto Parts Co., Ltd.	(16,436)	-	-	-	-	-
<b>Total</b>	<b>(17,664)</b>	<b>(696)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Joint venture	(Unit: Thousand Baht)					
	Consolidated financial statements				Separate financial statements	
	Share of loss		Share of other comprehensive income		Dividend income	
	For the nine-month periods ended 30 September					
	2019	2018	2019	2018	2019	2018
AAPICO Sodecia (Thailand) Company Limited	(92)	(85)	-	-	-	-
AAPICO Electronics Company Limited	(2,286)	(1,576)	-	-	-	-
AAPICO VinFast Auto Parts Co., Ltd.	(19,877)	-	-	-	-	-
<b>Total</b>	<b>(22,255)</b>	<b>(1,661)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Unaudited but reviewed)

## 8. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2019 are summarised below.

Movements	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	5,215,095	978,596
Acquisitions during period - at cost	425,893	54,111
Transfer from inventories	15,324	-
Disposals/written-off during period - net book value at disposal/written-off date	(18,513)	(140)
Depreciation for the period	(417,406)	(76,251)
Translation adjustments	(47,724)	-
Net book value as at 30 September 2019	5,172,669	956,316

As at 30 September 2019, the Group had machinery, motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 16 million (31 December 2018: Baht 16 million), the Company only: Baht 2 million (31 December 2018: Baht 3 million).

A subsidiary has mortgaged its building with a net book value as at 30 September 2019 of Baht 60 million (31 December 2018: Baht 68 million) to secure the credit facilities granted by a bank.

## 9. Leasehold rights

Movements in the leasehold rights account during the nine-month period ended 30 September 2019 are summarised below.

Movements	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2019	123,105
Amortisation for the period	(3,839)
Translation adjustments	(8,438)
Net book value as at 30 September 2019	110,828

A subsidiary has pledged its land leasehold right with a net book value as at 30 September 2019 of Baht 66 million (31 December 2018: Baht 72 million) to secure the credit facilities granted by a bank.

(Unaudited but reviewed)

## 10. Goodwill

(Unit: Thousand Baht)

Goodwill from purchases of subsidiaries	Consolidated financial statements	
	30 September 2019	31 December 2018
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

## 11. Other intangible assets

Movements in the other intangible assets account during the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

Movements	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	93,333	17,752
Reclassification to assets recognised from the costs to fulfill a contract with a customer	(50,504)	-
Acquisitions during period - at cost	3,537	2,670
Amortisation for the period	(14,952)	(4,451)
Translation adjustments	(98)	-
Net book value as at 30 September 2019	31,316	15,971

## 12. Assets recognised from the costs to fulfill a contract with a customer

Movements in the assets recognised from the costs to fulfill a contract with a customer account during the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

Movements	Consolidated financial statements
Net book value as at 1 January 2019	-
Reclassification from other intangible assets	50,504
Acquisitions during period - at cost	1,947
Amortisation for the period	(5,911)
Net book value as at 30 September 2019	46,540

**13. Short-term and long-term loans from banks**

Movements in the long-term loans from banks account during the nine-month period ended 30 September 2019 are summarised below.

Movements	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	4,324,769	4,205,155
Additions during period	565,348	550,000
Repayments during period	(1,254,590)	(1,236,178)
Unrealised gain on exchange rate	(35,958)	(35,958)
Translation adjustments	(8,759)	-
Balance as at 30 September 2019	3,590,810	3,483,019
Less: Deferred financing fees	(1,914)	(1,914)
Long-term loans - net	3,588,896	3,481,105
Less: Portion due within one year	(1,209,703)	(1,180,930)
Portion due more than one year	2,379,193	2,300,175

*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.

**14. Long-term debentures**

Movement in the long-term debentures account during the nine-month period ended 30 September 2019 are summarised below.

Movements	(Unit: Thousand Baht) Consolidated/Separate financial statements
Balance as at 1 January 2019	1,500,000
Issued during period	1,300,000
Repayments during period	(300,000)
Balance as at 30 September 2019	2,500,000
Less: Deferred debenture issuing costs	(1,939)
Long-term debentures - net	<u>2,498,061</u>

The debentures contain terms of 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.

**15. Provision for long-term employee benefits**

On 5 April 2019, The Labour Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of 20 years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 41.4 million (the Company only: Baht 6.3 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in the income statement in 2<sup>nd</sup> quarter of 2019.

**16. Treasury shares**

On 26 February 2016, the Company's Board of Directors' meeting passed a resolution to approve a share repurchase programme 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 programme, 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.

(Unaudited but reviewed)

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 Commence equivalent to the remaining balance of treasury shares.

During the nine-month period ended 30 September 2019, the Company sold 5,982,700 of remaining treasury shares, totaling Baht 108.31 million (2018: 25,000 shares, totaling Baht 0.96 million). The Company recognised gain on sales of treasury shares amounting to Baht 32.93 million (2018: Baht 0.65 million) as premium on treasury shares in the shareholders' equity.

## 17. Income tax

Tax expenses (income) for the three-month and nine-month periods ended 30 September 2019 and 2018

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	2019	2018	2019	2018
Current income tax				
Interim corporate income tax charge	42,733	460	26,679	-
Deferred tax				
Relating to origination and reversal of temporary differences	1,224	(385)	(810)	21
Income tax expenses reported in the statement of income	<u>43,957</u>	<u>75</u>	<u>25,869</u>	<u>21</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2019	2018	2019	2018
Current income tax				
Interim corporate income tax charge	133,802	32,088	61,036	-
Deferred tax				
Relating to origination and reversal of temporary differences	(4,311)	(2,906)	(2,293)	(216)
Tax expenses (income) reported in the statement of income	<u>129,491</u>	<u>29,182</u>	<u>58,743</u>	<u>(216)</u>

(Unaudited but reviewed)

The Company was not liable to corporate income tax for the nine-month period ended 30 September 2018 due to tax losses brought forward from previous years in excess of its estimated profit of the non-promoted operations after adding back certain expenses which are disallowable for tax computation purposes and deducting expenses that are tax-deductible at a greater amount and portion of dividend income which are exempted for tax computation purpose.

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	2019	2018	2019	2018
Deferred tax on actuarial loss	-	-	-	-
	-	-	-	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2019	2018	2019	2018
Deferred tax on actuarial loss	(5,880)	-	(416)	-
	(5,880)	-	(416)	-



**18. Earnings per share**

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

(Unit: Thousand Baht/Thousand Shares)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	2019	2018	2019	2018
Profit attributable to shareholders of the Company	203,803	302,044	660,125	128,698
Number of ordinary shares issued	322,584	322,584	322,584	322,584
Effect of treasury shares	(4,777)	(5,983)	(4,777)	(5,983)
Weighted average number of ordinary shares	317,807	316,601	317,807	316,601
<b>Earnings per share (Baht)</b>	<b>0.64</b>	<b>0.95</b>	<b>2.08</b>	<b>0.41</b>

(Unit: Thousand Baht/Thousand Shares)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2019	2018	2019	2018
Profit attributable to shareholders of the Company	560,735	1,003,835	2,000,943	531,526
Number of ordinary shares issued	322,584	322,584	322,584	322,584
Effect of treasury shares	(5,576)	(5,998)	(5,576)	(5,998)
Weighted average number of ordinary shares	317,008	316,586	317,008	316,586
<b>Earnings per share (Baht)</b>	<b>1.77</b>	<b>3.17</b>	<b>6.31</b>	<b>1.68</b>

(Unaudited but reviewed)

## 19. Dividends

Dividend	Approved by	Dividend per share	Dividend paid
		(Baht)	(Thousand Baht)
Final dividend for 2018	The Annual General Meeting of shareholders on 24 April 2019	0.60	189,960
Interim dividend for 2019	The Board of Directors' Meeting on 14 August 2019	0.36	<u>113,972</u>
Total dividends for 2019			<u>303,932</u>
Final dividend for 2017	The Annual General Meeting of shareholders on 23 April 2018	0.60	189,944
Interim dividend for 2018	The Board of Directors' Meeting on 14 August 2018	0.70	<u>221,621</u>
Total dividends for 2018			<u>411,565</u>

## 20. Commitments and contingent liabilities

### 20.1 Capital commitments

As at 30 September 2019 and 31 December 2018, the Group had capital commitments relating to installation of computer software and acquisition of office building unit and machinery from unrelated parties as follows.

	(Unit: Million)			
	Consolidated		Separate	
	financial statements		financial statements	
Currency	30 September 2019	31 December 2018	30 September 2019	31 December 2018
THB	204.0	162.3	72.5	3.5
RMB	23.4	16.9	-	-
USD	1.2	0.4	-	-

**20.2 Long-term investment commitments**

As at 30 September 2019 and 31 December 2018, 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Subsidiaries	224	237	77	90
Associate	25	25	25	25
Joint venture	68	68	68	68

**20.3 Operating leases and service commitments**

The Group has entered into operating lease agreements in respect of the lease of land, building, office building space and equipment and service agreements. The terms of the agreements are generally between 1 and 12 years.

As at 30 September 2019 and 31 December 2018, the Group had future minimum payments required under these agreements as follows.

(Unit: Million Baht)

Payable	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
In up to 1 year	70	61	13	20
In over 1 to up to 5 years	64	71	5	13
In over 5 years	16	19	-	-

## 20.4 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 royalty 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 nine-month period ended 30 September 2019 amounting to Baht 17 million (2018: Baht 22 million) were recognised as expenses.

## 20.5 Guarantees

- a) As at 30 September 2019 and 31 December 2018, the Company has guaranteed bank credit facilities of its foreign subsidiary amounting to RMB 18 million and its local associate amounting to Baht 100 million.
- b) As at 30 September 2019, two foreign subsidiaries have provided guarantees for bank credit facilities of another foreign subsidiary amounting to RM 9 million and RM 5 million, respectively (31 December 2018: RM 10 million and RM 6 million, respectively).
- c) As at 30 September 2019 and 31 December 2018, 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.

	Consolidated		Separate	
	financial statements		financial statements	
Letter of guarantee	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Contractual performance	Baht 31 million	Baht 104 million	-	Baht 73 million
Electricity use and others	Baht 31 million	Baht 32 million	Baht 6 million	Baht 6 million
	RM 0.5 million	RM 0.5 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 limited facilities of Baht 200 million. As at 30 September 2019 and 31 December 2018, the Company and the subsidiary had no guarantee liabilities under these agreements.

**20.6 Forward foreign exchange contracts**

Outstanding forward foreign exchange contracts of the Group as at 31 December 2018 are summarised below (30 September 2019: none).

31 December 2018					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
US dollar	-	3.7	-	31.7	January - February 2019

**20.7 Contingent liabilities**

A subsidiary in China calculates social welfare payments for its 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 30 September 2019, would not exceed RMB 12.3 million (31 December 2018: not exceed RMB 12.1 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.

**21. Fair value hierarchy**

The Group had the financial asset that was measured at fair value using Level 2 of inputs as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Financial asset measured at fair value				
Held for trade investments				
Debt instruments	79,435	77,231	20,000	18,002

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

## 22. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2019 and 2018.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Manufacture of automobile parts segment		Car dealerships and after-sale service segment		Others		Total segments		Adjustments and eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenues from contracts with customers</b>												
External customers	2,991	2,582	1,321	1,587	6	10	4,318	4,179	-	-	4,318	4,179
Inter-segment	464	304	8	8	1	3	473	315	(473)	(315)	-	-
<b>Total revenues</b>	<b>3,455</b>	<b>2,886</b>	<b>1,329</b>	<b>1,595</b>	<b>7</b>	<b>13</b>	<b>4,791</b>	<b>4,494</b>	<b>(473)</b>	<b>(315)</b>	<b>4,318</b>	<b>4,179</b>
<b>Operating results</b>												
<b>Segment profit</b>	255	188	10	24	6	85	271	297	(9)	8	262	305
Gains on changes in interests in investments in associate and joint venture											151	-
Share of profit (loss) from investments in associates and joint ventures											(92)	62
Finance cost											(72)	(44)
<b>Profit before income tax expenses</b>											249	323
Income tax expenses											(44)	-
<b>Profit for the period</b>											<b>205</b>	<b>323</b>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Manufacture of automobile parts segment		Car dealerships and after-sale service segment		Others		Total segments		Adjustments and eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenues from contracts with customers</b>												
External customers	9,114	7,740	4,038	4,693	9	14	13,161	12,447	-	-	13,161	12,447
Inter-segment	1,134	922	20	22	9	8	1,163	952	(1,163)	(952)	-	-
<b>Total revenues</b>	<b>10,248</b>	<b>8,662</b>	<b>4,058</b>	<b>4,715</b>	<b>18</b>	<b>22</b>	<b>14,324</b>	<b>13,399</b>	<b>(1,163)</b>	<b>(952)</b>	<b>13,161</b>	<b>12,447</b>
<b>Operating results</b>												
<b>Segment profit</b>	690	635	33	67	72	239	795	941	(5)	8	790	949
Gains on changes in interests in investments in associate and joint venture											150	-
Share of profit (loss) from investments in associates and joint ventures											(49)	259
Finance cost											(202)	(141)
<b>Profit before income tax expenses</b>											689	1,067
Income tax expenses											(129)	(29)
<b>Profit for the period</b>											<b>560</b>	<b>1,038</b>

## **23. Events after the reporting period**

- a) As mentioned in note 2.3 to the financial statements, in October 2019 the Company completed the process of appropriating the remaining 50.01% shareholding held by ABT Auto Investment Limited in SGAH, in accordance with the Share Charge, resulting an increase in the Company's shareholding in SGAH from 49.99% to 100%. However, the Company is still in the process of taking control over each of SGAH's subsidiaries.

Currently, the Company is in process of determining the fair value of SGAH's shares to align with the relevant accounting standards.

- b) On 14 November 2019, the Board of Directors' Meeting of the Company passed the following significant resolutions.
- To approve an investment in 55% of the ordinary shares of AAPICO Hyojin Autotech Co., Ltd., a newly established company in Thailand that is engaged in the design and manufacturing of automotive assembly jigs. The company will have a registered share capital of Baht 30 million.
  - To approve the purchase of assets of the car dealership business of Able Motors Co., Ltd., a subsidiary of the Company, from an unrelated company. The transaction value is to be not more than Baht 371 million.
  - To approve the incorporation of and investment in the ordinary shares of a subsidiary that operates a car dealership business. The Company will hold 100% of its registered share capital.
  - To approve the sale of 39,999 ordinary shares of AAPICO Lemtech (Thailand) Company Limited, a subsidiary of the Company, to Lemtech Technology Limited (HK), resulting in a decrease in the Company's shareholding from 60% to 50% of the subsidiary's registered capital. Consequently, the status of the investment will change from a subsidiary to a joint venture.

## **24. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2019.