



บริษัท อ-apiโก ไฮเทค จำกัด (มหาชน)

AAPICO HITECH PUBLIC COMPANY LIMITED

May 16, 2016

Subject: MD&A for the financial statements of the 1st quarter of fiscal year 2016

To: The President
The Stock Exchange of Thailand

Aapico Hitech Public Company Limited (“the Company”) would like to clarify the consolidated financial statements of the Company for the 1st quarter of fiscal year 2016 ended as of March 31, 2016, which can be summarized as follow.

Profit and Loss Analysis

(Unit: Million Baht)	Q1 2016	Q1 2015	% Change
Total Revenues	3,910	3,758	+4.0%
<i>Of which: Sales and service income</i>	<i>3,818</i>	<i>3,656</i>	<i>+4.4%</i>
<i>Other income</i>	<i>92</i>	<i>102</i>	<i>-9.9%</i>
Cost of sales and services	3,550	3,466	+2.4 %
SG&A expenses	193	193	0 %
Net Profit attributable to equity holders	146	92	+58.5%

For the first quarter of fiscal year 2016, the Company reported total revenues of Baht 3,910 million and net profit attributable to equity holders of Baht 146 million, as compared to Baht 3,758 million and Baht 92 million respectively.

Total car production volume in Q1 2016 was 506,874 units, which was a 3.4% decrease from 524,540 units in Q1 2015. **Export car volume** was 307,760 units, a 6.2% decrease year-on-year from 328,232 units in Q1 2015. **Domestic car sales** was 181,560 units, which was 8.2% lower than 197,755 units sold in Q1 2015.

Total revenues increased 4.0% year-on-year despite of the industry downturn. The reason was mainly due to the different demand level of different brands. Aapico is lucky that its major customers saw an increase in demand whilst its smaller customers faced serious downturn of demand. Generally, the Malaysian revenue was also reduced. Overall, we beat the industry trend due to this unbalanced demand by various customers.

Cost of sales and service increased by 2.4% year-on-year, as a result of higher sales. However, increases of costs were at lower percentage than sales increase, thanks to improved efficiency. Hence, **gross profit margin** improved from 5.2 % of sales in Q1 2015 to 7.0% of sales in Q1 2016.

Selling and Administrative expenses were about the same level as last year.

Net profit attributable to equity holders increased from Baht 92 million in Q1 2015 to Baht 146 million, primarily attributable to higher sales and improved gross margin, as well as decreases in financing costs.

Financial Position Analysis

(Unit: Million Baht)	March 2016	December 2015	% Change
Total Assets	11,720	11,507	+1.9%
Total Liabilities	5,605	5,524	+1.5%
Total Equities	6,115	5,983	+2.2%

As of March 2016, the Company's total assets were Baht 11,720 million, with total liabilities of Baht 5,605 million and total shareholders' equity of Baht 6,115 million.

For the first quarter of 2016, total assets increased by 1.9%, mainly driven by increase of receivables and inventories, partly offset by decrease of fixed assets through depreciation. Total liabilities increased by 1.5%, mainly driven by increase of payable, partly offset by decrease of bank debts. Total shareholders' equity increased by 2.2%, primarily driven by a profit in Q1 2016.

Key Financial Performance

The Company's **return on assets (ROA) ratio** improved from 2.7% to 3.3% from Q1 2015 to Q1 2016 respectively. The **return on equity (ROE) ratio** also improved from 5.8% to 6.6% from Q1 2015 to Q1 2016 respectively. The improvement of profitability ratios was driven by a good profit in Q1 2016. In addition, the Company continually improved its **debt to equity (D/E) ratio** to 0.49 times as of March 2016, compared to 0.63 times as of March 2015, driven by both improved profit and lower bank debts.

Please be informed accordingly.

Yours sincerely,
 Mr. Yeap Swee Chuan
 President & CEO