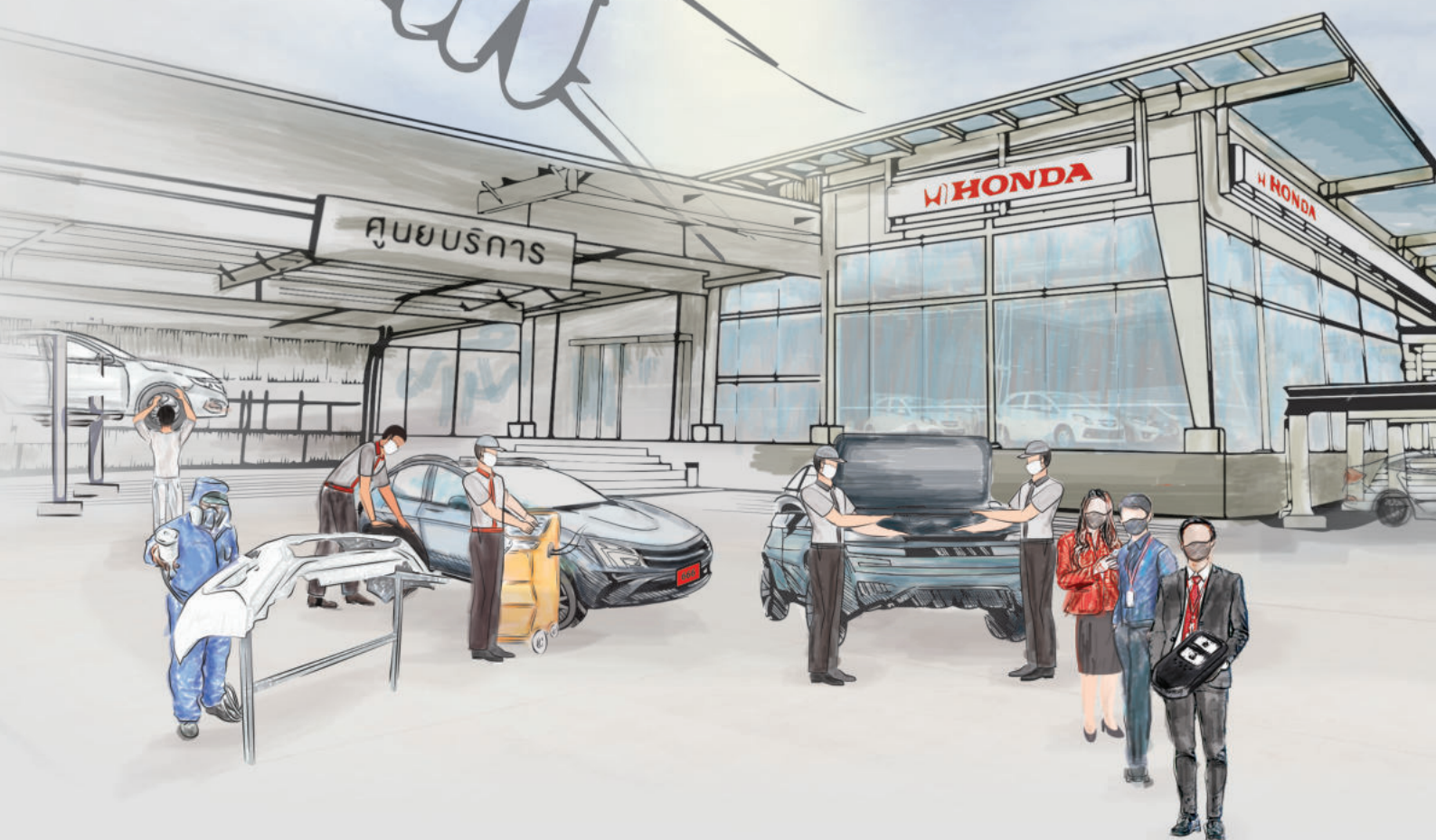




เติบโตอย่างเข้มแข็งไปด้วยกัน Grow Strong Together



Annual Report
2020

Autocorp Holding Public Company Limited



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Vision

Autocorp shall step forward to be a leading holding company in automotive business

Mission

To manage with honesty and earn maximum return to all stakeholder groups by creating maximum trust and reliability from quality sales and services to generate optimum satisfaction to the customers.



Objectives and main Organization Goals

The Company group has the business goals as follow:

1. To be one of the largest on distribution dealers of Honda cars and provide urgent repair and maintenance services for all car brands in Thailand.
2. To increase sales by expanding the market to cover all regions in Thailand, and to create opportunities in expanding to neighboring countries.
3. To deliver service with quality, effectiveness and efficiency to satisfy to customers.
4. To continuously develop personal, promote new generation personal with knowledge and capabilities by both internal and external trainings, include the information technology (IT) process and system to support the business growth.
5. To create consistently and sustainably growth to generate appropriate returns to all parties.





“We assure that we will lead the Company to succeed,
sustainably create a stability by conserving”

Message from the Chairman of the Board of Directors and Chief Executive Officer

Dear Shareholders,

Fiscal year 2020, has been another challenging year for ACG due to the challenges of the global economic downturn from the impact of the situation of the coronavirus outbreak 2019 (COVID-19) that cause the consumers delay making purchases and decelerating in automotive industry. Under the circumstances that are not conducive to the operation of this business. ACG has adapted to encounter with the economy that tends to slow continuously by developing information technology systems, in order to develop the service to be more high technology and efficient, along with developing and improving the working system of all sectors in the organization to monitor and resolve the situation in a timely manner.

For the operating performance of the year 2020, the Company had 34.28% decrease in profit compared to 2019 due to the revenue from sales and services has decrease as much as 34.03% from COVID-19 situation, which has effect with worldwide economy. Mainly effected segment is the car sale

seg causing the customers delay making purchases. As for the service segment, the company was not affected too much. Although in the past year there have been many unfavorable business factors. In 2021, The Company's Board of Directors and Executives realized that the company should adapted for reduce the impact from the crisis and looking for new business with growth opportunities for long-term stability. In the end of 2020, the Company has invested in a new subsidiary which operates the business as a distributor of spare parts and provide repair and maintenance services of all car brands (Fast Fit). to expansion of our customer base with a low investment casing expansion to cover all region faster.

The Company's board of directors, executives and all employees would like to take this opportunity to express our gratitude to shareholders for giving trusts and supports to the Company. We assure that we will lead the Company to succeed, sustainably create a stability by conserving the transparency on good governance and consider the highest common interest as a fundamental principle.



Panich Pongpirodorn
Chairman of the Board of Directors



Phanumast Rungkakulnuwat
Chief Executive Officer

General and Other Important Information

Company Name	Autocorp Holding Public Company Limited ("Company" or "ACG")
Registration Number	0107561000404
Business Type	The company investing in holding company which is the sale and service business in automotive industry and other related businesses. The Company holds in 2 subsidiary company, the first company is Honda Maliwan which is a dealer and service center of Honda car has 9 branches and the second company is Autoclik by ACG Co., Ltd. which operates the business as a distributor of spare parts and provide repair and maintenance services of all car brands (Fast Fit). As mentioned be call "Subsidiary"
Website	www.autocorpgroup.com
Registered capital	Baht 300 million / 600 million shares at par value of Baht 0.5 per share
Paid-up capital	Baht 300 million / 600 million shares at par value of Baht 0.5 per share
Head office	1111, Moo 1, Maliwan Road, Ban Thum, Mueang Khon Kaen, Khon Kaen
Telephone	0-4330-6444
Fax	0-4330-6448

1st Subsidiary: Honda Maliwan Co., Ltd.

Head office	1111, Moo 1, Maliwan Road, Ban Thum, Mueang Khon Kaen, Khon Kaen
Telephone	0-4330-6444
Fax	0-4330-6448
Prachasamosorn Branch	345, Moo 6, Prachasamosorn Road, Nai Mueang, Mueang Khon Kaen, Khon Kaen
Telephone	0-4346-6555
Fax	0-4346-6525
Surin Branch	274, Moo 9, Pattamanon Road, Salangpan, Mueang Surin, Surin
Telephone	0-4451-4075-8
Fax	0-4451-2644
Weerawatyothin Branch	783, Moo 20, Surin-Prasat Road, Nok Mueang, Mueang Surin, Surin
Telephone	0-4451-4666
Fax	None
Buriram Branch	65, Moo 9, Buriram-Nangrong Road, Isan, Mueang Buriram, Buriram
Telephone	0-4460-2333
Fax	0-4462-0925
Nangrong Branch	123, Moo 6, Chockchai-Dech Udom Road, Thanon Hak, Nangrong, Buriram
Telephone	0-4466-6044
Fax	0-4466-6046
Phuket Branch	3/17, Moo 3, Thepkrasattri Road, Ratsada, Mueang Phuket, Phuket
Telephone	0-7660-6888
Fax	0-7660-4118

Naka Branch	36/3, Moo 4, Chaofahatwantok Road, Vichit, Mueang Phuket, Phuket
Telephone	0-7660-5999
Fax	0-7660-5980
Mueang Krabi Branch	328, Moo 2, Phetkasem Road, Krabi Noi, Mueang Krabi, Krabi
Telephone	0-7585-5888
Fax	0-7585-5888

2nd Subsidiary: Autoclik by ACG Co., Ltd.

Head office	1111, Moo 1, Maliwan Road, Ban Thum, Mueang Khon Kaen, Khon Kaen
Telephone	0-4330-6444
Fax	0-4330-6448

Securities Registrar

Thailand Securities Depository Co., Ltd.	
Address	93, The Stock Exchange of Thailand Building, Building B, 1st Floor, Ratchadaphisek Road, Din Daeng, Bangkok 10400
Telephone	0-2009-9000
Fax	0-2009-9991

Financial Advisor

Phillip Securities (Thailand) PCL.	
Address	849, Vorawat Building, 11th Floor, Silom Road, Silom, Bang Rak, Bangkok 10500
Telephone	0-2635-1700
Fax	0-2635-1662

Auditor

KPMG Phoomchai Audit Co., Ltd.	
Head office	1, Empire Tower, 48th Floor, Sathon Road, Yan Nawa, Sathon, Bangkok 10120
Telephone	0-2677-2000
Fax	0-2677-2222

Internal Auditor

KPMG Phoomchai Audit Co., Ltd.	
Address	84/77, Soi Charoen Krung 80, Bang Kho Laem, Bangkok 10120
Telephone	0-2116-6033 and 083-299-5959

Legal Advisor

Siam Premier International Law Office Limited	
Address	999/9, The Offices at Central World, 26th Floor, Rama 1 Road, Pathumwan, Bangkok 10330
Telephone	0-2646-1888
Fax	0-2646-1919
Dharmniti Law Office Co., Ltd.	
Address	2/2 Bhakdi Building 2nd Floor, Witthayu Road, Lumpini, Pathumwan, Bangkok 10330
Telephone	0-2680-9777
Fax	0-2680-9711

Dividend Policy

Dividend policy of the Company

Autocorp Holding PCL (“Company”) has a policy to pay dividend to the shareholders at a minimum rate of 40 percent of the net profit after corporate tax and the legal reserves, including other reserves (if any) of the separate financial statements. However, the Company’s dividend payment may be adjusted depending on the Company’s investment requirements, liquidities, necessities and other future appropriateness of the Company. In the case where it is resolved by the Company’s Board of Directors to pay annual dividend, the Company’s Board of Directors must propose such resolution to the Company’s meeting of the shareholders for approval, unless it is an interim dividend payment which the Company’s Board of Directors has the authority to authorize dividend payment to the shareholders and will report such payment in the subsequent Shareholders’ Meeting. Such dividend payment shall not exceed the accumulated profit appears in the Company’s separate financial statements, and shall conform with relevant laws.

The company operates the business as a holding company with its major assets being investment in subsidiary. Thus, the ability to pay the dividends of the Company depends on the performance of, and dividend payments by, the Company’s subsidiary.

Dividend policy of the Company’s Subsidiary

The company has designated the policy on the dividend payment of the subsidiary to the shareholders at a minimum rate of 40 percent and presented to the shareholder meeting of each company to approve each year. The dividend payment is made out of the net profit in accordance with the financial statements of the subsidiary after tax, legal reserve and other obligations under financing agreements. However, the Company’s dividend payment may be adjusted depending on the Company’s investment requirements, liquidities, necessities and other future appropriateness of the Company. The Company’s Board of Directors has the authority to authorize interim dividend payment to the shareholders and will report such payment in the subsequent Shareholders’ Meeting.

Nevertheless, in the consideration for approval of the annual and interim dividends (if any) of the Subsidiary must be approved by the board meeting except for the case that the Subsidiary pays the dividend for the whole year at a minimum of what designated in the annual budget of each one.

Dividend payment from the annual operating results can be summarized as follows:

Dividend payment for the annual operating results	Dividend payment rate (THB/share)	Dividend payout ratio on net profit according to the separate financial statements of the Company (%)	Dividend payment date
2019	0.04	17.57	May 2020
2020	0.04*	0.28	May 2021

Remark:

* The Company’s Board of Directors’ Meeting No. 1/2021 dated February 22, 2021 resolved to propose to the Annual General Meeting of Shareholders for the Year 2021 the dividend payment for the Company’s performance ended as of December 31, 2020 at the rate of THB 0.04 per share, amounting to Baht 24 million in total.

Investment Structure

Registered and paid-up capital

- The Company has the registered capital on 31 December 2020 in the amount of THB 300,000,000 divided into 600,000,000 common shares at the par value of THB 0.5 per share.
- The Company has the paid-up capital on 31 December 2020 in the amount of THB 300,000,000 divided into 600,000,000 common shares at the par value of THB 0.5 per share.

Other types of shares with the rights or conditions are different from the common shares.

- no other types of shares -

Shareholders

The ten largest shareholders whose names appear in the shareholders' registration as of December 30, 2020 are as follows:

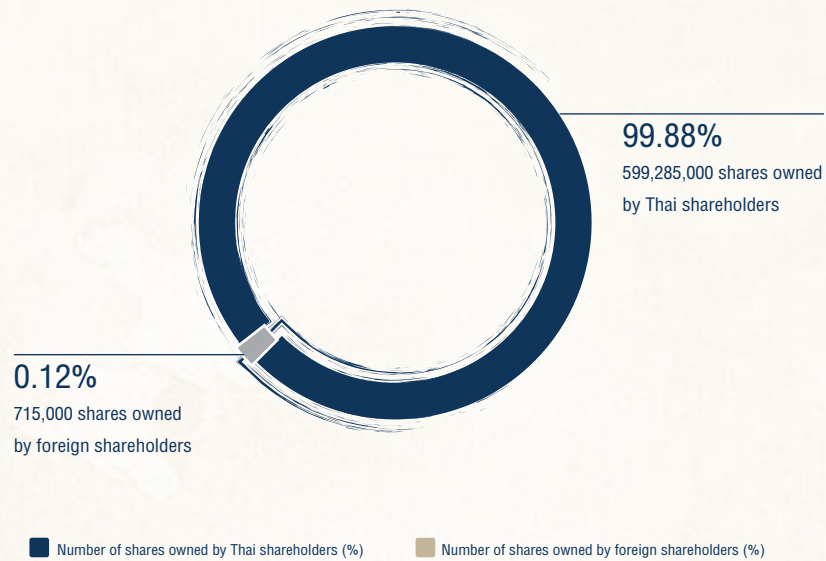
Shareholders	Number of Shares	Percentage
1. Mr. Phanumast Rungkakulnuwat	270,839,000	45.14
2. Mrs. Hathairat Rangkagoonnuwat	146,960,000	24.49
3. Mrs. Vilawan Rangkakulnuwat	22,200,000	3.70
4. Phillip Life Assurance PLC	14,084,000	2.35
5. Mr. Sompon Roekwibunsi	10,300,000	1.72
6. Miss Sukulaya Uahwatanasakul	8,521,100	1.42
7. Mr. Ekkarin Limtawin	7,039,000	1.17
8. Mr. Pongsutat Saewee	6,214,900	1.04
9. Mr. Nitipong Chotrattananon	5,600,000	0.93
10. Mr. U-Thain Limtawin	4,728,000	0.79
Total	496,486,000	82.75
Other shareholders	103,514,000	17.25
Total shareholders	600,000,000	100.00

Registered and paid-up capital as at December 30, 2020 is THB 300,000,000, at the par value of 0.5 THB per share.

Shareholding Dispersion

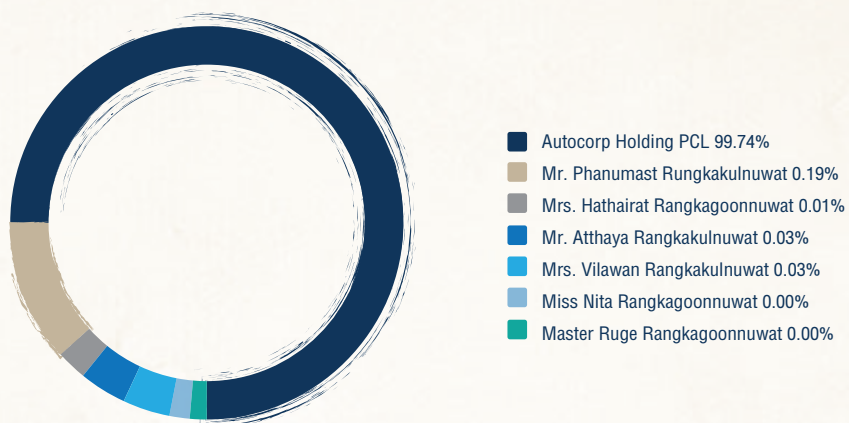
The shareholding dispersion of Autocorp Holding PCL on latest shareholders' registration date on December 30, 2020.

Percentage of Shareholding Dispersion



	Number of Shareholders	Number of Shares	Percentage of Shares
Thai Shareholders	1,266	599,285,000	99.88
Foreign Shareholders	2	715,000	0.12
Total	1,268	600,000,000	100.00

List of Honda Maliwan's shareholders in percentage as at December 31, 2020



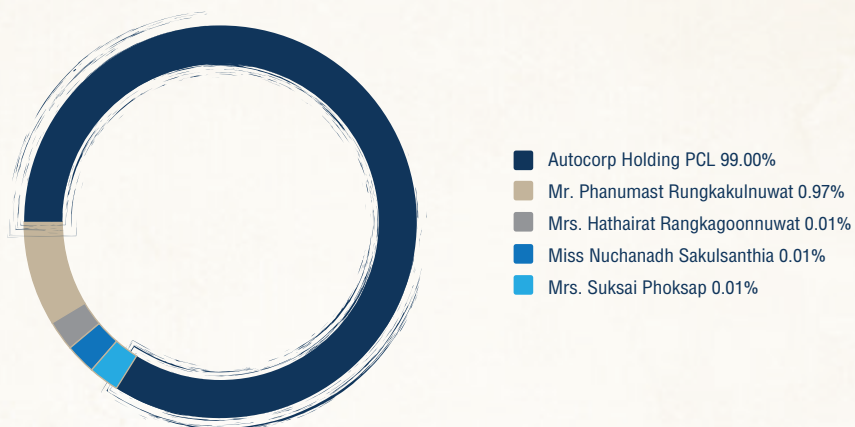
Honda Maliwan Company Limited, a subsidiary, has the registered and paid-up capital in the amount of THB 550,000,000, divided into 5,500,000 shares at the par value of THB 100 per share.

The list of Honda Maliwan's shareholders is shown in the table below:

	As at 31 December 2020	
	Number of Shares	Percentage
Autocorp Holding PCL	5,486,000	99.74
Mr. Phanumast Rungkakulnuwat	10,492	0.19
Mrs. Hathairat Rangkagoonnuwat	502	0.01
Mr. Atthaya Rangkakulnuwat	1,500	0.03
Mrs. Vilawan Rangkakulnuwat	1,500	0.03
Miss Nita Rangkagoonnuwat	3	-
Master Ruge Rangkagoonnuwat	3	-
Total	5,500,000	100.00

Autoclik by ACG Co., Ltd., a subsidiary, has the registered and paid-up capital in the amount of THB 1,000,000, divided into 10,000 shares at the par value of THB 100 per share.

List of Autoclik's shareholders in percentage as at December 31, 2020



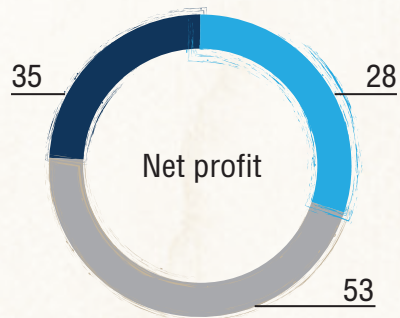
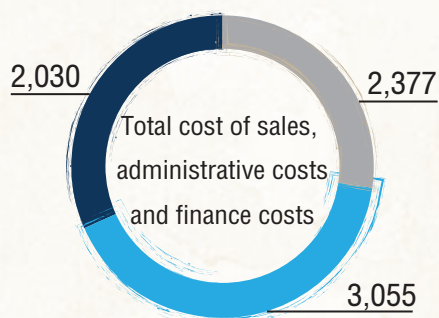
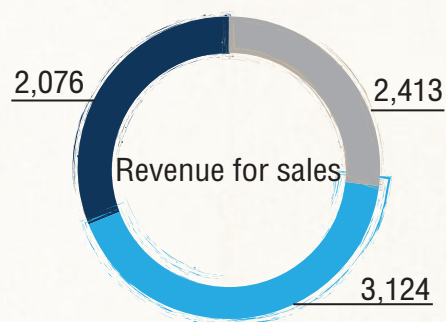
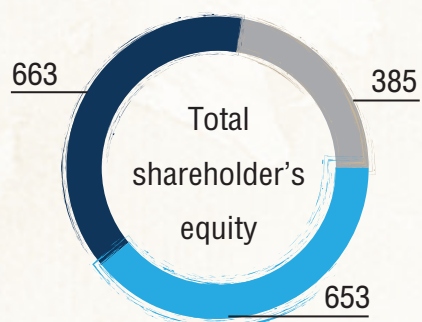
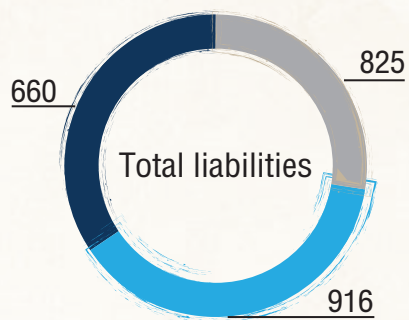
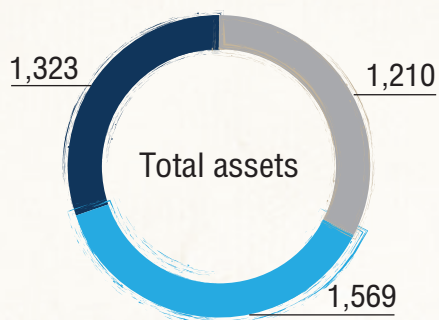
The list of Autoclik's shareholders is shown in the table below:

	As at 31 December 2020	
	Number of Shares	Percentage
Autocorp Holding PCL	9,900	99.00
Mr. Phanumast Rungkakulnuwat	97	0.97
Mrs. Hathairat Rangkagoonnuwat	1	0.01
Miss. Nuchanadh Sakulsanthia	1	0.01
Mrs. Suksai Phoksap	1	0.01
Total	10,000	100.00

Issuance of Other Securities

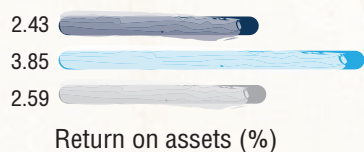
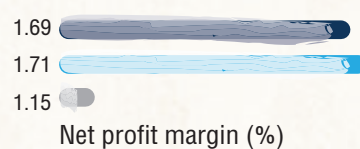
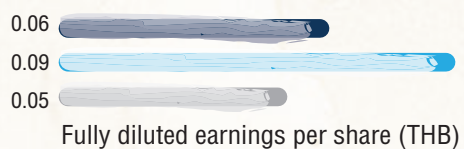
- none -

Financial Highlights



● 2020 ● 2019 ● 2018

Financial Ratios



● 2020 ● 2019 ● 2018

Background and Key Milestones

Policies and Business Outlook

Autocorp Holding PCL (“the Company”) operates the business as a holding company that sell cars and services in the automobile industry as well as the related businesses. The Company was listed on the Market for Alternative Investment (“MAI”) on June 27, 2019. Later on, the Company was listed on the Stock Exchange of Thailand (“SET”) on July 1, 2020.

Currently the Company invested in 2 subsidiaries as follow:

1. Honda Maliwan Co., Ltd. (“Honda Maliwan”), a Honda dealer and service center. It was established by Mr. Phanumast Rungkakulnuwat in Surin province for the first time in 1992.
2. Autoclik by ACG Co., Ltd. (“Autoclik”), a new subsidiary was established on July 8, 2020, which operates the business as a distributor of spare parts and provide repair and maintenance services of all car brands (Fast Fit).

(Hereinafter collectively called Honda Maliwan and Autoclik “Subsidiaries” and for the Company and Subsidiaries called “the Group”).

The product of the Group is Honda cars, which manufactured and distributed of Honda cars to dealers by Honda Automobile (Thailand) Ltd. (“Honda”). At present, Honda has dealers across the country to serve customers thoroughly. Honda will select the dealers, price setter and sales promoter for the dealers including it is also the deliverer of the cars, in accordance with the purchase orders of the dealers.

Honda is considered to be one of the largest passenger car manufacturers of the country. In 2020, the market share of Honda cars about 27.5 percent for the passenger cars with no more than seven passengers (included Honda BR-V, HR-V and CR-V). Which is the first position of market share for the passenger cars.

“However, in the future, the subsidiaries is also determined to additionally expand the market to the provinces with potential economic growth and customer demand to cover all regions.”



Honda Maliwan is one of the Honda trusted dealers. Started the first time in 1992 under the name of A.V. Cars (Surin) Co., Ltd., it is the sole dealer in Surin province up to date. Later on, it has expanded the business to Buriram province, under the name of A.V. Buriram Honda Cars Co., Ltd., and in Khon Kaen,

Phuket and Krabi provinces under the name of Honda Maliwan Co., Ltd. respectively. Furthermore, Honda Maliwan Co., Ltd. was from an amalgamation of 3 subsidiary companies, namely A.V. Cars (Surin) Co., Ltd., Buriram Honda Cars Co., Ltd. and Honda Maliwan Co., Ltd. in 2018.

In the first quarter of 2018, the group adjusted its structure to only one subsidiary, Honda Maliwan Ltd., which now has the total sales and service centers of 9 places covering five provinces in Surin; Buriram; Khon Kaen; Phuket and Krabi provinces, in order to respond to the demand of the consumers in the car market and follow the changed in consumer values. However, in the future, Honda Maliwan is also determined to additionally expand the market to the provinces with potential economic growth and customer demand to cover all regions.

Other than selling cars accessories and spare parts, Honda Maliwan also has the service centers for maintenance

and body and-paint repair service as after-sales services. Honda Maliwan also offers hire-purchase sales ("Finance") and car insurance to completely respond to the need of the customers.

The new subsidiary as "Autoclik" which business is to distribute parts and provide urgent repair and maintenance services for all car brands (Fast-fit). Autoclik has plan to open its first branch within the first quarter for the year 2021 in Phuket province. However, Autoclik focus more on the Fast-fit business in order to respond to the demand of customer base expansion.



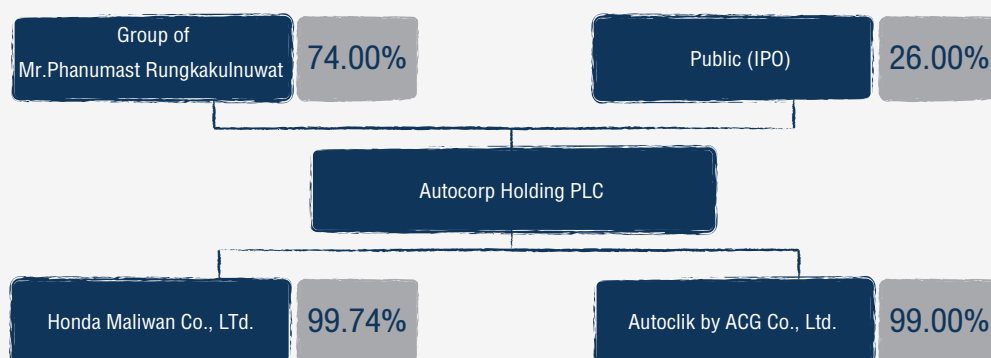
Important events

2018	
February	<ul style="list-style-type: none"> On February 2nd, 2018 Honda Maliwan established Phuket branch in Phuket province (the seventh in the Group) which is the first branch of market expansion beyond the Northeast region. A.V. Cars (Surin) Co., Ltd., A.V. Buriram Honda Cars Co., Ltd. and Honda Maliwan Co., Ltd. were amalgamated under entity named Honda Maliwan Co., Ltd. ("Honda Maliwan"), a Honda dealer and service center for 7 branches on February 28th, 2018. It had the registered capital of Baht 140 million, divided into 1,400,000 shares with a par value of Baht 100 per share. The Company is a major shareholder of Honda Maliwan. Honda Maliwan made Honda Automobile Dealer Sales and Service Agreement ("Dealer Agreement") for 7 branches with Honda on February 28th, 2018. (Dealer Agreement was amended after amalgamation).
March	<ul style="list-style-type: none"> Honda Maliwan opened the official Honda dealer and service center in Phuket province on March 1st, 2018. On March 20th, 2018, the Company paid dividend of Baht 18.75 million to shareholders amounting to 2.5 million shares at Baht 7.5 per share, paid from 2017 operating performance. The Company increased the registered capital from Baht 25 million to Baht 222 million on March 23rd, 2018 by offering to the existing shareholders in order to Honda Maliwan expansion. In addition, Honda Maliwan increased its registered capital from Baht 140 million to Baht 337 million by offering to the existing shareholders. Furthermore, Honda Maliwan acquired land of showroom and service center in Surin province (Surin and Weerawatyothin branches) and Buriram province from Mr. Phanumast Rungkakulnuwat and Mrs. Hathairat Rangkagoonnuwat with amounting to Baht 155.93 Which is the average market price appraised by 2 independent appraisers and approved by the Securities and Exchange Commission ("SEC"). Honda Maliwan opened as Honda dealer and service center at Naka branch in Phuket province on March 29th, 2018 (the eighth in the Group). The service center was opened in October 2018 and showroom was opened in March 2019.
September	<ul style="list-style-type: none"> On September 17th, 2018, the Company was registered as a public company and changed name to "Autocorp Holding Public Company Limited and also changed the par value from Baht 10 to Baht 0.50. In addition, the Company increased its registered capital with amounting to Baht 78 million as Baht 300 million by Initial Public Offering ("IPO") 156 million shares at par value of Baht 0.50 per share.
November	<ul style="list-style-type: none"> On November 16th, 2018, Honda had a letter to appoint Honda Maliwan as a Honda dealer and service center in Krabi province which opened its as temporary branch in January 2019.
2019	
January	<ul style="list-style-type: none"> Honda Maliwan opened as Honda dealer and service center at Krabi branch in Krabi province on January 4th, 2019 (the ninth in the Group).
June	<ul style="list-style-type: none"> On June 27th, 2020, the Company has begun to trade in the Market for Alternative Investment ("MAI") under industrial sector (Automotive) with ACG symbol with the registered capital of Baht 300 million divided to ordinary shares 600 million shares at par value of Baht 0.50 per share by initial public offering 156 million shares with Baht 1.44 per share.
August	<ul style="list-style-type: none"> Honda Maliwan increased its registered capital from Baht 337 million to Baht 550 million by offering to the existing shareholders.
October	<ul style="list-style-type: none"> On October 5th, 2019, Honda Maliwan opened service center at Mueang Krabi branch, Krabi province (the tenth in the Group).

January	<ul style="list-style-type: none"> On January 4th, 2020, Honda Maliwan opened showroom at Mueang Krabi branch, Krabi province.
March – April	<ul style="list-style-type: none"> As the coronavirus outbreak (COVID-19) and compliance with COVID-19 epidemic control measures that effected to Honda Automobile (Thailand) Company Limited temporarily suspend the automobile assembly of both factories in Phra Nakhon Si Ayutthaya Province and Prachinburi Province from March 27th, 2020 until April 30th, 2020. The Group able to overcome obstacles for COVID-19 epidemic situation due to Honda Maliwan has sufficiency cars in the stock for supply to customer and able to deliver cars to customers as usual.
April	<ul style="list-style-type: none"> According to the resolution of the Board of Directors' meeting no. 3/2020 on April 7th, 2020 due to the coronavirus outbreak (COVID-19). The Board of Directors resolved to postpone the 2020 Annual General Meeting of Shareholders ("AGM") indefinitely. Therefore, the Board of Directors resolved to approve interim dividend instead of the annual dividend payment for the year 2019 with amounting to Baht 24 million from 2019 operating performance dividend rate of Baht 0.04 per share) and the dividend payment is schedule on May 5th, 2020.
May	<ul style="list-style-type: none"> According to the resolution of the Board of Directors' meeting no. 4/2020 on May 12th, 2020. The Board of Directors acknowledged that the resignation of one director, Mr. Phuthip Vatin, resigned from the position of director, executive director and other positions in the Group with effect from April 30th, 2020.
July	<ul style="list-style-type: none"> On July 1st, 2020, the Company has begun to trade in The Stock Exchange of Thailand ("SET") under industrial sector (Automotive) with ACG symbol same as MAI with the registered capital of Baht 300 million divided to ordinary shares 600 million shares at par value of Baht 0.50 per share. The company established a new subsidiary on July 8th, 2020 under the name Autoclik by ACG Co., Ltd. with registered capital of Baht 1 million, divided into 10,000 ordinary shares with a par value of Baht 100 per share, which operates as Fast-fit.
September	<ul style="list-style-type: none"> Honda Maliwan Co., Ltd. Krabi branch, Krabi province (the ninth in the Group) was closed its on September 30th, 2020 which was opened as a temporary branch to support customer service during the construction of Honda Maliwan Co., Ltd. Mueang Krabi branch's showroom and service center (the tenth in the Group). However, Mueang Krabi branch has been completed on December 10th, 2019. So that the closure of the said branch has no impact on the Group's operations.

Capital Structure

The Company has an investment in subsidiaries in two companies which are Honda Maliwan Co., Ltd. and Autoclik Co., Ltd.



Honda Maliwan Co., Ltd. (“Honda Maliwan”)

Date of Establishment	: On February 28, 2018, three companies were amalgamated following: 1. A.V. Cars (Surin) Co., Ltd. (established on December 17, 1992) 2. A.V. Buriram Honda Cars Co., Ltd. (established on September 27, 1994) 3. Honda Maliwan Co., Ltd. (established on September 3, 2012)
Headquarter	: 1111, Moo 1, Maliwan Road, Ban Thum, Mueang Khon Kaen, Khon Kaen. Honda Maliwan registered total 9 branches.
Nature of Business	: Honda dealer and service center including related services
Issued/paid-up Capital	: Baht 550.00 million
Directors	: 1. Mr. Phanumast Rungkakulnuwat 2. Mrs. Hathairat Rangagoonnuwat 3. Mrs. Suksai Phoksap 4. Miss Nuchanadh Sakulsanthia
Authorized Directors	: The joint signature of two directors, namely Mr. Phanumast Rungkakulnuwat or Mrs. Hathairat Rangagoonnuwat with Mrs. Suksai Phoksap or Miss Nuchanadh Sakulsanthia.
Relationship with the Company	: Honda Maliwan Co., Ltd. is a subsidiary of the Company which holds 5,486,000 shares, accounted for 99.74% of registered capital of Honda Maliwan. Common directors namely Mr. Phanumast Rungkakulnuwat, Mrs. Hathairat Rangagoonnuwat, Mrs. Suksai Phoksap and Miss Nuchanadh Sakulsanthia.
Shareholder Structure	: The Company holds 5,486,000 shares, accounted for 99.74%. Group of Mr. Phanumast Rungkakulnuwat holds 14,000 shares, accounted for 0.26%.

Autoclik by ACG Co., Ltd. (“Autoclik”)

Date of Establishment	: On July 8, 2020.
Headquarter	: 1111, Moo 1, Maliwan Road, Ban Thum, Mueang Khon Kaen, Khon Kaen.
Nature of Business	: To distribute parts and provide urgent repair and maintenance services for all car brands (Fast-fit).
Issued/paid-up Capital	: Baht 1.00 million
Directors	: 1. Mr. Phanumast Rungkakulnuwat 2. Mrs. Hathairat Rangagoonnuwat 3. Miss Soontaree Chittham 4. Miss Malini Channoom 5. Miss Suphansa Tangtrakul
Authorized Directors	: The joint signature of two directors, namely Mr. Phanumast Rungkakulnuwat or Mrs. Hathairat Rangagoonnuwat with Miss Soontaree Chittham or Miss Malini Channoom or Miss Suphansa Tangtrakul without Autoclik stamp.
Relationship with the Company	: Autoclik is a new subsidiary of the Company which holds 9,900 shares, accounted for 99.00% of registered capital of Autoclik. Common directors namely Mr. Phanumast Rungkakulnuwat, Mrs. Hathairat Rangagoonnuwat.
Shareholder Structure	: The Company holds 9,900 shares, accounted for 99.00%.

Relationship with the business group of major shareholders

The major shareholder of the Company is Mr. Phanumast Rungkakulnuwat’s group which has no other business that rely on or support Autocorp Holding Public Company Limited its subsidiaries.



Company's Business

1. Characteristics of the products and services of Honda Maliwan

Honda Maliwan Co., Ltd. ("Honda Maliwan") operates the business as a distributor of Honda cars, including the relevant services as follows:

- 1.1 Business from sales of cars and accessories is divided into two types which are:
 - a. Car sales
 - b. Accessory sales
- 1.2 Business from repairing services and spare part sales
- 1.3. Business from offering a car financial and insurance services
- 1.4. After-sales services

1.1 Car and accessory sales business

1. Car sales

The main business of Honda Maliwan is being Honda dealer and service center. At present it has a total of 9 places consist of 8 showrooms and service centers and 1 display center (showroom) as follows:

Showroom and service center	Province	Location	Year started	Showroom area (sq.m.)	Service center area (sq.m.)
Surin Branch	Surin	274, Moo 9, Pattamanon Road, Salangpan, Mueang Surin	1992	525	3,260
Buriram Branch	Buriram	65, Moo 9, Buriram-Nangrong Road, Isan, Mueang Buriram	1994	650	1,820
Nangrong Branch	Buriram	123, Moo 6, Chockchai-Dech Udom Road, Thanon Hak, Nangrong	2012	625	1,400
Prachasamosorn Branch	Khon Kaen	345, Moo 6, Prachasamosorn Road, Nai Mueang, Mueang	2014	370	360
Maliwan_Branch (Head Office)	Khon Kaen	345, Moo 6, Prachasamosorn Road, Nai Mueang, Mueang	2016	2,400	8,200
Weerawatyothin Branch	Surin	783, Moo 20, Surin-Prasat Road, Nok Mueang, Mueang Surin	2017	240	ไม่มี
Phuket Branch	Phuket	3/17, Moo 3, Thepkasattri Road, Ratsada, Mueang Phuket	2018	316	312
Naka Branch	Phuket	36/3, Moo 4, Chaofahtawantok Road, Vichit, Mueang Phuket	2018	920	1,840
Mueang Krabi Branch***	Krabi	328, Moo 2, Phetkasem Road, Krabi Noi, Mueang Krabi	2019	1,000	1,600

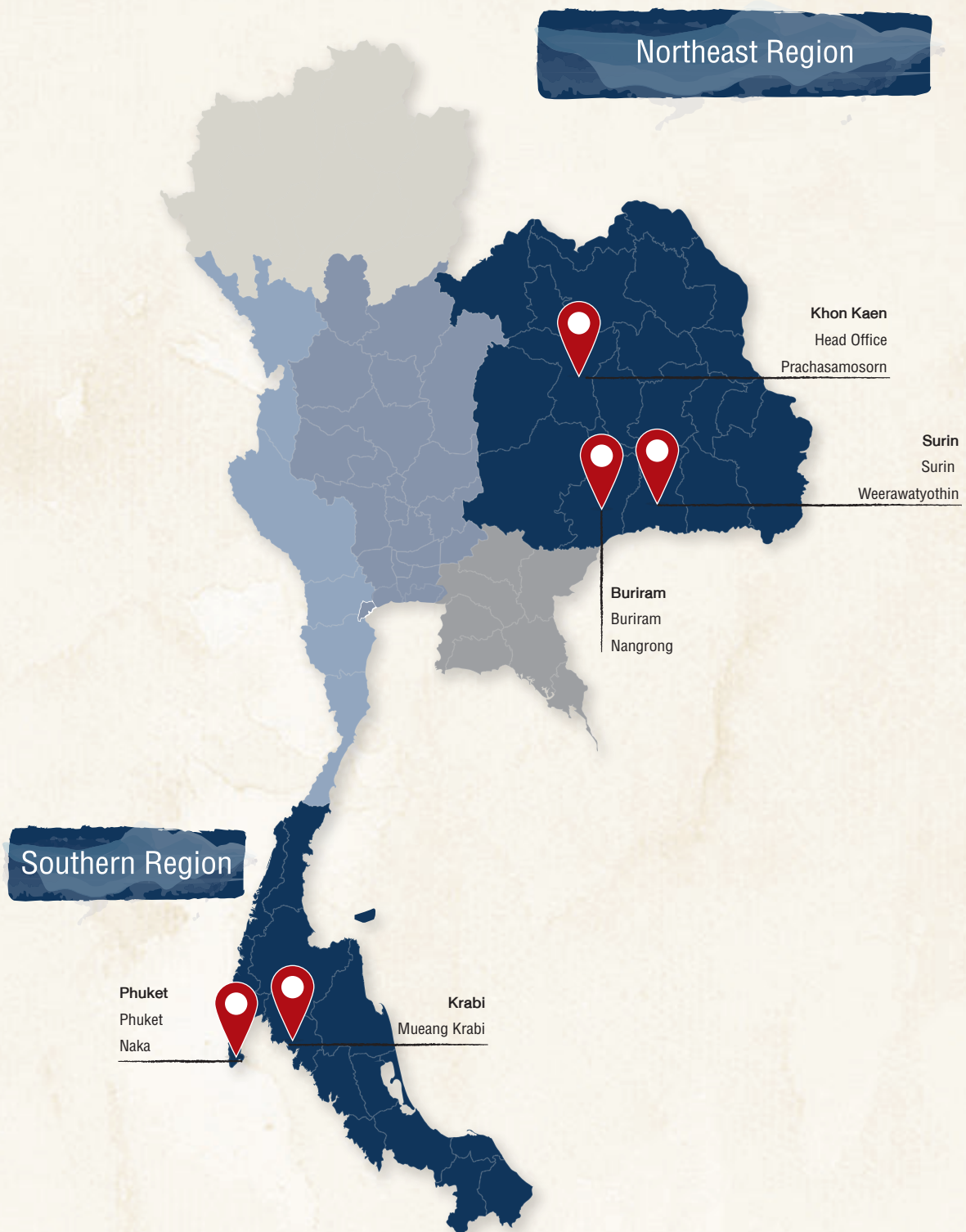
Remark:

*The showrooms open daily including the public holidays, while the service centers open Monday-Saturday except the public holidays. (Only Maliwan and Naka service center branches open on Sunday)

** The Weerawatyothin branch is a showroom which has no service center.

The main business of the subsidiary is being Honda Dealer and service center.

At present it has a total of 9 places consist of 8 showrooms and service centers and 1 display center (showroom) as follows:



Northeast Region



Maliwan Branch (Head Office)

Year started: 2016

Location: 1111, Moo 1, Maliwan Road,
Ban Thum, Mueang Khon Kaen

Showroom Area: 2,400 Sq.m

Service Center Area: 8,200 Sq.m

Service: Periodic Maintenance

Body and paint Repair



Prachasamosorn

Year started: 2014

Location: 345, Moo 6,
Prachasamosorn Road,

Nai Mueang, Mueang Khon Kean

Showroom Area: 370 Sq.m

Service Center Area: 360 Sq.m

Service: Periodic Maintenance



Surin

Year started: 1992

Location: 274, Moo 9,
Pattamanon Road,

Salangpan, Mueang Surin

Showroom Area: 525 Sq.m

Service Center Area: 3,260 Sq.m

Service: Periodic Maintenance

Body and paint Repair



Weerawatyothin

Year started: 2017

Location: 783, Moo 20,
Surin-Prasat Road,

Nok Mueang, Mueang Surin

Showroom Area: 240 Sq.m

Service Center Area: None

Service: None



Buriram

Year started: 1994

Location: 65, Moo 9,
Buriram-Nangrong Road,
Isan, Mueang Buriram

Showroom Area: 650 Sq.m

Service Center Area: 1,820 Sq.m

Service: Periodic Maintenance

Body and paint Repair



Nangrong

Year started: 2012

Location: 123, Moo 6,
Chockchai-Dech Udom Road,
Thanon Hak, Nangrong

Showroom Area: 625 Sq.m

Service Center Area: 400 Sq.m

Service: Periodic Maintenance

Body and paint Repair

Southern Region



Phuket

Year started: 2018
Location: 3/17, Moo 3,
 Thepkrasattri Road,
 Ratsada, Mueang Phuket
Showroom Area: 316 Sq.m
Service Center Area: 312 Sq.m
Service: Periodic Maintenance



Naka

Year started: 2018
Location: 36/3, Moo 4,
 Chaofahtawantok Road,
 Vichit, Mueang Phuket
Showroom Area: 920 Sq.m
Service Center Area: 1,840 Sq.m
Service: Periodic Maintenance
 Body and paint Repair



Mueang Krabi

Year started: 2019
Location: 328, Moo 2, Phetkasem Road,
 Krabi Noi, Mueang Krabi
Showroom Area: 1,000 Sq.m
Service Center Area: 1,600 Sq.m
Service: Periodic Maintenance
 Body and paint Repair

Main products of car sales division of Honda Maliwan are Honda passenger cars, which can be divided into 6 main groups as follow:

Eco car group small-sized cars with 1,300 cc engines namely Brio and Brio Amaze models.



Subcompact group small-sized cars with 1,000 and 1,500 cc engines namely City and Jazz models.



Compact group medium-sized cars with 1,500-1,800 cc engines namely Civic and Civic Hatchback models.



Sedan group large-sized cars with 1,500–2,000 cc engines which is Accord model.



SUV (Sport Utility Vehicle) group cars with 1,500–2,000 cc engine namely BR-V, CR-V and HR-V models.



MUV (Multi Utility Vehicle) group 7 seater and 5 seater family cars with 1,500 cc engines, which is the Mobilio model.



Honda has been constantly developing its products to passenger car market in response to the demand of the consumers and to build the growth of the Honda car in the Thai automotive industry. The product development can be divided into 3 main groups as follows:

1. New Model

is the model that has never been marketed before.

2. Full Model Change

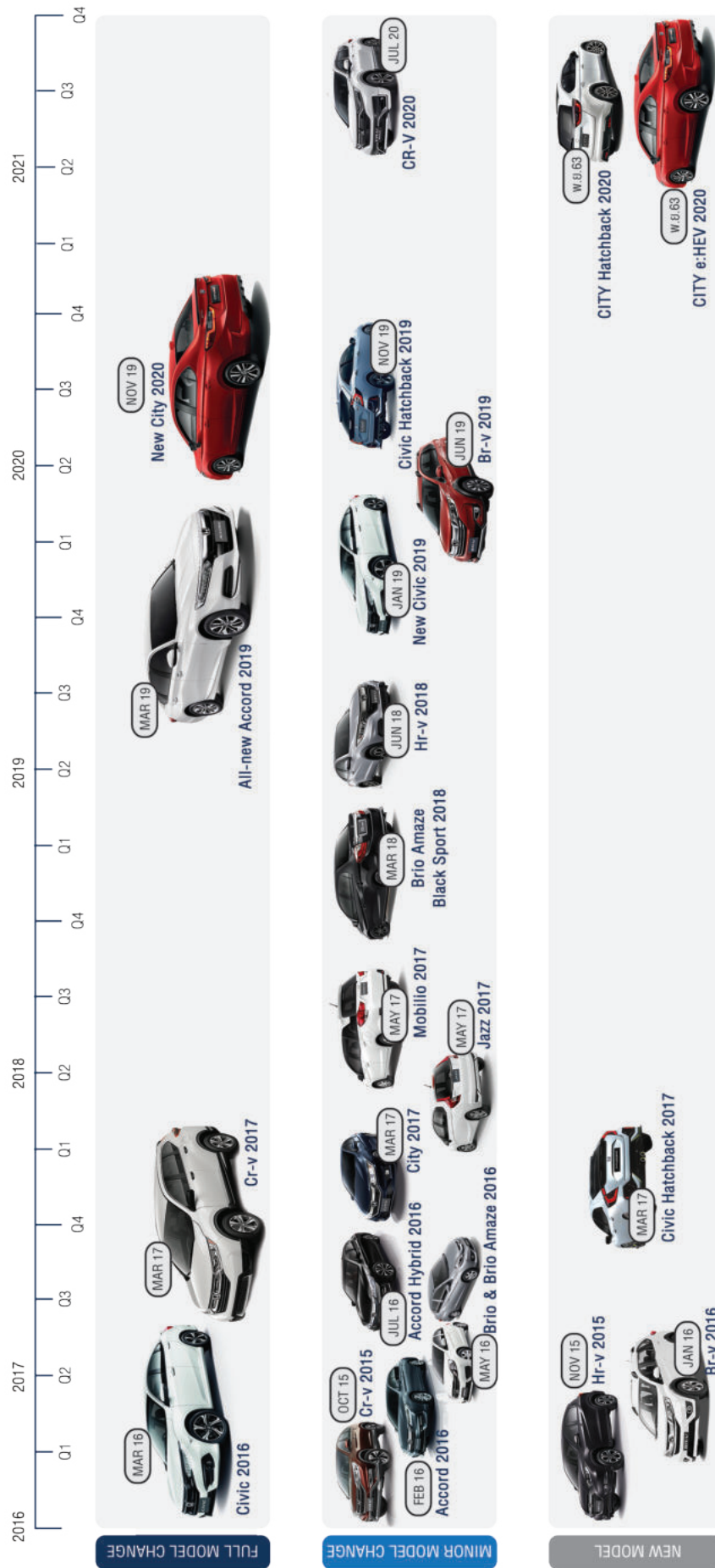
is the new generation of the model that has been marketed.

3. Minor Model Change

Minor model change is the model that has been marketed, with partial adjustments on the car.



Evaluation of Honda products during the past 6 years (2015 – 2020)



The prominent points of Honda cars

Honda Automobile (Thailand) Co., Ltd. is the Honda car manufacturer in Thailand with all passenger car model in response to the demand of the customers thoroughly, supporting the rapid change of customer needs. In 1984, Honda introduced the Civic model in Thailand. Since then, Honda has been growing and developing its products, service and marketing all long. Therefore, Honda cars are popular and accepted by the consumers in Thailand. It is one of the leaders on production and distribution of passenger cars in Thailand. It can be said that the notable points of Honda are:

- Luxurious design in all details, modern, suitable for all the target groups
- Large, comfort and well equipped with safety standards passenger room
- Worthy price for quality, safety and modern technologies
- Service centers across the country and services under the Honda standards. Together with, 24hr-emergency roadside assistance to keep a peace of mind of all car users.
- A wide selection of car models for all target groups, from Eco car/subcompact, e.g. Brio Amaze; City and Jazz to medium-sized passenger cars, e.g. Civic and Civic Hatchback to large-sized cars e.g. Accord to SUV and MPV, e.g. BR-V; HR-V; CR-V and Mobilio. Each group has multiple sub-models to choose, from base models to top models. In addition, there is a collection of colors to fulfill the needs and tastes of the customers.



2. Accessory sales

Honda Maliwan also has the income from the accessory sales, consist of the genuine accessories, rust-preventive sprays, color coating and light-screening films, and so on.





1.2 Repair service and spare part sales business

Honda Maliwan has the service centers that are modern and safe in accordance with the Honda standards to provide the after-sales services, e.g. maintenance, body and paint repair, and spare part sales. It focuses on quality service and rapidity that suit the customers. It has the integrated service to create maximum satisfaction for the customers. In addition, the service is not only for the customers who bought the cars from the company group only, but also those who bought from other Honda dealers as well. The type of repair services can be divided as follows:

1. PM (Periodic Maintenance) To assure users' confident and to extend the life expectancy of the cars, cars need to be inspected in accordance with the manual schedule. The warranty conditions shall comply with the terms stated in the warranty book.
2. GR (General Repair) e.g. the engine, transmission, suspension, air-conditioning and electricity systems, etc. Long experienced mechanics will check and analyze the problems using the modern tools to repair and set the engines to solve customers' problems. If there is any spare parts that need to be replaced, the service center shall notify the customer for acknowledgement in advance. Moreover, there is a warranty for a replaced spare part, which the warranty period depends on each type of the spare part.
3. BP (Body and Paint) The body and paint repair service ensure the customers that their cars shall be returned to the original condition as required, like new, with specialization and experience on the body repair and paint of the experts who have been trained very well in accordance with the service standards that emphasize neatness and the quality inspection process in all procedures. The service includes a use of new repair innovation, the waterborne, that gives the glossy lines that are even and bonding in all circumstances and reduce the pollution for environmental friendly.

The service center facilitate on the claim for the car users by giving confidence that their cars shall be suitably taken care of, and the work quality shall abide by the standards. In the case there is an expense beyond the warranted claims, the customer shall be notified for acknowledgement and before each operation.

For all the three aforementioned types of car repair services, the group offers the 10,000 km or 6-month warranty, depending on which comes first for PM. For GR, the warranty depends on each spare part warranty. And 1-year warranty for BP.

1.3 Leasing and insurance services offering business

In the case that customer wishes to make a hire-purchase, the group shall offer a financial institutions, providing car financial services ("Financial Institution" or Finance Company") to the customer. Furthermore, when there is a wish to insure a car, the group shall present an insurance brokers or insurers ("Insurer") to the customer who buys a new car and the former Honda customer. The company shall receive incentives for such the operations.

The company group has a policy to select financial institutions and insurers to be recommended to the

customers. The conditions and services of each financial institution or broker will be considered monthly.

1.4 After-sales services

The group has the multiple after-sales services to provide convenience and service that are most consistent with the demand and satisfaction of the customers. The cars will be taken care by the skilled and devoted mechanics under the quality standards together with the verifiable standards from Honda on the various fields, for example:

Super Fast Tech

The "Super Fast Service" is the urgent checking service for 10,000 km interval. It is convenient, quick, time and expense-savings under the slogan "Fast and ready" without any additional service costs.

Honda Ultimate Care

The products that increase the assurance to the customers by the service program called "Honda Ultimate Care" that helps extend warranty for another two years or 40,000 km without a worry on the expense about the spare parts and labor cost in the future possible maintenance. The customer can purchase the ultimate care to extend the original three years warranty to five years by paying the designated price.

Honda 24 hr Roadside Assistance

The group creates confidence on safety by providing the Honda 24-hr Roadside Assistance, which is the service for all Honda car users to receive the free privileges membership for three-year warranty or 100,000 km period.

Honda Paysave periodic maintenance package

The group provides the continuous car maintenance with the Honda Paysave package which is the program for periodic maintenance from 10,000 up to 200,000 km. The customers shall receive 15% maximum discounts on the labor cost and spare part for the maintenance at the designated mileage. The package has the useful life of 12 or 24 months.

Service principles of Honda service center under the ACG standards

Since the group has given priority on the goods and service quality as the principle. Therefore, to get successful management of the branches dispersed over various provinces, it is necessary to designate a business policy on the service of each branch to go in the same direction and standards. The Company is using centralized management approach to relay the policies and working methods from the head office to the all 9 branches.

However, the group has the standard to create customer impressions, from training staff to be potential and inculcated by the service mind and rapid on-time delivery. Due to the number of branches, the group is able to manage inventory more efficiency. Other than services, the group also has modern and environmental-friendly showroom and service center design with customer waiting areas to make waiting to be resting, including movie theater, small playground, coffee corner and other rest corners. These together with the technologized services are adopted for more customer comfort.

Apart from the various services providing to the customers, the group also gives much priority on internal management of the organization. The company has an inventory management policy (cars, spare parts and accessories). The policy includes strict inspections from the both internal and external sources according to the designated time, personnel development, fringe benefits and incentives to maintain the quality personnel. There are also other policies to promote all branches with robust work structure.

Evaluation by Honda

Each year Honda shall evaluate the performance of its dealers. The evaluation has 3 topics which are;

1. Dealer standards namely the area arrangement, cleanliness, readiness of the tools, service capability on the sales showrooms and repair centers, including data communications with Honda.
2. CSI (Customer Satisfaction Index) survey on sales and services satisfaction which is a direct customer satisfaction survey. Customers will be inquired about the sale and service, e.g. satisfaction on staffs, enthusiasm of sales representative, and goods and services information given

by the sales representative, placement and service, and car delivery.

3. Key Performance Index (KPI) which is the measurement of sales and service performance compare with the target.

The whole guidelines will be used by Honda as an information to consider the business plan and incentives that each dealer will be received. The group has been evaluated in the good criteria all along, and received the awards for the effective operation that is in consistent with the goals and guidance by Honda.

2. Characteristics of the products and services of Autoclik

Autoclick by ACG Co., Ltd. ("Autoclik") operates the business as a distributor of spare parts and provide repair and maintenance services of all car brands (Fast Fit).

3. Market and Competition

3.1 Customer groups and sales channels

Consumer behavior

At present, car is considered to be an important thing in the daily life. Although it cannot be compared with the necessities for living, it is the thing that helps travelling more convenient and rapid. Therefore, the consumers give importance and dedicate their time when buying a car. The main consumer decision-making factors are as follows:

- **Safety** is considered as the main factor in deciding to use a car. Presently, Honda aims to emphasize the new models to be equipped modern technologies to increase consumer's confidence in more driving safety.
- **Fuel economy** due to the constant fluctuation in oil prices, consumers are more careful on spending. Fuel-saving cars are the main options for the contemporary consumers.
- **Interior design**, exterior design, and car size beautiful and futuristic designs, with complete convenient equipment for the driver and the passenger, quality interior materials, detailed assembly, and low cabin noises from the outside have influences on the purchase decision-making of this generation people.

- Car price is the most important factor. This is because money is the budget used in deciding whether the consumer has an ability to pay the price or installments or not. It also includes the affordability of spare parts and maintenance costs to be incurred in the future as well.

Currently, the car purchasing behavior has changed from the past from going straight to the showroom to see, touch a desirable car with the information, e.g. car engine specifications, installments or other details. On the overall, this behavior has been lessened due to the consumers are able to find the information via the Internet. They can consider a few interested brands and find the fundamental data by themselves before deciding to enter the showroom and the service center to compare the data and make their final decisions.

Customer group

The customers and the targeted groups are the consumers of all levels with sufficient income and purchasing power to buy or replace a car. The service centers of the group are able to serve the customers using all Honda car models, regardless of buying from the company or not.

In the past three years, the group had no sales of the goods to a specific customer which are more than 30 percent of the total income. This is because it mostly sell to small customers.

Finance and insurance company trade partner group

The group has the customers that apply for hire purchase with finance companies. The ratio between cash and hire purchase is 90:10. The group has the main income from the 10 largest trade partners (which are the finance and insurance companies) in 2019 and 2020 at the ratio of 83.37% and 59.69% percent of the main revenue respectively.

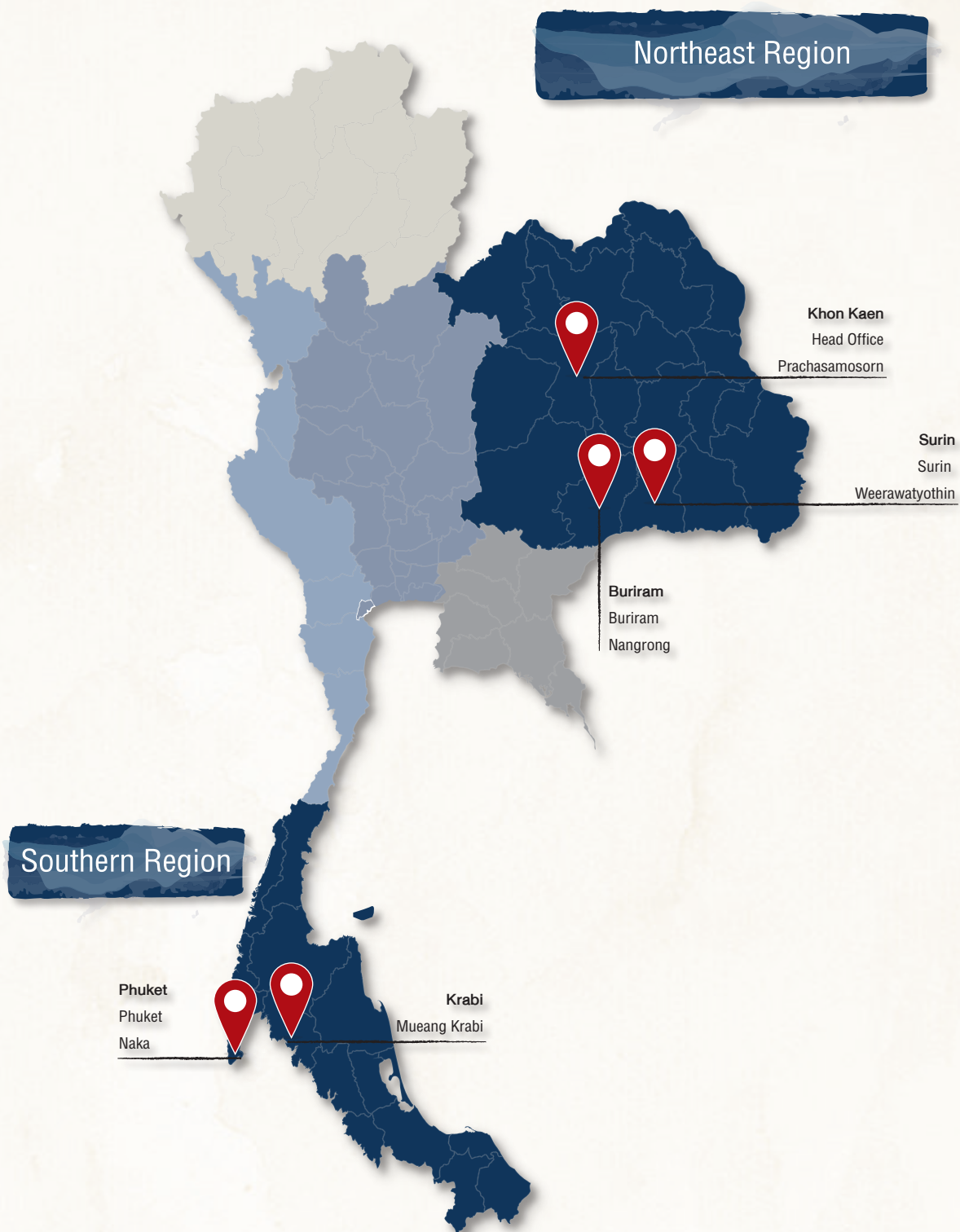
During 2017-2020, the group had one trade partner with the revenue exceeded 30 percent. However, there still were other finance companies with the lower ratio of the income from which the group could choose to use their services. Therefore, there was no risk from losing the income from this large trade partners. It considered as reciprocal benefit for both the group and the finance companies.

The income from the commissions from presenting car insurers had a small ratio, which was not over 3 percent of the total revenue. Nonetheless, the commission revenue in 2020 had a decrease trend from 2019 by 17.08 million Baht or 21.90 percent of the total revenue. Moreover, in 2019 the commission revenue is 78 million baht or 2.5 percent of the total revenue which complied with the trend of the increased car sales from the branch expansion.

Sales and sale channel

The sales channel of the company is direct sales to consumers through the sales department. Presently, there are 8 showrooms and service centers and 1 display center (showroom), altogether 9 places, as following details:





Remark:

Muang Krabi branch the service center was opened in October 2019 and the showroom was opened on 1 January 2020 (income recognition started in January 2020).

Honda Maliwan has the important strategies to develop its sales channel as follows:

- (1) A branch expansion to cover all regions by considering various important factors, e.g. the average income per household, density of the residing population, community economic conditions or the targeted city, purchasing power of such the area, etc. Nevertheless, the company has a plan to open a new branch in the future in high potential area in all regions.
- (2) Improvement of the existing branches to create good atmosphere and increase customers impression and,
- (3) Increase the use of online media to build sales channel to get more access to consumers.

Sales and service division are positioned in two areas which are:

- **Showroom Area** is the area inside the building that displays the cars. Customers can view and inquire details with the sales consultants. The display of new cars and accessories are done by considering the esthetics, modernity, cleanliness and orderliness, as well as the creation of the friendly viewing atmosphere. Inside the showroom, the company provides sales consultants at all the time in each display area to provide convenience and information, including the technical advice, car operation and monthly sales promotion as well.
- **Service Area** is divided into the body and paint shop and the engine repair center with the size of the repair shop dependent on the projection of the cars to be repaired calculated from the experience of the management. Honda Maliwan does not just only display new cars in the all 9 showrooms, but also organizes public relations, including holding events in a department stores or communities to present new car models or promote monthly sales promotion to the public.

3.2 Marketing strategies

To maintain the existence customer and increase its market share, Honda Maliwan has designated competitive strategies as follows:

1. Branch extension to cover all regions

The branch expansion is the important factor in expanding the company business to increase the income growth. This is also answering the question of the company

as the dealers and service center that is the first customer when thinking of the Honda goods and services. For the acquisition of the high potential locations, the company make a feasibility study on the branch expansion and present it to Honda for a new branch investment approval. Even though the company has just started the business in the northeast region, it does not stop expanding to other provincial branches outside the region. In 2018, it envisaged the economic growth in Phuket, so it requested an approval to open a branch to expand into the market with new group of customers with prospection and purchasing power. In addition, in 2019 it expanded the branch to Krabi province with the plan to expand to the branches in other regions of the country as well.

2. Rapidity in goods and services delivery

The top reasons that the customers used in deciding to receive the service from the service center or car repair garages are convenience and rapidity. It does not matter how perfect the products and services are presented if they cannot punctually be delivered as demanded or the promised time. The company has always realized the importance of this matter so it becomes the guidelines on goods purchasing plan to ensure that they are sufficient for customer demand. All the time, the company has sufficiently delivered the goods and created good impression to the customers. Furthermore, the extensive branch number is one of the main factors that enable the company to efficiently manage its stock in response to the customer demand.

3. Differentiation strategy based on Autocorp Group “ACG” standards

To increase the competitiveness with other car dealers in the same and nearby provinces, the group has created the marketing strategy by building the car sales center in Khon Kaen province, the main city in the northeast region to be the largest service center in Thailand under the concept of luxurious design, elegance, and modernization as well as energy saving and environmentally friendly. On a large area over 25 rai, it is divided in to the usable building area of more than 11,000 sq. m, and the new car display area of

more than 1,200 sq. m, which can display up to 30 cars simultaneously. The enormous service center with the size of 9,000 sq. m that is able to support up to 139 service bays and provide general repair and scheduled maintenance services (GR) ready for up to 4,350 cars per month and provide body repairs and paint services (BP) up to 720 cars. It is considered as integrated showroom and service center with the most service capacity in Thailand.

The group also has the intentions to build the unique of Honda center with the ACG standards by using the showroom and service center of the head office as the prototype for the following branches. Abidingly follow the company standards, the company determines to take care of the customers to receive the impressive and warm welcome service. It is ready with the various amenities, e.g. electric massaging chairs, free Wi-Fi service and iPad table, various special select premium grade food and beverages, including Bud's ice cream, snacks and various desserts, including the hot and cold drinks at the premium grade, for instance, fresh coffee. Moreover, the Maliwan Club and Maliwan theater are designed especially for entertainment, turning the waiting time into the special time. Other than the service for the adults, there still the the Kid's Land, a children playground with bright colors to promote children learning development, emphasized on international safety standards as priority.

4. Excellent pre-sales and after-sales service

Since the goods of the group are Honda-standard goods, there is no product difference between dealers. Thus, building optimum customer satisfaction from the beginning to the end of the sale is the thing that helps create differentiation for the Group. This is done by:

- Knowing and understanding the customers in-depth, regardless of age, education, behavior, income and demand thoroughly, without overlooking the possible various limitations of the customers,
- Giving complete knowledge on the product, to benefit the customer decision-making process. This includes the options offer for maximum benefits of customers and,

- Providing the service by the knowledgeable employee with service heart, polite smile, civility and friendship.
- The thing that is no less important than the attention to the demand of the customers before a sale is the after-sales service. Apart from the Honda Maliwan services, which are care programs, the Group's part plays an important role in the following up or solving the problems. The company extremely realizes the importance on this matter; so it emphasis its employees to,
- Communicate with the customers and emphasis on building the preventive system against problems, e.g. a follow-up on an inquiry with the customers regularly, not just a few days after receiving the goods but entire product life. It also includes the practices that are in accordance with the rules and laws to excellently help the customers to be confident in the goods and services.
- Emphasis on reaction speed to solve a problem without ignoring the fixable problems of the customers. When the customer has a problem, the employee or company has a convenient and in-time channel to receive the matter with the fastest possible resolution the company can bring. This is for convenience of the customer and to prevent ensuing complaints.

Where the service goal of the group is the customer maximum satisfaction, employee training to service heart is the thing that it gives priority specially. The company has arranged intensive training and tests on the performance of the front employees, or the employees with the chance to meet or communicate with the customer directly and regularly to maintain the standard practices.

Nonetheless, Honda Maliwan and Honda also have an evaluation of customer satisfaction from using the service by using the questionnaire and the collection of service history data. These are used in developing the quality on the service of Honda Maliwan in both showroom and the service center department.

5. Experience of the management and the Group's personnel

The management has a great deal of importance for the organization while maintaining the role of directing the company. For over 28 years in the business operations as a dealer and service provider of the group, as a result, the management and personnel possess experience and understandings on the demand of the customer. They deeply understand the characteristics of the business, operations, including the problems or various situations; they are also able to apply the experiences or problems they have encountered to improve and develop the operational process to be more efficiency all the time.

3.3 Pricing Policy

The price settings of Honda Maliwan shall comply with the prices designated by Honda, which are the same standard prices across the country. The management can formulate strategies on other sales promotions to persuade the customers. For other products, e.g. the accessories and leather seats, the company has a policy to set the prices based on the cost plus the gross profit with the consideration of the market price as well.

3.4 Advertising and Public Relations

The group has a policy on using advertising media and public relations as follows:

- (1) Organize events to promote the showrooms of the group and introduce the new models or new promotions at least once a month. It uses the community places, e.g. department stores, exhibition halls and tourism events, etc.; as the public relations channel.
- (2) Create media via social media to promote such as monthly promotion., various educational content ideas such as Artwork and Video, etc.
- (3) Create fun activities via Facebook Fan Page in order to increase the channel of customers and as a result, the company being remembered and always being seen.
- (4) Produce company branded products for the sales promotions especially, e.g. a neck pillow, safety belt wrapper, vacuum flask, foldable tote bag , etc.

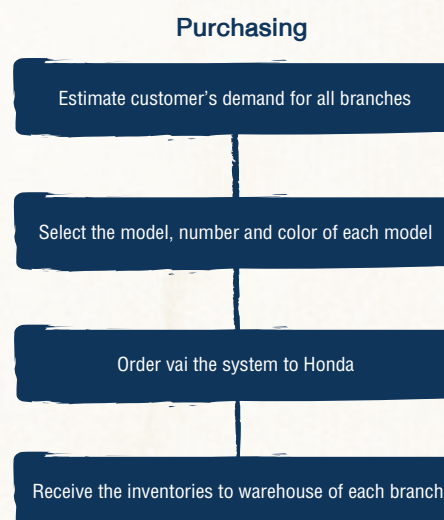
- (5) Sponsor the various activities to promote the company, e.g. give sports equipment to schools in need., sponsor on YouTube Channel , etc.
- (6) Create the group website which is www.autocorp-group.com to promote the group.

4. Products and Services Procurement

4.1 Procurement of products

Purchasing

Honda Maliwan ordered the goods directly from Honda Automobile (Thailand), the sole supplier in Thailand. For cars and spare parts up ordering process, the Group must send a car-ordering plan in 3 months in advance to choose the models and 1 month in advance for the colors for each branch. After Honda is able to confirm the number to be delivered, it shall notify in advance on the number of cars to be delivered in each month.



For the genuine spare parts and decorating accessories ordering, they must be ordered from Honda Automobile (Thailand) only. In the case of purchasing the aftermarket decorating accessories from other sellers, prices by a minimum of two sellers must be compared. Or sellers must be selected from the approved vendor list. Moreover, the spare part control staffs control the minimum stock of some regularly used parts, for instance, oil, spark plugs, brake disks, etc. Purchasing division responsible for ordering through the system. The goods will be received within seven days after the order for normal orders and within three days for urgent orders.

Inventory Management

Honda Maliwan has a policy on the management of the number of cars and spare parts to be reserved in the number that suitable and sufficient for the sales and delivery to the customers when ordered and not to cause a financial constraint to the group. It shall analyze the inventory to plan on ordering the various models for the models with quick circulation. It shall coordinate with the purchasing consultant on the order, so the inventory is at the safety level. On the average the minimum inventory is maintained for sales of about 15 days and the spare parts seven days. Moreover, it has set the random sampling on the count regularly each day in the service center.

Honda Maliwan has a policy of designating the number of spare parts at the suitable level and to prevent from shortages when the customer brings a car to be serviced. It has the area for storing large cars at Khon Kaen province, which is in the northeast region center in receiving the goods from the manufacturer.

Moreover, Honda Maliwan has designated the rules on the random counting the inventory of the spare parts daily and monthly. It is the guide on preventing the inventory from being lost or possible fraud. It has given priority on the count of the slow-moving inventory and has a high value, for instance, decorating accessories or frequent loss, e.g. oil, washers, etc. Moreover, it has set up a policy on reserving the obsolete and slow-moving goods to service the inventory with efficiency and suitability.

Hiring sales representatives

Honda Maliwan has a policy on sales management with each branch sales manager and hiring a sales representative with an appointment contract for the sales representative (so-called "Sales Consultant") with a designated time for one year and can be renewed if no cancellation. The sales consultants have a duty on offering Honda cars and decorating accessories and have to summarize the sales results and report on the progress each day to the company.

Honda Maliwan has the procedures and guidelines on selecting the sales consultants by interviewing the sales manager and approved by the vice CEO. The selection criteria, e.g. education qualifications, experience, personality, confidence and attitude, etc., which it shall put emphasis on honesty and responsibility of the sales representatives

as priority. In the past Honda Maliwan could find the sales consultant for each branch sufficiently.

On 31 December 2020 the group had 61 sales consultants in the eight branches and five team leaders. The sales consultant are under supervision of each branch sales manager, who is a permanent employee.

Sub contractor

Most of Honda Maliwan service centers would hire a subcontractor to work on checking and repairing cars, including the body repairs and painting under supervision of the specialists with long experiences on the repair. Honda Maliwan has the procedures and guidelines on selecting the outside subcontractors, e.g. working experience, workmanship of the team, reliability, financial status, etc. The reason that Honda Maliwan chose to hire an outside subcontractor is due to it can measure the job success clearly and has more efficiency and effectiveness than hiring their own employees. Since the measurement of the job results can be considered from the work products and fast delivery before choosing to order hiring with the hiring contract is year-to-year.

Honda Maliwan shall evaluate the work results of the subcontractors annually with the evaluation form and the price offer through the comparisons of two suppliers and up via the selection from the board of directors.

Currently, Honda Maliwan hire 3 companies as subcontractors for the body and paint repairing for the six service centers with body and paint services (presently, three places have no body shop and painting services); and to check and repair the car for two service centers. They are using the area of the group for the body and paint repairing, including checking and repairing the car entirely.

4.2 Value of procuring products

Honda Maliwan order cars, spare parts and accessories directly from Honda Automobile (Thailand) Co., Ltd ("Honda") as the same standards. Thus, it can be said that Honda Maliwan is relying on Honda, which is the supplier for cars and spare parts, which most of the purchased value came from Honda. Moreover, Honda Maliwan has dealer contracts for Honda cars with Honda Automobile (Thailand) continuously over 28 years, and it can manage the sales targets and being trusted on the branch expansion from Honda all along.

4.3 Service area

In each service center, Honda Maliwan shall provide an area for receiving the cars for a repair and scheduled maintenance. Moreover, it also has a place for storing inventory safely and suitable for all five provinces as follows:

Province	Sales and Service Center	Service Center Area	Service Bay (Bays)	Warehouse Area
Khon Kaen	Maliwan (HQ)	8,200	139	2,400 sq.m. 159 cars
	Prachasamosorn Branch	360	6	None
Surin	Surin Branch	3,260	42	250 sq.m. 20 cars
	Weerawatyothin Branch (showroom only)	None	None	None
Buriram	Buriram Branch	1,820	33	None
	Nangrong Branch	1,400	21	2,200 sq.m. 132 cars
Phuket	Phuket Branch	312	4	None
	Naka Branch	1,840	47	1,200 sq.m. 80 cars
Krabi	Mueang Krabi Branch	1,600	28	3,025 sq.m. 80 cars

4.4 Environmental Management and Sustainable Development Standards

Since Honda has announced its policy on the environment requiring the dealers to apply the Environmental Management System ISO 14001 within their showrooms and service centers. Honda Maliwan has been certified on the standards for the environmental management and sustainable development, including the sales and services with ISO 14001:2015 quality. For Surin and Buriram branches, the certificate will be expired on 16 July 2021. Nang Rong branch will be expired on 2 June 2021, Prachasamosorn branch will be expired on 2 December 2022 and Maliwan branch will be expired on 23 March 2021.

For the southern branches, Honda Maliwan is now under the process and will provide ISO accreditations within 2021.

4.5 Impact on the environment

The group had no dispute on the environment, nor a history of committing an offense as refers to the regulations on the environment with the governmental agency.

Moreover, Honda has announced the intentions for the dealers to be most responsible for the environment by,

1. Have the dealer participate in taking care of the environment and become the good model to their community.
2. Encourage the compliance with the law on safety, health occupation and working environment and other laws involved with the environment.
3. Respond to the Honda policy to be a company with the most responsibility for the environment in Thailand.

5. Benefits from the investment certificate by the BOI.

- None -

6. Undelivered job

- None -

Industry Overview

Automotive industry situations and Competition Situation

Automotive industry situations

In the past six years, the car industry situations in Thailand were rather fluctuated, especially from the economic stimulus policy by government via the “first-car ownership campaign” during September 2011 to December 2012. As a result, the car market in the country had grown considerably during that time, with the car sales as high as 1.4 and 1.3 million units in 2012 and 2013 respectively (compared with the average in 2007-2011 with the annual average sales of 0.7-0.75 million units). This, together with constantly increase in car export from the Eco-car export from with the investment promotion project conditions by the Board of Investment of Thailand (BOI), has caused the car export to increase by over one million units from 2012 onward. Furthermore, the car production number in Thailand during that period was increased a great deal and had the highest record at 2.46 million units in 2013.

Nonetheless, in 2014-2016 the car production of Thailand was decreased to 2 million units. The main cause was from the severe slowdown in the domestic car market after the end of the first-car ownership campaign that brought forward the future demand or demand for the car in 3-4 years to the project period. The total sales of the car sales fell to about 0.7 - 0.8 million per annum, and the domestic car market had the strongest competition as can be seen from the significant change in market share of car brands. Toyota market share was reduced as opposed to other car brands, which are Isuzu, Honda, Mitsubishi and Nissan; with an increased market share after introducing new car models in both Eco-car and SUV segments to compete in the market.

During 2017, the domestic car market rose up again for the first time in the five-year cycle after the first-car ownership campaign effect. In 2018, the number was increased to the level of one million units for the first time since end of the first-car ownership campaign (with a gradual delivery of cars under the first-car ownership campaign until 2013). This was a result from:

- (1) Thai economy in 2018 expanded 4.1%, the highest in six years.
- (2) Some consumers wanted to replace the cars purchased in the first-car ownership campaign, after they reached 5 years life according to the official conditions that allow for purchase-sale.
- (3) The intense competition in the market has stimulated the demand for cars to increase continuously by car dealers to drive sales through change loan strategy. For car dealers such as Toyota and MG, they developed and introduced new models and electric cars to the market which resulted in higher reputations and obvious increases market shares of both car brands.

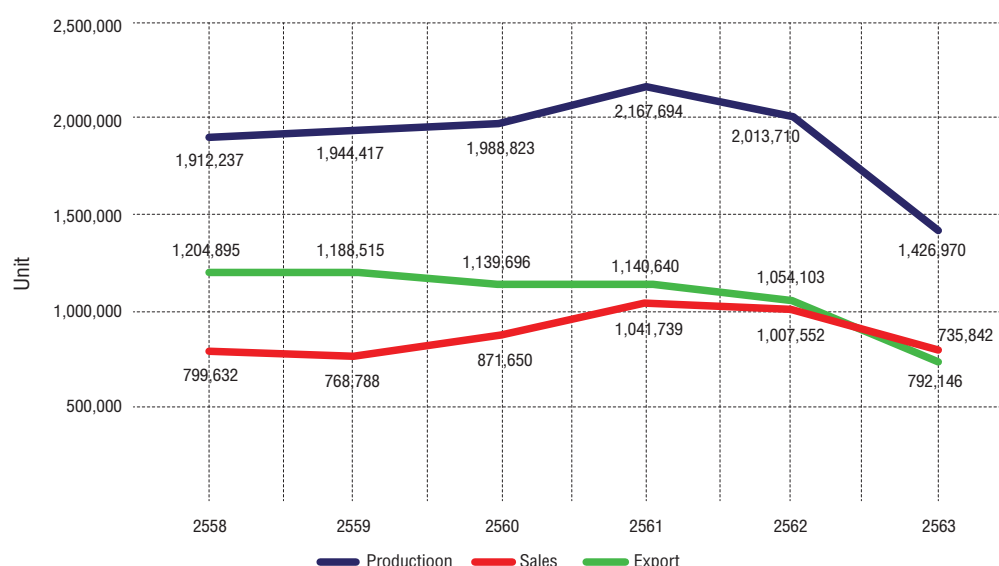
For the year 2019, the automobile industry was pressured by the global economic slowdown caused by the US-China trade war, as well as the low growth of the Thai economy. Domestic car production was 2.0 million units (-7.1% from 2018), while car sales contracted in both domestic and export markets. The details are as follows:

1. Domestic car sales stood at 1.01 million vehicles, a contraction of 3.3%, due to the high base in 2018 and; financial institutions has increased stringency for loan approval according to the alarm sent from the Bank of Thailand to reduce the heat of price competition. This is because car brands and dealers have launched campaigns to stimulate sales such as reducing down payment and offering terms in the form of credit beyond the appraisal price. In addition, consumers are cautious about their spending after the economic slowdown.
2. Car exports in 2019 reduced 7.6% to 1.1 million units, while exports reduced 6.3% to US\$ 1.8 billion. This was a result from the lowest global economy growth in ten years low at 2.9% and the economies of Thailand's key trading partners were pressured by the trade conflict between the US and China. However, this conflict was an opportunity for Thailand to export some types of cars more.
3. For car production in 2019, there were 2,013,710 cars produced, a decrease of 153,984 units or 7.10 percent, compared to 2018.

For 2020 the car production, sales and export compared to 2019 were as follows:

1. Car production in 2019 had the production quantity of 1,426,970 units, decreased by 586,740 units or 29.14 percent compared with 2019. It was found that automobile production was reduced, as a result of reducing in both domestic and export markets caused by COVID-19 outbreak that pulled the world economy and Thailand into recession. There was a disruption in the production chain, together with the domestic drought that pressured the purchasing power of farmers.
2. Car sales in 2020 had the number of 792,146 units, decreased by 215,406 units or 21.38 percent compared with 2019. This was because consumers were cautious about their spending, especially for purchase on durable products, such as cars, that creates long-term debt obligations and classified as a luxury products.
3. Car export in 2020 had the number of 735,842 units, decreased by 318,261 percent or 30.19 percent compared with 2019. This was because the world economy has entered into a recession for the first time since the global economic and financial crisis of 2009.

The graph shows the car production numbers, sales and export (units) during 2015 – 2020



(Source: The Office of Industrial Economics, collected from Automotive Industry Club, The Federation of Thai Industries).

The table shows the number of car sales and during January – December of 2019 and 2020:

Car Type	Number of car sales (units)		
	2020	2019	Change
Passenger car	274,789	398,386	(31.02%)
Commercial Vehicle	517,357	609,166	(15.07%)
Total	792,146	1,007,552	(21.38%)

(Source: Department of Land Transport, The Federation of Thai Industries.)

However, the Automotive Industry Club, the Federation of Thai Industries, revealed the projections of the car production of the group member in 2021, divided into the production for export and domestic sales. The car production projection in 2021 is about 1,500,000 units, more than 1,426,970 units

in 2020; increased by 73,030 units or 5.12 percent. Total car production can be divided into the export production of about 750,000 units or 50 percent of the total production; and domestic sales production about 750,000 units, or 50 percent of the total production.

The export production of 750,000 units increased from 704,626 units in last year, by 45,374 or 6.44%. The domestic sales production of 750,000 units increased from 722,344 units in last year, by 27,656 or 3.83%. Because of concern about the outbreak of the coronavirus 2019 (COVID-19) in both domestic and foreign. In some countries another wave of pandemic began. Around the world, there is a shortage of semiconductors or chips, which are a key component of some car manufacturing. The impact of the 2019 coronavirus (COVID-19) epidemic has led to increasing demand for chips for IT products manufacturing in this period, causing some cars production in the US to stop and may affect other production bases.

For the automotive market trend of 2021, it is forecasted that this year will be another challenging year for Thailand's automotive industry. The car market is still facing with numerous factors from the coronavirus outbreak (COVID-19). Vaccine development and access to the coronavirus 2019 (COVID-19) vaccine, including the global economic outlook and economic stimulus measures from the government sector, will affect the direction of the automotive industry. Furthermore, activities in the automotive industry, such as new product launches, marketing activities and promotional campaigns will play a key role in boosting car sales. Therefore, taking into account these factors, it is predicted that car sales in 2021 will be approximately 850,000 to 900,000 vehicles, an increase of 7 to 11% compared to the previous year.

The table shows the estimated domestic car sales in 2021 compared with the car sales in 2020:

Car Type	Forecasted domestic car sales in 2021 (units)	Number of car sales in 2020 (units)	เปลี่ยนแปลง	
			Units	%
Passenger car	290,000 - 318,000	274,789	15,211 - 43,211	5.25 - 13.59
Commercial Vehicle	560,000 - 582,000	517,357	42,643 - 64,643	7.61 - 13.59
Total	850,000 - 900,000	792,146	57,854 - 107,854	7.61 - 11.11

Automotive industry direction of Thailand

In early 2017, the government announced the measures to promote investments in hybrid electric vehicles (HEV), plug-in hybrid electric vehicles (PHEV) and battery electric vehicles (BEV) by promoting the productions of the passenger cars, pick-up trucks and buses, including the electric vehicle components (electric energy vehicle equipment that the BOI supports are traction motor battery, mechanic or electric air conditioning system, battery management system (BMS), drive control unit (DCU), on-board charger producer, battery charging cable with the outlet producer, DC/DC converter producer, inverter producer, portable electric vehicle charger producer, electrical circuit breaker producer, EV smart charging system developer and front/back suspension for electric bus producer.

On 25 December 2018, the BOI gave a green light for the first private whose investmened over 1,000 million Baht to set up electric stations for 3,000 chargers disperse in all regions of the country. It also approved a project for production of battery for electric vehicles to support the growth after the leading car brands comes to invest in Thailand to feed the demand for personal electric car for over 1.2 million units by 2021. Mr. Chokdee Keosaeng, deputy secretary of BOI, revealed that the investment promoting committee approved to promote investment in charging station project for electric vehicle of Mahanakorn Energy Co., Ltd. that invested a total of 1,092 million Baht. It is considered to be the first investment in the charging station for electric vehicle by private sector that has been promoted by the BOI. However, the project is the investment to support the expansion of the plug-in hybrid electric vehicle (PHEV) and the battery electric vehicle (BEV), which is now the leading car brands around the world are

interested and plan to set up an electric production base in Thailand. According to the plan on energy driving and promotion of the electric car of the government, it is expected to have 1.2 million private electric cars by 2021.

On 16 March 2019, the BOI revealed that there were a total of nine EV projects, 1 project of PHEV of Mitsubishi, 3 projects of HEV that have been approved, 1 project of BEV that that have been approved and another 4 projects of PHEV under consideration. The total investment of the projects is 51,550 million Baht, 10 battery investment projects, amounting to 6,800_million_Baht have been approved. (Source: www.thaipost.net/main/detail/31471_on_16_March_2019). The production and sales of electric vehicles are expected to start within 3-5 years.

While the Thai auto industry trend in 2021-2023, Thai automobile production in the next 3 years is likely to expand 3.0-4.0%, with supporting factors such as domestic sales that are expected to grow at an average of 3.0-4.0%, in line with gradual recovery of economic conditions. It is expected that the demand for commercial vehicles will expand well, benefiting from the expansion of the construction sector, online retail business and logistics business.

Moreover, the operators have plans to launch new models continuously, including both electric cars and internal combustion engine cars. However, the sales growth rate is likely to be limited due to purchasing power of consumers are expected to recover gradually in line with the economic direction. Household debt will remain high and financial institutions remain strict in credit approval.

While the automobile export market is expected to grow on average 4.0-5.0%, driven by the gradual recovery of global economy, the export supports from ASEAN Free Trade Area, as well as an establishment of a Joint Recognition Agreement (MRA) in the ASEAN region on inspection and certification of automotive and parts safety standards which help reduce the re-inspection process.

Risk factors that should be keep an eye on include uncertainty over the trade conflict between the United States and China. Also Philippines (one of the important export markets) may raise tariffs on imported cars from Thailand in response to the trade dispute (Thailand accusing the Philippines of declaring the price of imported cigarettes

too low. WTO judged Thailand to lose the case). And many governments around the world have policies to support the use of electric cars, which may affect Thailand's car export, which most of them are combustion engines.

When delving into the business units of the automotive industry, in the part of new car dealers or dealers, it is expected that during the three years (2021-2023), the business revenue growth will be limited. Revenue from new car sales will expand in line with domestic car sales. (expected average growth of 3.0-4.0% per year).

While revenues from maintenance centers and part sales tend to decline following the decline in the number of accumulated registered vehicles aged less than 5 years. Despite there is a demand for car maintenance based on age/distance, there is still a risk that some car users may switch to service from general car repair shops.

In addition, the business is also under pressure from the brand policies, including policy for dealers to invest in showrooms and service centers improvement to meet standards which increases burden for operators. The more intense policy to penetrate the online market may cause the competition between dealers to be stronger since buyers have easy access to the information.

The second-hand car market is rather sluggish. Operators compete on price to release stocks to reduce the interest burden and maintenance expenses. However, at the end of the year, used car prices were low making consumers to be more motivated. Moreover, consumers are concerned about the risk of using public vehicles from the coronavirus outbreak and therefore decided to buy a used car. However, the trend of the used car market in 2021-2023 is expected to grow in line with the recovery of purchasing power in the country. The the price of used cars will gradually increase due to the slowdown in the supply of old cars from the first car project in the market (after selling to the market at an accelerated rate in 2017-2019). Nonetheless, competition is likely to become more intense. As it is expected that there will be more new entrepreneurs entering the market from the expansion of the business of multinational companies and car brands' affiliates. This may pressure the performance of businesses since most of the operators are SMEs

Competition Situation

The growth of the car sales in 2018 came from new models launching by the many car brands, together with persuasive marketing promotions. Meanwhile, there was a leniency on the guidelines to release the hire-purchase loan, including the last batch of cars under the first-car ownership project to complete had reached five years old. It was also supplemented by the measures to stimulate the economics of the public sector that pushed the GDP of Thailand to grow 4.2%. The 2018 car market was decreased by 3 percent, with the total sales of 1,007,552 units. It is considered to be the fourth time in the Thai car market history achieving 1 million car sales, even though the market was clearly shrink in the second half of the year, especially since the last September.

For the car market trend in 2020, large manufacturers are expecting a challenging year for car market. The car market is still facing with numerous factors, from consumer confidence to uncertain global economy and stricter car loan control measures. Domestic car market is forecasted to be 940,000 units, about 7 percent decrease from last year.

For long-term trends, the automobile industry will focus on the development of electric vehicle technology which the government has set a target for Thailand to be the regional electric vehicle production base. Krungsri Research expects that the consumption of electric vehicles in Thailand will grow rapidly within 4-6 years from:

- (1) Lithium ion battery development results continuous decline in price, and by 2022, battery electric vehicle (BEV) prices will be similar to internal combustion engine vehicles (ICE).
- (2) Some operators plan to expand their investments in electric cars and batteries for electric cars, resulting in an increase in market supply and
- (3) The government aims to increase the proportion of electric vehicles production (electric cars and electric motorcycles) to 30% of the total domestic production by 2030. Moreover, the faster-than-expected development of 5G telecommunication technology will be a supporting factor for autonomous vehicles that may play an important role in the next phase. Currently, the development of auto pilot technology in Thai cars is in the early stages of 0-2, while Tesla and Audi A8 are at Level 3. For Level 4, the

highest level, it is in the trial period by Google's Waymo and Self- Uber driving cars. The issue that the government should support is the development of infrastructure for electric vehicles, such as electric charging stations, which are not yet covered nationwide, and the development of the electricity grid system connected through a smart meter that make electric cars to be able to be supported by Vehicle-to-Home (V2H) system efficiently.

Car Market Share

According to www.headlightmag.com website, which collected data from the Japan Automobile Manufacturers Association (JAMA) from all brands that go to the central, it divided the "Segment" of the car market into 13 segments are:

1. Eco Car	8. C-SUV
2. B-Segment	9. Pick-up
3. C-Segment	10. PPV
4. D-Segment	11. Van (6-7 Seats)
5. Mini MPV	12. Van (11 Seats+)
6. MPV	13. Commercial Van
7. B-SUV/Crossover	

Nonetheless, the model types of Honda available in the Thai market in 7 segments;

- (1) Eco Car includes Brio , Amaze
- (2) B-Segment or Subcompact as City , Jazz
- (3) C- Segment or Compact as Civic
- (4) D- Segment or Sedan as Accord
- (5) Mini MPV as Mobilio
- (6) B-SUV or the small utility vehicle as HR-V and BR-V
- (7) MUV as CR-V

Honda had a total of 93,041 units sales in 2020 (January-December 2020) in Thailand.

For Honda dealers in Thailand, Honda had a total of 228 branches across Thailand. The group is considered having the most branches of all the Honda dealers in Thailand (estimated by the company management). The group has a total of 9 branches in 5 provinces and is the only Honda dealer in Surin, Buriram, Phuket and Krabi provinces. In Khon Kaen province, there are four other dealers.

Operational Performance and Financial Position Analysis

Overview

Autocorp Holding Public Company Limited (“ACG”) operates the business as a holding company investing in other company that main business are car and accessories sales, repair services and Honda branded spare parts sales and finance and insurance provider. The Group company is one of the Honda dealers and has the most showrooms and service centers in Thailand. Presently, it operates 9 branches in 5 potential provinces in the Northeastern and the Southern region of Thailand, namely Khon Kaen, Buriram, Surin, Phuket and Krabi. In 2020 the Company registered the new subsidiary, Autoclik by ACG Co., Ltd., operates the business as a distributor of spare parts and provide repair and maintenance services of all car brands (Fast Fit).

For overall operating performance, the Group company’s net profit for the year ended 31 December 2020 was Baht 35.2 million, decreased by Baht 18.3 million or 34.3%. EBITDA decreased by Baht 13.8 million or 10.9 % year-on-year. On overall, these were

caused by an economic slowdown from COVID-19 pandemic, causing the customers to delay their spending.

Cars and accessories sales was the segment that took the most effect. This caused a 38% year-on-year decrease in car sales volume.

Repair and maintenance services and spare parts sales segment was not heavily affected because most customers choose to repair their cars over purchasing new ones. For this reason, in addition to the opening of Naka branch in March 2019 and Mueang Krabi branch in October 2019, a cumulative amount of incoming cars increased compared with the same period last year. The number of incoming cars for general repair service (GR) increased by 3% and the number of incoming cars for body and paint repair service (BP) increased by 8% year-on-year.

1. Analysis of the operating performance for the year ended 31 December 2020

1.1 Business Segment Revenues Analysis

Revenue Structure	2020		2019		Change
	Million Baht	%	Million Baht	%	+ / (-) %
Revenue from cars and accessories sales segment	1,604.3	77.3	2,650.1	84.8	(39.5%)
Revenue from repair and maintenance services and spare parts sales segment	393.2	19.0	377.8	12.1	4.1%
Commission income	60.9	2.9	77.5	2.5	(21.4%)
Total core earnings	2,058.4	99.2	3,105.4	99.4	(33.7%)
Other income*	17.1	0.8	18.3	0.6	(6.6%)
Total revenue from business operation	2,075.5	100.0	3,123.7	100.0	(33.6%)

Remark* Other income consists of incentives, gain on disposal of assets, interest income and etc.

1.1.1 Revenue from cars and accessories sales segment

Revenue from cars and accessories sales of 2020 amounted to Baht 1,604.3 million, decreased by Baht 1,045.8 million or 39.5% compared to 2019, which overall caused by the COVID-19 pandemic causing economic slowdown, resulting in a 38% year-on-year decrease in car sales volume.

1.1.2 Revenue from repair and maintenance services and spare parts sales segment

Revenue from repair and maintenance services and spare parts sales of 2020 amounted Baht 393.2 million, increased by Baht 15.5 million or 4.1% compared to 2019. This was mainly from the opening of Naka branch in March 2019 and Mueang Krabi branch in October 2019, resulting in an 8% year-on-year increase in a number of incoming cars for body and paint repair service.

1.1.3 Commission income

Commission income of 2020 amounted Baht 60.9 million, decreased by Baht 16.6 million or 21.4% compared to 2019, as a result of a decrease in car sales volume. However, the decrease of commission income was in a smaller proportion than the sales. This is because the company had received more finance commission income per contract when compared to 2019.

1.2. Commission income

Gross profit of 2020 amounted 175.3 million, decreased by Baht 19.5 million or 10% compared to 2019. This mainly from revenue from cars and accessories sales decrease, which caused by the COVID-19 pandemic causing economic slowdown, resulting the decrease in car sales volume.

Gross profit margin of 2020 was 8.78% increased by 2.35% compared to 2019, as the management of general repair service (GR) changed from outsourcing to employees of the company. As a result, the gross profit in terms of maintenance and spare parts sales increased.

1.3 Distribution costs

Distribution costs amounted Baht 56.5 million, decreased by Baht 11.2 million or 16.6% compared to 2019, mainly from the decrease in sales volume since April 2020. In addition, COVID-19 situation forced the company to postpone activities outside the showroom, therefore, sales commissions and marketing expenses were decreased.

1.4 Administrative Expense

Administrative expenses decreased by Baht 1.01 million or 0.80% compared to 2019, mainly due to a decrease in transportation expenses which was a result from COVID-19 pandemic. Therefore, the employees were unable to work outside the area.

1.5 Net profit for the year

Net profit for the year ended 2020 was Baht 35.2 million, decreased by Baht 18.4 million or 34.3% compared to 2019. The main reason was car sales decreases which caused by the COVID-19 pandemic causing economic slowdown, resulting decrease in sales volume since April 2020.

2. Financial position analysis as at 31 December 2020

2.1 Assets

As at 31 December 2020, the total assets of the Group company were at Baht 1,322.6 million, decreased by Baht 246.5 million or 15.7% from 31 December 2019. The main reason was the decrease in inventories and trade accounts receivable. The significant changes in assets were as follows:

- Cash and cash equivalents were Baht 162.5 million, increased by Baht 8.6 million or 5.6% because the Company generated cash flow from operations enough for investment and payment of loans, interest and dividends.
- Trade accounts receivable were Baht 46.7 million, decreased by Baht 83.8 million or 64.2% due to a decrease in trade accounts receivable from the sales of cars amount Baht 78.6 million. Due to the COVID-19

pandemic, the sales and deliveries of cars decreased during the end of December 2020 when compared to the end of December 2019

- Inventories were Baht 240.1 million, decreased by Baht 234.2 million or 49.4%, mainly from Baht 224.8 million decrease of car inventory. This was because of the postponement of cars receiving from Honda since the end of March 2020 and improve inventory management.
- Right-of-use assets were Baht 106.2 million, increased by Baht 106.2 million or 100% from the record of long-term land lease agreements according to TFRS16.

2.2 Liabilities

As at 31 December 2020, the total liabilities of the Group company were at Baht 659.7 million, decreased by Baht 256.3 million or 27.9% from 31 December 2019. The details of significant changes are as follows:

- Bank overdrafts and short-term loans from financial institutions were Baht 320.0 million, decreased by Baht 350.0 million or 52.2% due to a loan repayment. This was from the postponement of cars receiving since the end of March 2020 and debts restructuring.
- Trade accounts payable were Baht 107.2 million, decreased by Baht 54.9 million or 33.9% mainly due to the postponement of cars receiving from Honda compared to the end of the year 2019 which more cars were received. Therefore, there was a significant Honda payable at the end of the year 2019.
- Other current payables were Baht 25.5 million, decreased by Baht 7.1 million or 21.8%, mainly due to a decline in construction payable because the construction of Mueang Krabi Branch was completed at the end of the year 2019.
- Long-term loan from financial institution was Baht 88.5 million, increased by Baht 45.9 million or 108.1%, due to debts restructuring with a long-term loan withdrawal of Baht 80 million.
- Lease liabilities were Baht 108.9 million, increased by Baht 108.9 million or 100% from the record of long-term land lease agreements according to TFRS16.

2.3 Shareholders' equity

- As at 31 December 2020, the total equity of the Group company was at Baht 662.9 million, increased by Baht 9.8 million or 1.5% from 31 December 2019, due to net profit amounted to Baht 35.2 million and dividend payment amounted Baht 24.0 million.

2.4 Cash flows

As at 31 December 2020, the cash and cash equivalents were Baht 162.5 million. Net cash flow increased by Baht 8.6 million, mainly from the operating activities.

- Net cash inflow from operating activities amounted to Baht 374.5 million was from cash received from operating results. The main items that resulted in the increase in cash flow consisted of a decrease of trade accounts receivable by Baht 83.7 million and inventories decreased by Baht 232.4 million, while the main items that caused a decrease in cash flow consist of a decrease of trade accounts payable 54.9 million baht.
- Net cash outflow from investing activities amounted to Baht 10.9 million due to the payment of the construction of the Krabi branch completed at the end of 2019 and the construction of the first Auto Click branch in Phuket in this year
- Net cash outflow from financing activities amounted to Baht 354.9 million, was from short-term loans from financial institutions drawdown amounted to Baht 2,190 million, repayment of loan amounted to Baht 2,494 million, dividend payment amounted to Baht 24 million, lease liabilities payment amounted Baht 5.1 million and interest payment amounted to Baht 21.61 million.

Sustainable Development and Social Responsibility



Corporate Social Responsibilities : CSR

The group has a policy in doing business that leads to sustainable growth by increasing efficiency on the operations, product and service development in response to the demand of the customer, considering the stakeholders, economics, society and environment by virtue, ethics and code of conduct. It included good governance with integrity, transparency, equity and accountability. The development and increase of the personnel value in the organization in tandem with the business with priority on CSR and environment. It is made by building mutual value with all the stakeholders of the company in accordance with the eight principles of the company in consistent with the guidelines on the CSR of the SET as follows:

1. Business operation with equity

The business with equity can create confidence with the relevant persons; the group is determined to do business with good code of conduct against the competitor for fair competition with the following guidelines:

1. Behave under the framework of the good competition, promote free trade competition, and avoid the behavior of favoritism or collusion.
2. Do not seek confidential information of the trade competitor by a dishonest or inappropriate method, e.g. making a kickback to the competitor's employee.
3. Do not try to destroy the reputation of the trade competitor by making groundless allegations.
4. Do not encourage any operation with the characteristics that are in violation of the intellectual property, use copyrighted goods and services.

2. Anti-corruption

The group has a policy to do business with transparency, adheres to righteousness, no support to create job success by a dishonest method. The board of directors has a policy to abide by the law and anti-corruption by setting the guidelines in accordance with the details in (d).

3. Respect for human rights

Respect for human rights means the treatment of the stakeholders, surrounding community and society with respect in human value and do not violate their basic rights. The group has intentions to respect and do not violate human rights with the following guidance.

1. Promote and respect in protection of human rights by diligently monitor their business not to violate human rights, e.g. do not encourage forced labor and against child labor, etc.
2. Promote the compliance with the requirements on human rights within their business and stimulate compliance with the human rights principles in accordance with the international standards.

4. Fair treatment of labor

The group has a policy to treat all employees with equality and equity, taking care on the livelihood, safety and hygiene at the workplace. It includes the promotion of learning at the organizational level and personnel development to raise the working level of the employees professionally, and develop the working system and create organizational innovation with the following guidelines:

1. Provide conditions on fair employment and have the employees receive the appropriate compensation in accordance with their potential.

2. Provide fringe benefits to the employees reasonably, e.g. having an annual vacation, reasonable overtime and medical treatment as necessary and appropriate, etc.
3. Appointment, reshuffle, reward and punishment of the employees with integrity, equality and based on their knowledge, capability and suitability.
4. Provide care for the working environment to have safety for life and employee's property.
5. Develop the employees to train skills and increase potential by open a chance for the employee to learn widely and constantly.
6. Abide by the law and the various regulations involved with the employees strictly.
7. Avoid any unfair action, which may have an impact on the stability on the working duty of the employees, including the treatment of the employees with politeness.

5. Responsibility for the consumers

The group is determined to sell the goods and services meeting the qualities and standards at the suitable prices, keep confidentiality for the customer seriously and regularly. It seeks to find a way without a stop to increase the benefit to the customer continuously and abide by the various conditions with the customers strictly by the following guidelines:

1. Deliver the quality product and the standards in line with the demand of the customers under the fair conditions.
2. Develop the product and service continuously to increase the value to the business and increase the benefits for the customers.
3. Give information on the product and service that is correct, sufficient without exaggeration, so the customer has sufficient information making a decision.
4. Keep confidentiality of the customer by not utilizing for self-benefit or the relevant persons illegally.

6. Taking care of the environment

The group realizes of the importance of the environment by not causing various pollution problems, including the global warming, with the impact on the human life quality and the ecological system. It has a policy not to do anything to result in damage to the natural resources and environment with the following guidelines:

1. Use the resources with efficiency, having energy savings measures and consider recycling.
2. Develop the goods and services that do have an impact on the environment with a safer use.
3. Use the production technology and procedures considering reduction of the volume and pollution treatment before releasing to the nature.
4. Promote the activities with social creativity and environment constantly.

Moreover, the group also received a certificate from Honda Automobile (Thailand) as the "Excellent" dealer on management of the environment and participation in the activity of building a rubbish-holding house that is friendly to the environment. It includes passing the green garage guidelines and the standard emissions clinic from the Department of Pollution Control as well.



7. Participation in the community and social development

The group has a policy to promote the use of business process for the benefit on development of life quality to build economy and strength to community and society with the following guidelines:

1. Encourage hiring in the community.
2. Seek an opportunity to promote the activity on creative society and community.
3. Inculcate the conscience on social responsibility and environment to take place among all groups of employees.
4. Control to have strict compliance in accordance with the intentions of the law and regulations issued by the regulator.



8. Having an innovation and its dissemination from the implementation of social responsibility and the stakeholders.

The group is aware that the stakeholders had the important role to designate the direction of the business operations, so it gives priority on the care and consideration to the stakeholders of all groups inside and outside the organization. It has a policy to promote the participation of the co-creation in the innovative development that create the balance between the value and community worthiness, society and environment in parallel with the business growth sustainably and the following practices:

1. Analysis of the working process in detail to create the opportunity to develop into a discovery of business innovation.
2. Creation of the opportunity to develop a new product jointly with the stakeholders for growth in parallel with the creation of business profit sustainably.
3. Cooperation with a state agency in developing a product to help the underprivileged persons and society.

To ensure that everyone in the organization knows the policy on anti-corruption, the group shall propagate such the policy via the communication channel of its group by a letter, email, the annual information disclosure (56-1) and the annual report (56-2) by reviewing such the policy regularly each year.

1. Report implementation and preparation

The social responsibility in accordance with the policy and the above practices are part of the business process that the group has practiced all along. Meanwhile, the group has implemented the policies and designated guidelines from the stage in procurement of quality goods at the suitable price. In addition, it can create fair competition, avoid the behavior on favoritism, it has inspected and controlled the goods quality from the goods ordering up to the last step before delivery to the customers. Furthermore, the marketing shall follow up on the after-sales service to listen to the problems and recommendations from the customer for improvement and development to be able to respond to the demand of the customers even more.

2. Business operations with an impact on social responsibility

-None-

3. Activity for the CSR-after-process

The group has a policy to do an activity for the benefit to the society and environment when there is a suitable opportunity.

4. Prevention of participation in corruption

Corruption means the use of derived power or property in the illegal means for the self-benefit, family, friend, acquaintances, or other undue benefits to cause damage to the interest of other people. The corruption can take place in several manners, e.g. bribery on the authority or giving or taking a bribe that is in money or in kind, overlapped interests, money laundering, embezzlement, fact concealment and an obstruction of justice, etc.

Anti-corruption Policy

1. The Group will not accept corruption covering the entire business and items all the units involved by the directors, the management and all employees have to abide by the policies on anti-corruption strictly.
2. The directors, management and employees of the Group shall not accept corruption, regardless for the benefit of self, family, friend or acquaintances in all forms, directly

or indirectly, by complying with the measures on anti-corruption strictly.

3. The Group shall verify the compliance with the policy on anti-corruption regularly, including the review of the guidelines on the practices and requirements in the implementation to be consistent with a change in the business, regulations, bylaws and requirements of the law.
4. The Group shall set up the steps on the compliance with the policy on anti-corruption to abide by this policy by verifying the procedure on compliance with the policy regularly. It includes a review, practice and requirements on the implementation to be consistent with a change in the business, regulations, bylaws and requirements of the law.
5. The Company shall create and maintain the organizational culture that adheres to the notion that corruption is unacceptable in making a transaction with the public or private sector.

Anti-corruption Practices Guidelines

1. The board of directors, management and employees of the Group shall not get involved with the corruption, regardless of directly or indirectly.
2. The board of directors, management and employees of the Group shall not omit or ignore upon discovering an action that is considered corruption involved with the Group. They shall notify the unit/designated persons to be responsible, or notify the superior for acknowledgement. It includes cooperating in the fact finding. However, if there is a doubt or inquiry, consult the unit/the designated persons to be responsible for the follow-up on the practice in accordance with the code of conduct of the Group or superior via the various designated channels.
3. The Group shall give fairness and protection for the people who reject corruption or whistleblower by applying the measures. It is to protect the complainant or cooperator in the report of the corruption as designated in the policy on protection and equity to the informant or whistleblower on corruption or non-compliance with the law, regulation, bylaws and the

code of conduct of the Group.

4. The Group shall disseminate the knowledge and understanding with the outsiders with business involvement with the Group on the compliance with the policy on anti-corruption.
5. The Group shall communicate the measures on anti-corruption, including report on the channel of giving a lead or complaint to the people inside the Group through the multiple channels, e.g. orientation course for the board of directors and employees, seminars and trainings of the Group, including notifications via the Intranet, etc. So, the measure can be applied seriously and to make sure that the Group personnel has understanding, approval and compliance with the policy and measures on anti-corruption.
6. The Group shall communicate the measures on anti-corruption, including reporting the channel on giving a lead or complaint to the public, subsidiaries, business partner and the stakeholder via the various channels, e.g. the Company's website, the annual report, etc. to create understanding and seriously apply the measures.
7. Employees sign to acknowledge the anti-corruption policy to confirm that all of employees are aware, understand and ready to compliance for the principle of the anti-corruption policy in order to organization's practical guideline for complying strictly.
8. The Group shall provide a rule on the payment by designating the table of approved powers and amounts, which the payments shall require clear documentary evidence to supplement it. It is to protect against inappropriate practices, including do not create political help and assurance that a charity donation does not lead to corruption, and the financial support is intended for business, but not a pretext for corruption.
9. The board of directors, management and employees of the Group shall not accept or give a gift, entertainment and other expenses exceeding necessity and inappropriateness with the state official or person doing business with the Group. In the case of receiving a gift with the extraordinary value in the customary occasion, the directors, management or employees shall reject

and refuse it and report to the hierarchical command for acknowledgement. Moreover, it shall comply with the guidelines on the inspection process from the supervisory section and the internal audit regularly.

10. The Group has provided the audit process and the internal control to prevent from corruption by such the process covers on sales, marketing, purchasing, human resources management, finance, accounting, record recording, operations, including other processes within the Group related to the measures on anti-corruption. Nonetheless, there must be implementation in accordance with the audit process from the internal supervision and the audit as such regularly.
11. The Group shall provide the process for the human resources management that reflects determination of the Group with the measures on anti-corruption from the selection, training, job evaluation, compensation and promotion.
12. The Group shall provide the risk management measures to prevent corruption by stating the events with a high risk from corruption that may happen from the business operations, assessment of the risk both the chance and impact together with the follow-up, progress of the risk management. It is to prevent from corruption regularly, also have a review on the risk measures to have suitability to prevent from the risk at the acceptable level.
13. The Group shall provide an internal audit to make sure that the system of the risk management designated can help the Group achieve the established targets, including an inspection of the practice within the group to comply with the requirements and the regulations.
14. The Group shall arrange these measures to have documentation in accordance with the principle on the internal audit to be consistent with the policy and regulations of the Group.
15. The supervisory and internal audit division shall designate as an agenda for the annual meeting, so the managing director can report the results on the audit in accordance with the annual corruption measures to the audit committee, and recommend to the board of directors later.

16. For clarity on the implementation in the matter with a high risk of causing corruption, the board of directors, management and employees of the Group shall perform it with circumspection in the following matters.

16.1 Practical guidelines on political help

The political help means a support of a politician or political party using money or in kind. The non-financial support can include lending or donation of equipment, technological service free of charge. It includes advertising, promotion or supports of a political party and/or encourage an employee to participate in a political activity on behalf of the Group, so as to have a business advantage. However, the Group has guidelines on the political aid as follows:

1. The Group does business with political neutrality without a support or an action to indulge in politics or politician or a political party.
2. The Group shall not support in finance or thing to a political party, politician or political candidate to political help in accordance with the meaning of the definition of political help with the objective to give a business benefit to the Group.
3. The employees are entitled to join a political activity under the provision of the constitution, but cannot refer the employment or use the property, equipment or any tool of the Group for any benefit in politics. In a situation of participation, they shall be careful not to do anything to cause misunderstanding that the Group is a partisan.

16.2 Guidelines on a donation for a charity and financial support

A donation to a charity in the form of financial or other help, e.g. giving knowledge or time sacrifice etc. The Group can do by as a part in the corporate social responsibility (CSR) without profit motive. However, it shall comply with the guidelines on the charity donation and financial support stringently.

The financial support for business public relations and promotion of good image to the Group can be made with the business objective, goods brand or reputation of the Group. Although it can be risky due to the payment for a service or interest that is difficult for evaluation and follow-up. Thus, it shall follow the practical guidelines on donation for charities and financial support strictly. The charity donation and financial support can be risky due to corruption due to such the activities involved with spending without tangible compensation and can be an excuse or route for corruption and without an ulterior objective.

16.3 Guidelines on the operations related to a gift, entertainment and other expenditures

The implementation related to a gift, entertainment and other expenditures that are not appropriate may lead to an exposure to corruption and a channel of corruption, as such is a payment for an expense of the board of directors, management or employees of the Group for bribery. Moreover, while the Group give a gift, entertainment or other inappropriate expenses to a customer may breach the policy of some customers to cause the Group to lose the business opportunity. The Group is realized of the importance in building good relations with their business ally to lead to its continuous success. At the meantime to preserve the Group reputation, which doing business with integrity and legality, the Group have set guidelines on handling of a gift, entertainment and other expenditures as follows:

1. The board of directors, management and employees of the Group can accept/give a gift, entertainment or other expenditures, e.g. entertainment or acceptance from other people at the various occasions in the customary practices or social etiquette generally accepted shall be made with transparency and in the open. However, such the event shall not cause any advantage via the unsuitable action or a clear exchange of favors or with an ulterior motive to derive of help or

returned interest. That it can allow leniency in a business agreement that is not suitable for a business decision and shall comply with the relevant law.

2. The board of directors, management and employees of the Group shall not demand or accept a gift, entertainment or other expenditures from customer and trade partner or stakeholder of the Group business, regardless of the case to impact a decision with partiality or difficulty or a conflict of interest.
3. The board of directors, management and employees of the Group shall not accept a gift or compensation that is excessive due to the normal performance of duty, e.g. in a bid shall not accept a gift or greeting service from the participating company in the bid or relevant company, etc. Nonetheless, they can accept a gift and/or entertainment cost and/or other expenditures in a festival or as a customary practice normally, but shall not exceed Baht 2,000 (Two Thousand Baht). Moreover, the gift shall not be in cash or its equivalent, e.g. a voucher or gift voucher, etc.
4. It is prohibited from accepting a gift or entertainment or other benefits with the value exceeding Baht 2,000 (Two Thousand Baht) or that is cash or its equivalent, e.g. a voucher or gift voucher, etc. When it is in the situation that cannot be refused at the time, e.g. in a meeting or consultation with the customer, etc. The receiver can accept it first and notify the superior promptly and prepare a report on the gift acceptance and submit to the office management. Nevertheless, the Group shall consider donating the gift to a charity later as appropriate.
5. Giving and receiving other benefits, e.g. an entertainment shall be confirmed that such entertainment shall not be excessive or too often to cause an obligation to the entertainer, regardless of directly or indirectly.

6. The Group shall publicize to their the board of directors, management and employees on the practical guidelines apply to the gifts, entertainment and other expenditures of the Group via the annual meeting and other communication system they has.
7. The Group shall publicize or notify the customer, trade partners or business participants on their policy and guidelines on accepting a gift, entertainment and other expenditures of the Group via the introducing document or brochure used in publicizing the Group business.
3. The Group shall use all the internal communication systems to publicize the punishment, if there is a violation of the anti-corruption measures. It includes creating clear realization of the policy without a negative result to those who reject corruption, although it can cause the Group to lose the business opportunity.
4. The Group shall create realization to the general employees on the compliance with the policy on anti-corruption of any one or multiple persons, e.g. an announcement for commendation or giving a reward, etc.

Consideration for punishment if there is a violation or non-compliance with the anti-corruption policy

1. In the event that a director violates or fails to comply with this policy, the Group shall set up an investigative committee to investigate the facts on the allegations without delay. However, the investigative committee shall consist of the entire independent committees of the Group. In a scenario that a factual investigation found a violation or non-compliance, by an independent committee, who shall be banned from the investigative committee. In the case that it can be proven that a director is found guilty, they shall punish them based on the facts and the surrounding circumstances as appropriate in each case. So, they shall report the investigated results to the board (except the violating director on anti-corruption) to consider later. However, if such the violation is illegal shall be prosecuted in accordance with the country law as well.
2. In the case the management and employees of the Group violate this policy shall be disciplined, but the punishment depends on the facts and the circumstances. Nonetheless, if the case is illegal shall be prosecuted in accordance with the country law as well.
The Group has no policy to demote or punish or cause a negative result to the employee who rejects a corruption practice, although they can cause the company to lose the business opportunity

Measures on reporting a clue or complaint

The board of directors shall provide measures on reporting a clue or complaint about an offense, a breach of the ethics or other behavior implies corruption or dishonesty of people in the organization. It includes the employees and the stakeholders. Such the actions include an incorrect financial report or an internal control that is defective. Moreover, the Group must have a mechanism in protecting the whistleblower or complainant for the stakeholder to participate in monitoring the interests of the Group with more efficiency.

The clues or complaints

- An offense on corruption, against the bylaws or ethics of the directors and employees.
- Irregularity on the financial report and a defective internal control system.
- The matter that affect the interests or reputation of the Group.

The clues or complaints channels

The board of directors provides opportunities for stakeholders to communicate with the board of directors and protect rights of stakeholders to make the clues or make complaints There is a communication channel through the audit committee of the Group in order to carry out the process set by the Group and report to the board of directors further, the channels are as follow:

1. Via mail to:
Chairman of the Audit Committee
Autocorp Holding Public Company Limited
1111 Moo 1 Maliwan road, Banthum,
Mueang Khonkaen, Khonkaen 40000
2. Via electronic mail to:
Chairman of the Audit Committee:
Anti-Corruption@ach.co.th

Applicability of the measures by the company and the relevant persons

1. The Company shall notify and encourage subsidiaries to apply the measures on anti-corruption.
2. It is prohibited the employees from hiring a business agent or middleman with the objective of committing corruption.
3. The Group shall have goods and service purchasing with equity and transparency, including shall evaluate to select the vendors, service providers, including the contractor in accordance with the rules on hiring/purchasing stringently. Moreover, the Group shall notify the vendors and service providers, including the contractor to acknowledge the policy and measure on anti-corruption of this edition.

4. The Group reserves the right to cancel the purchasing and hiring, if it finds that the vendor and the service provider, including the contractor commits corruption or bribery.

Propagation of the policy on anti-corruption

1. The Group shall post the notice on the policy anti-corruption in the clearly visible for everyone in the organization to be aware of it.
2. The Group shall propagate the policy on anti-corruption via the communication channel of the Group, e.g. the company's website, Intranet or folder, etc. so the public can be aware of it.

The group shall communicate the policy on anti-corruption, including the channel on reporting a clue or complaint within the Group via the diverse channels, e.g. the orientation course for the directors and employees, the board of directors meeting, training, annual seminar, etc. so it can be practiced seriously. Furthermore, it is to make sure that the Group is confident that its Group has the resources and personnel with sufficient skills to apply the measures.



Board of Directors

The Board of Directors – Autocorp Holding Public Company Limited



Mr. Panich Pongpirodom

Chairman of the Board of Directors and Independent Director



Mr. Weerachai Ngamdeevilaiwak

Chairman of the Audit Committee and Independent Director



M.L. Winai Kasemsri

Audit Committee Member / Independent Director and Chairman of the Nomination and Remuneration Committee



Asst. Prof. Dr. Saranyapong Thiangtam

Audit Committee Member / Independent Director and Member of the Nomination and Remuneration Committee



Mr. Phanumast Rungkakulnuwat

Chief Executive Officer / Director and Member of the Nomination and Remuneration Committee



Mrs. Hathairat Rangkagoonnuwat

Deputy Chief Executive Officer and Director



Mrs. Suksai Phoksap

Chief General Managing Officer and Director



Miss Nuchanadh Sakulsanthia

Chief Financial Officer and Director



Miss Thanya Thimachai

Accounting Manager and Director



Mr. Putip Vatin

Accounting Manager and Director
(resigned on April 30, 2020)

Board of Executives

The Board of Executives and Executives - Autocorp Holding Public Company Limited



Mr. Phanumast Rungkakulnuwat
Chief Executive Officer and Chairman of the Executive Committee



Mrs. Hathairat Rangagoonnuwat
Deputy Chief Executive Officer and Vice Chairman of the Executive Committee



Mrs. Suksai Phoksap
Chief General Managing Officer and Director



Miss Nuchanadh Sakulsanthia
Chief Financial Officer and Director



Miss Thanya Thimachai
Accounting Manager and Director



Mr. Putip Vatin
Accounting Manager and Director
(resigned on April 30, 2020)



Miss Soontaree Chittham
Accounting Manager and Company Secretary



Mr. Narawut Thaneepun
Chief Service Center Officer

Management Structure

The management structure of company consists of the Board of Directors and 3 Sub-Committee namely Audit Committee, Executive Committee and Nomination and Remuneration Committee. The Company has a Board of Directors structure consisting of independent directors not less than one third of total directors. All independent directors and audit committee members possess all qualifications as announced in the Notification of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee B.E. 2558 (2015).

1. Board of Directors

The Board of Directors of the Company comprises of 10 directors as follows:

Director	Position
1. Mr. Panich Pongpirodorn	Chairman of the Board of Directors and Independent Director
2. Mr. Weerachai Ngamdeevilaiak	Chairman of the Audit Committee and Independent Director
3. M.L. Winai Kasemsri	Audit Committee Member and Independent Director
4. Asst. Prof. Dr. Saranyapong Thiangtam	Audit Committee Member and Independent Director
5. Mr. Phanumast Rungkakulnuwat	Chief Executive Officer and Director
6. Mrs. Hathairat Rangkagoonnuwat	Director
7. Mrs. Suksai Phoksap	Director
8. Miss Nuchanadh Sakulsanthia	Director
9. Miss Thanya Thimachai	Director
10. Mr. Putip Vatin (resigned on April 30, 2020)	Director

Miss. Soontaree Chittham officiates as Company Secretary. She attended the Fundamentals Practice for Corporate Secretaries generation 2/2018 by Thai Listed Companies Association, in association with The Securities and Exchange Commission of Thailand and Thai Company Secretary Club.

Authorized Directors

Authorized Directors of the Company are Mr. Phanumast Rungkakulnuwat or Mrs. Hathairat Rangkagoonnuwat sign together with Miss Nuchanadh Sakulsanthia or Mrs. Suksai Phoksap or Miss Thanya Thimachai.

2. Audit Committee

The Extraordinary General Meeting of Shareholders No. 3/2017 on November 8, 2017 resolved to appoint 3 audit committee members consisted of:

Name	Position
1. Mr. Weerachai Ngamdeevilaiak	Chairman of the Audit Committee who is sufficiently knowledgeable and experienced to review the reliability of financial statements.
2. M.L. Winai Kasemsri	Audit Committee
3. Asst. Prof. Dr. Saranyapong Thiangtam	Audit Committee

Miss Wichuta Wijitwarangkul officiates as Audit Committee Secretary.

3. The Board of Executives

The Extraordinary General Meeting of Shareholders No. 3/2017 on November 8, 2017, name list as follows:

Name	Position
1. Mr. Phanumast Rungkakulnuwat	Chief Executive Officer
2. Mrs. Hathairat Rangkagoonnuwat	Deputy Chief Executive Officer
3. Mrs. Suksai Phoksap	Executive
4. Miss Nuchanadh Sakulsanthia	Executive
5. Miss Thanya Thimachai	Executive
6. Mr. Putip Vatin	Executive (resigned on April 30, 2020)

Note: * Presently, the Company has Risk Management Committee which is the same set of the Board of Executives.

4. Nomination and Remuneration Committee

The Extraordinary General Meeting of Shareholders No. 3/2018 on November, 2017 resolved to appoint 3 nomination and remuneration committee members consisted of:

Name	Position
1. M.L. Winai Kasemsri	Chairman of the Nomination and Remuneration Committee
2. Asst. Prof. Dr. Saranyapong Thiangtam	Nomination and Remuneration Committee
3. Mr. Phanumast Rungkakulnuwat	Nomination and Remuneration Committee

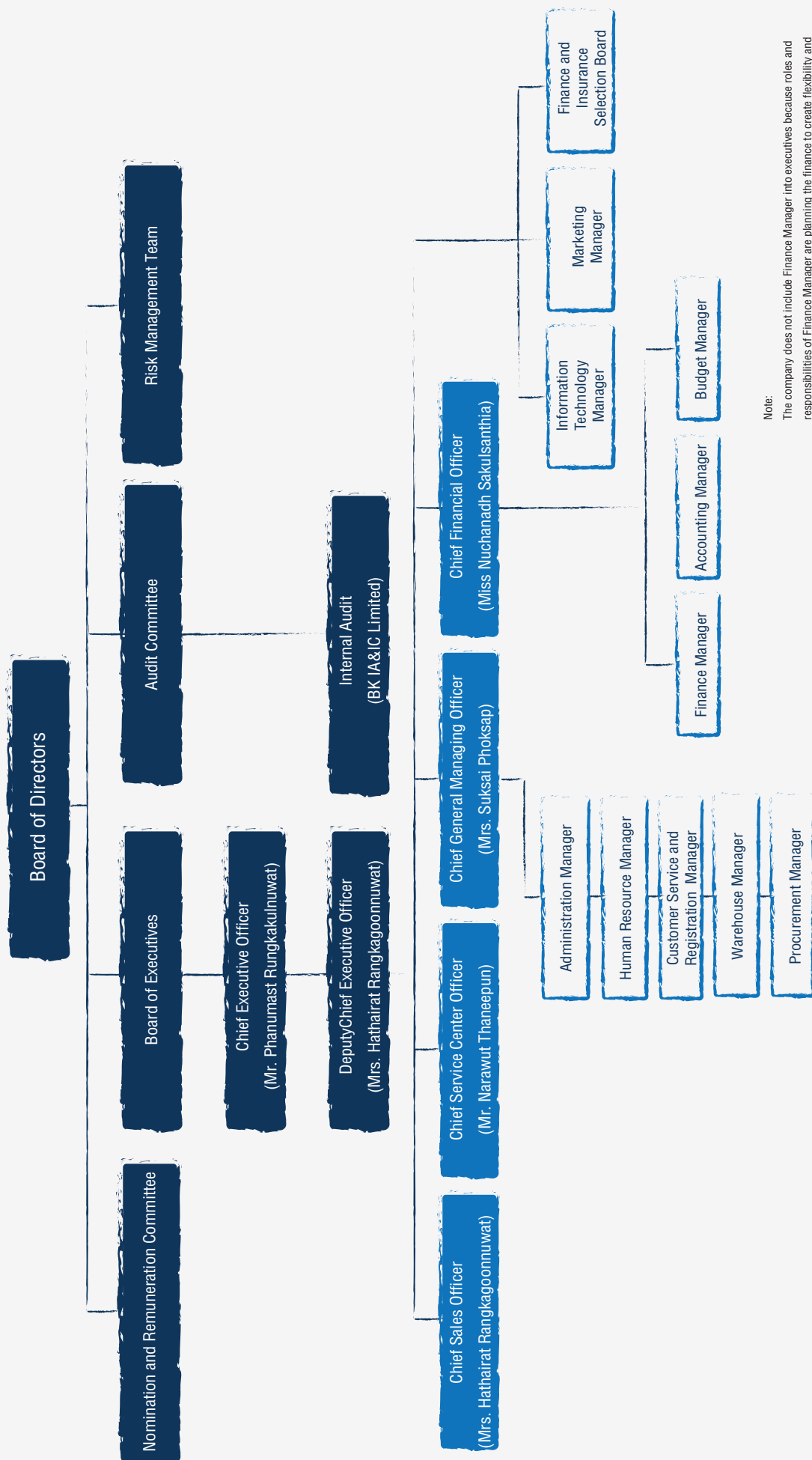
5. Executives

As of December 31, 2019, the Company has 7 executives as follows:

Name	Position
1. Mr. Phanumast Rungkakulnuwat	Chief Executive Officer
2. Mrs. Hathairat Rangkagoonnuwat	Deputy Chief Executive Officer and Chief Sales Officer
3. Mrs. Suksai Phoksap	Chief General Managing Officer
4. Miss Nuchanadh Sakulsanthia	Chief Financial Officer
5. Mr. Narawut Thaneepun	Chief Service Center Officer
6. Miss Thanya Thimachai	Accounting Manager
7. Miss Soontaree Chittham	Accounting Manager and Company Secretary

*Definition of executive according to the Notification of the Securities and Exchange Commission of Thailand

โครงสร้างองค์กรของบริษัท (Organization Chart)



Note:

The company does not include Finance Manager into executives because roles and responsibilities of Finance Manager are planning the finance to create flexibility and appropriateness(receive-pay), preparing and planning payments.
He/she does not prepare accounting information or finance statements.

6. Company Secretary

The Board of Directors Meeting No.4/2018 dated October 12, 2017 resolved to appoint Miss Soontaree Chittham as a Company Secretary for the first time. She has appropriate qualification and been trained to be the company secretary. The appointment is in accordance with Section 89/15 of Public Limited Companies Act, B.E. 2535 with responsible, caution and integrity. It is also complied with the law, Company's objective and regulation and resolution of the Shareholder's Meeting. Details of roles and responsibilities are as follows:

1. Arrange the Board of Directors, Executives and Shareholder's Meetings under Company's regulations.
2. Oversee the Company and the Board of Directors to work consistently with related laws and regulations, as well as resolutions of the Board and shareholders and good cooperate governance.
3. Communicate with authorities such as The Stock Exchange of Thailand and oversee disclosures and reports to authorities and public to comply with the law.
4. Support directors/executives to attend courses related with their duties.
5. Provide trainings/orientation, as well as important information, for both new and current directors.
6. Suggest regulations to the Board of Directors and executives.
7. Organize performance assessments of the Board of Directors.
8. Manage, coordinate and keep the reporting of directors' and executives' interests as well as submit the copy of report to chairman and to chairman of the audit committee within 7 days from the date that the Company has received the report.
9. Prepare and keep important documents of the Company such as a register of directors, call for meeting note, board of directors and shareholders minute of meetings, annual report and reporting of directors' and executives' interests.
10. Be the center of contacts and information that the Board of Directors require from authorities including auditor, internal auditor. Arrange meetings between directors and executives as the Board requested.
11. Contact and communicate with shareholders to know the shareholder's rights and company's news.
12. Take care activities of the Board of Directors.
13. Other activities as required by Capital Market Supervisory Board.

7. Remuneration of the Directors and the Executives

The Company has set the remuneration of the directors and the executives clearly and transparently, in accordance with accountability and responsibilities in the Company which have been considered by the best interests of the Company and shareholders.



7.1 Remuneration of the Directors

1. Monetary Remuneration

Total Remuneration of Directors

The Company's Annual General Meeting of Shareholders for the Year 2020 dated July 29, 2020 resolved to approve the fixing of remuneration of the directors and the Audit Committee members for the year 2020 in form meeting allowance with a limit not exceeding 5,000,000 baht as follows:

Position	2020 Meeting Allowance	2019 Meeting Allowance
1. Board of Director Meeting		
• Chairman of the Board of Directors	Baht 25,000 per meeting	Baht 25,000 per meeting
• Director	Baht 20,000 per meeting	Baht 20,000 per meeting
2. Audit Committee Meeting		
2.1 Audit Committee Meeting		
• Chairman of the Audit Committee	Baht 25,000 per meeting	Baht 25,000 per meeting
• Audit Committee	Baht 20,000 per meeting	Baht 20,000 per meeting
2.2 Nomination and Remuneration Committee Meeting		
• Chairman of the Nomination and Remuneration Committee	Baht 25,000 per meeting	Baht 25,000 per meeting
• Nomination and Remuneration Committee	Baht 20,000 per meeting	Baht 20,000 per meeting
3. Director's Bonus	Considering the operating results during the year	-

In 2019 and 2020, the Company paid remuneration to the Board of Directors as follows:

Name - Surname	Board of Director Meeting Allowance		Audit Committee Meeting Allowance		Nomination and Remuneration Committee Meeting Allowance	
	2019	2020	2019	2020	2019	2020
1. Mr. Panich Pongpirodom	125,000	200,000	-	-	-	-
2. Mr. Weerachai Ngamdeevilaiak	100,000	160,000	100,000	100,000	-	-
3. M.L. Winai Kasemsri	100,000	160,000	80,000	80,000	25,000	25,000
4. Asst. Prof. Dr. Saranyapong Thiangtam	100,000	160,000	80,000	80,000	20,000	20,000
5. Mr. Phanumast Rungkakulnuwat*	-	-	-	-	-	-
6. Mrs. Hathairat Rangkagoonnuwat*	-	-	-	-	-	-
7. Mrs. Suksai Phoksap*	-	-	-	-	-	-
8. Miss Nuchanadh Sakulsanthia*	-	-	-	-	-	-
9. Miss Thanya Thimachai*	-	-	-	-	-	-
10. Mr. Putip Vatin (resigned on April 30, 2020)	-	-	-	-	-	-

Note *Director number 5 to 10 do not receive remunerations as a director because they are already receiving remunerations as an executive.

Detail of meeting attendance of the board of directors and committees in 2020

Name - Surname	Board of Directors (8 meetings)	Audit Committee Meeting (4 meetings)	Nomination and Remuneration Committee Meeting (1 meeting)
1. Mr. Panich Pongpirodom	8/8	-	-
2. Mr. Weerachai Ngamdeevilaiak	8/8	4/4	-
3. M.L. Winai Kasemsri	8/8	4/4	1/1
4. Asst. Prof. Dr. Saranyapong Thiangtam	8/8	4/4	1/1
5. Mr. Phanumast Rungkakulnuwat*	8/8	4/4	1/1
6. Mrs. Hathairat Rangkagoonnuwat*	8/8	4/4	-
7. Mrs. Suksai Phoksap*	8/8	4/4	-
8. Miss Nuchanadh Sakulsanthia*	8/8	4/4	-
9. Miss Thanya Thimachai*	8/8	4/4	-
10. Mr. Putip Vatin	8/8	1/1 *	-

Note *He resigned on April 30, 2020

7.2 Remuneration of the Executives

1. Monetary Remuneration

For the year 2019 and 2020, the Company paid monetary remuneration to executives detailed as follows:

Remuneration of the Executives

Transaction	2019	2020
Number of executives	8	8
Total remuneration (Baht)	10,174,570	9,516,000
Form of remuneration	monthly salary/ provident fund/ social security/ accommodation allowance	monthly salary/ provident fund/ social security/ accommodation allowance

2. Other Remuneration

The Company has set up a provident fund for executives of the ACG group which TISCO Asset management is the asset management company, according to the Provident Fund Act, B.E. 2530 (including amendments). The provident fund has been effective from September 1, 2017 onwards. Member of the provident fund and employer (the Company) pay contributions in percentage of salary. Upon termination of membership, members will receive all of their savings and its incurred benefits, as well as a certain amount of employer's contribution and its incurred benefits. Conditions of payment under the following rules:

Years of working	Rate of contribution and benefit payment paid upon termination of membership (percentage of contribution and benefit)
Less than 2 years	0
2 years but less than 3 years	25
3 years but less than 5 years	50
5 years but less than 7 years	75
7 years up	100

However, the group has another remuneration of the executives, an executive residence which is to facilitate the work in Khon Kaen. The Company also offers discounts to executives and employees for spare parts and labor costs, excluding new car purchase, and car insurance renewal as specified in compensation and welfare policies approved by the Board of Directors.

1. Board of Directors of Honda Maliwan Company Limited

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graph TD
    Board[Board of Directors] --> Chairman[Chairman of the Board of Directors  
(Mr. Phanumast Rungkakulnuwat)]
    Chairman --> ViceChairman[Vice Chairman of the Board of Directors  
(Mrs. Hathairat Rangagoonnuwat)]
    ViceChairman --> ChiefSales[Chief Sales Officer  
(Mrs. Hathairat Rangagoonnuwat)]
    ViceChairman --> ChiefService[Chief Service Center Officer  
(Mr. Narawut Thaneepun)]
    ViceChairman --> ViceChiefService[Vice Chief Service Center Officer  
(Mr. Kosin Chatthai)]
    ChiefSales --> ManagerM[Manager - M  
(Mr. Pornthep)]
    ChiefSales --> ManagerS+W[Manager - S+W  
(Mrs. Phusanita)]
    ManagerM --> ManagerB[Manager - B  
(Mr. Suphawin)]
    ManagerM --> ManagerNG[Manager - NG  
(Mr. Suphawin)]
    ManagerM --> ManagerPK+NK[Manager - PK+NK  
(Mr. Suriyakorn)]
    ManagerM --> ManagerMKB[Manager - MKB  
(Mrs. Jantip)]
    ChiefService --> ManagerM1[Manager - M  
(Mr. Thirong)]
    ChiefService --> ManagerM1_2[Manager - M  
(Mr. Thirong)]
    ManagerM1 --> ManagerS1[Manager - S  
(Mr. Charndech)]
    ManagerM1_2 --> ManagerNG1[Manager - NG  
(Mrs. Suphichanan)]
    ManagerM1_2 --> ManagerPK+NK1[Manager - PK+NK  
(Mr. Chitsanuphong)]
    ManagerM1_2 --> ManagerMKB1[Manager - MKB  
(Mr. Chayuth)]
    ViceChiefService --> Subcontract[การให้บริการแยกแต่ละศูนย์ (BP) Subcontract]
    Subcontract --> M[Pampoo Autosale Co., Ltd.]
    Subcontract --> S[PS Body paint Co., Ltd., Pampoo Autosale Co., Ltd.]
    Subcontract --> B[PS Body paint Co., Ltd.]
    Subcontract --> NK[Pampoo Autosale Co., Ltd.]
    Subcontract --> MKB[Triple Double Autoservice Co., Ltd.]
    Subcontract --> Financial[Financial Officer-Center]
  
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Company personnel of Honda Malwai Company Limited
 ATCH : Autocorp Holding Public Company Limited
 M : Honda Malwai Company Limited
 M : Honda Malwai Company Limited Headquarter
 P : Honda Malwai Company Limited, Pachasamosorn branch
 S : Honda Malwai Company Limited, Surin branch
 S : Honda Malwai Company Limited, Weerawatyadin branch
 W : Honda Malwai Company Limited, Buriram branch
 W : Honda Malwai Company Limited, Nongbua branch
 NG : Honda Malwai Company Limited, Nongbua branch
 PK : Honda Malwai Company Limited, Phuket branch
 NK : Honda Malwai Company Limited, Naka branch
 MKB : Honda Malwai Company Limited, Mueang Krab branch
) : Acting in a position

Board of Directors of Honda Maliwan

Honda Maliwan has 4 directors which are:

Name	Position
1. Mr. Phanumast Rungkakulnuwat	Chairman of the Board of Directors
2. Mrs. Hathairat Rangkagoonnuwat	Directors
3. Mrs. Suksai Phoksap	Directors
4. Miss Nuchanadh Sakulsanthia	Directors

Authorized Directors

Authorized Directors of Honda Maliwan are Mr. Phanumast Rungkakulnuwat or Mrs. Hathairat Rangkagoonnuwat sign together with Miss Nuchanadh Sakulsanthia or Mrs. Suksai Phoksap, in total of two persons.

Honda Maliwan's Executives

Honda Maliwan has 6 executives which are:

Name	Position
1. Mr. Phanumast Rungkakulnuwat	Chief Executive Officer
2. Mrs. Hathairat Rangkagoonnuwat	Deputy Chief Executive Officer and Chief Sales Officer
3. Mrs. Suksai Phoksap	Chief General Managing Officer
4. Miss Nuchanadh Sakulsanthia	Chief Financial Officer
5. Mr. Narawut Thaneepun	Chief Service Center Officer
6. Miss Thanya Thimachai	Accounting Manager

Remuneration of Honda Maliwan's Directors

At present, Honda Maliwan's Directors do not receive monetary and other remunerations.

Detail of meeting attendance of the board of directors in 2020

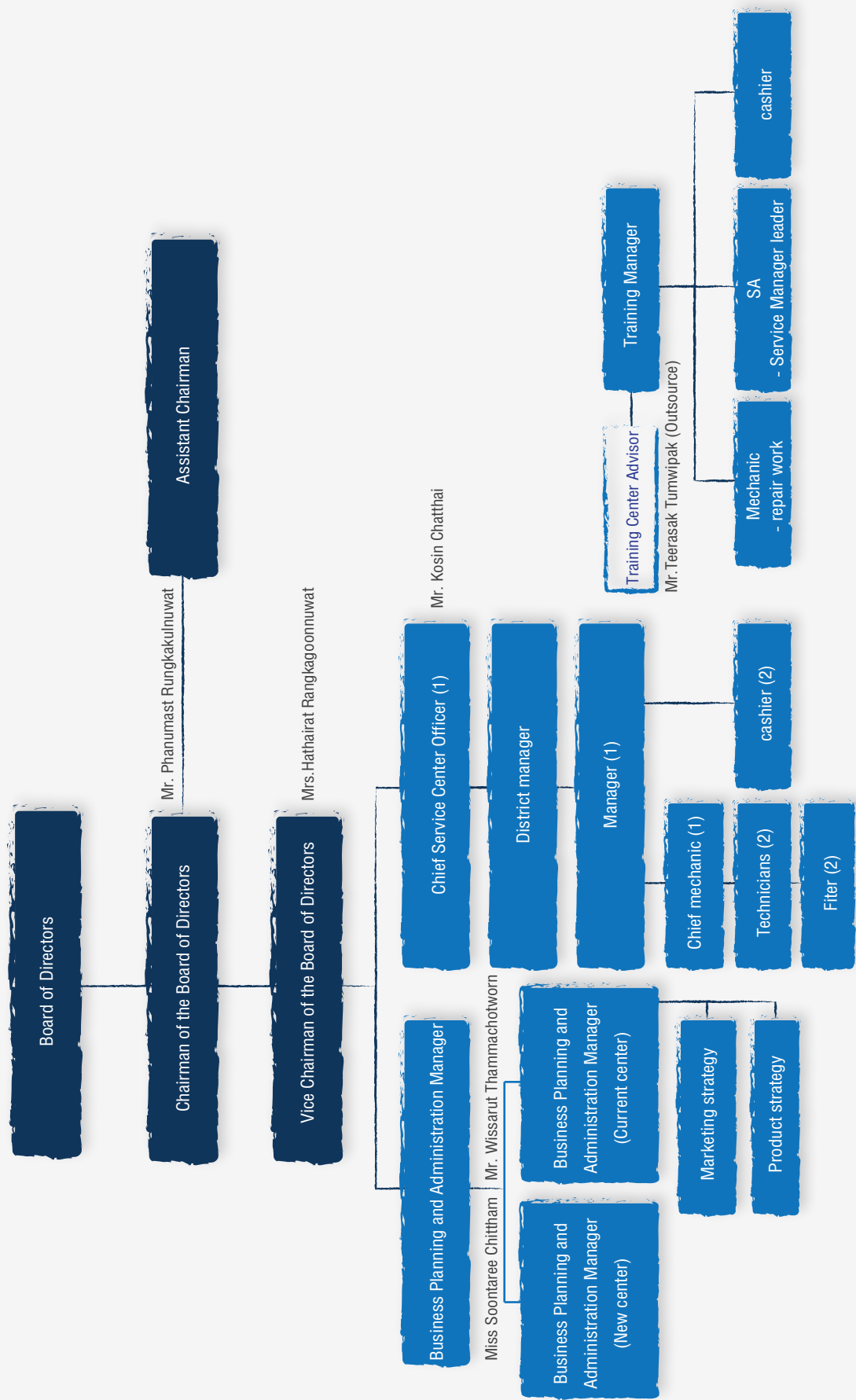
Name - Surname	Board of Directors (6 meetings)
1. Mr. Phanumast Rungkakulnuwat	6/6
2. Mrs. Hathairat Rangkagoonnuwat	6/6
3. Mrs. Suksai Phoksap	6/6
4. Miss Nuchanadh Sakulsanthia	6/6

Remuneration of Honda Maliwan's Executives

Honda Maliwan's Executives do not receive monetary remunerations from Honda Maliwan company but receive as parent company's executives.

2. Board of Directors of Autoclik by ACG Co., Ltd.,

Autoclik by ACG Company Limited Structure



Board of Directors of Autoclik

Autoclik has 5 directors which are:

Name	Position
1. Mr. Phanumast Rungkakulnuwat	Chairman of the Board of Directors
2. Mrs. Hathairat Rangkagoonnuwat	Director
3. Miss Soontaree Chittham	Director
4. Miss Malini Channoom	Director
5. Miss Suphansa Tangtrakul	Director

Authorized Directors

Authorized Directors of Autoclik are Mr. Phanumast Rungkakulnuwat or Mrs. Hathairat Rangkagoonnuwat sign together with Miss Soontaree Chittham or Miss Malini Channoom or Miss Suphansa Tangtrakul, in total of two persons.

Autoclik's Executives

Autoclik has 7 executives which are:

Name	Position
1. Mr. Phanumast Rungkakulnuwat	Chief Executive Officer
2. Mrs. Hathairat Rangkagoonnuwat	Deputy Chief Executive Officer
3. Mrs. Suksai Phoksap	Chief General Managing Officer
4. Miss Nuchanadh Sakulsanthia	Chief Financial Officer
5. Mr. Kosin Chatthai	Chief Service Center Officer
6. Miss Soontaree Chittham	Business Planning and Administration Manager (New center)
7. Mr. Wissarut Thammachotworn	Business Planning and Administration Manager (Current center)

Remuneration of Autoclik's Directors

At present, Autoclik's Directors do not receive monetary and other remunerations.

Detail of meeting attendance of the board of directors in 2020

Name - Surname	Board of Directors (3 meetings)
1. Mr. Phanumast Rungkakulnuwat	3/3
2. Mrs. Hathairat Rangkagoonnuwat	3/3
3. Miss Soontaree Chittham	3/3
4. Miss Malini Channoom	3/3
5. Miss Suphansa Tangtrakul	3/3

Remuneration of Autoclik's Executives

Autoclik's Executives do not receive monetary remunerations from Autoclik company but receive as parent company's executives.

9. Personnel

9.1 Number of Employees (The Group)

As of December 31, 2019, and 2020, the group had total number of both permanent and outsource employees divided in to main departments as follows:

Main Department	December 31, 2019		December 31, 2020	
	Number of permanent employees*	Number of outsource employees**	Number of permanent employees*	Number of outsource employees**
1. Sales Department	10	71	23	86
2. Service Center Department	176	109	191	125
3. General Management Department	83	1	82	-
4. Finance and Accounting Department	39	-	36	-
Total	308	181	332	211

สาขา	December 31, 2019		December 31, 2020	
	Number of permanent employees*	Number of outsource employees**	Number of permanent employees*	Number of outsource employees**
1. Head Office, Khon Kaen	40	46	59	48
2. Prachasamosorn Branch, Khon Kaen	11	4	11	4
3. Surin Branch, Surin	56	25	52	36
4. Weerawatyothin Branch, Surin	-	3	-	3
5. Buriram Branch, Buriram	20	31	27	24
6. Nangrong Branch, Buriram	18	14	16	11
7. Phuket Branch, Phuket	24	8	25	7
8. Naka Branch	47	32	48	54
9. Krabi Branch, Krabi	-	1	-	-
10. Mueang Krabi Branch, Krabi	30	18	28	24
11. The Company (ACG)	62	-	66	-
Total	308	182	332	211

Note: * Total of the Company and Honda Maliwan employees who are permanent employees.

**Outsource employees such as sales consultant and service center staffs which might be in and out during the year.

9.2 Remuneration of Employees

1. Monetary Remuneration

For the year 2018 to 2020, the Company paid monetary remuneration to permanent employees (excluding executives) in forms of monthly salary, bonus and others such as commissions, overtime pay, allowances and social security fund contributions. The amounts were as follows:

Transactions	2018	2019	2020
Number of employees*	219	308	332
Total remuneration (Baht)	37,503,933	67,918,285	77,354,739

Note: The group has regulations of commissions payment to sales consultant. Calculations are based on agreements made with company group.

*Number of employees at the end of the year

2. Other Remuneration

The Company also offers discounts to employees for spare parts and labor costs, excluding new car purchase, and car insurance renewal as specified in compensation and welfare policies approved by the Board of Directors.

9.3 Provident Fund

The group has set up a provident fund for employees of the group which TISCO Asset management is the asset management company, according to the Provident Fund Act, B.E. 2530 (including amendments). This is to motivate the employees to work with the group and for their future collaterals.

The provident fund has been effective from September 1, 2017 onwards. Member of the provident fund and employer (the Company) pay contributions in percentage of salary. Upon termination of membership, members will receive all of their savings and its incurred benefits, as well as a certain amount of employer's contribution and its incurred benefits. Conditions of payment under the following rules:

Years of working	Rate of contribution and benefit payment paid upon termination of membership (percentage of contribution and benefit)
Less than 2 years	0
2 years but less than 3 years	25
3 years but less than 5 years	50
5 years but less than 7 years	75
7 years up	100

9.4 Labor Dispute

During the past three years, Company had no labor dispute which the company and the subsidiary were parties or litigants which may significantly affect the business.

9.5 Personnel Development Policy

The executives realize the importance of human resource which is the heart of business operation. Therefore, there is an employee training policy to develop employee in various aspects namely sales, marketing, services, human resource management and safety. Training are both in-house and external courses according to responsibilities of each staff level. This is to increase personnel capabilities in all departments to ensure that staffs are possessing knowledge and abilities to increase work efficiency.

The Company Group has designated training plans, including 2020 training plan, to use as guidelines to develop work efficiency of all staffs which will lead to the increase of work quality; and to prepare for business expansion. The company group is determined to develop personnel in every levels and professions by combining the development of skills with the cultivation of organization culture and ethics to conform with strategy and business model of group in both present and future.

The personnel training and development of company and Honda Maliwan expenses can be summarized as follows:

(in Baht)

Transactions	2018	2019	2020
Personnel training and development expenses	388,230	725,874	571,913

Corporate Governance

1. Policy on the good governance

The company realizes that the importance on compliance with the good corporate principles in doing business. Thus, the board shall provide a policy to comply with the practical principles and guidelines, which are consistent with the Corporate Governance Code 2017 of the Office of the Securities and Exchange Commission, adopted from the Principle of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand. It covers the principles of the OECD in all five chapters on the rights and equity of the shareholders and the stakeholders and their role, the disclosure of information and transparency and duties of the board of directors.

However, the practice on this good governance can reflect the business code of conduct, including the charter of the board and its subcommittees assigned on the various subjects, and an agenda on the board meeting and the committees in advance throughout the year. It is to make sure that the performance of duty by the board shall be complete with the practical details shall state in the good governance report.

Chapter 1 Rights of the shareholders

The company realizes the rights of the shareholders without doing anything in violation or derogation of their rights, including encouraging them to exercise their rights. The fundamental rights of the shareholders are the right to purchase, sell, or transfer shares, receive profits and sufficient information of the Company. The shareholders are entitled to freely express their opinions in Shareholders' Meetings and take part in decision-making on significant matters, appointment or removal of directors, appointment of auditors, and issues which impact the Company such as dividend allocation, amendments to the Articles of Association, capital increase or decrease, and approval of extraordinary items.

The Company determines the policy to encourage and facilitate shareholders in the following aspects.

- The company designates its board of directors to make an appointment for the shareholder meeting with the sufficient information for the shareholders to acknowledge before

the meeting date seven days in advance, or as the SEC and SET shall designate.

- In each shareholder meeting the chair of the meeting shall explain on the guidance used in the meeting, including the procedures on voting and allocation of the meeting sufficiently.
- It opens an opportunity for the shareholders can submit their opinions, recommendation and inquiry in advance before the meeting date.
- It opens the opportunity for the shareholders to inquire, express their opinions and recommendations fully with the directors and the management involved to attend it to answer the questions in the meeting. After the meeting is adjourned the company shall prepare the minutes of the meeting by showing the information correctly and fully, so they can verify them.
- In the case the shareholders cannot attend the meeting themselves, the company opens an opportunity to make a proxy for the independent director or anyone to attend on their behalf. They can use a proxy statement in the form provided by the company with the meeting appointment.

Chapter 2 Equal treatment of the shareholders

The company shall treat all the shareholders equally and fairly, included those who are the management, non-management, foreign shareholders and the minor shareholders with the following principles.

- The board shall not increase the agenda without notifying the shareholders in advance unnecessarily, especially the important item that the shareholders have to take time on the study of the data before making a decision.
- Encourage the shareholders to use a proxy in the format that they can designate the direction on voting and nominating a minimum of one independent director as an alternative in applying the proxy.
- It designates the independent director to have a duty to take care of the minor shareholders, who can introduce, show their opinions or complaint to them. The independent directors can verify the facts and find a suitable way to remedy

- it. In the case the recommendation by the independent directors deem to be an important matter with an impact on the stakeholders overall, or the business operation of the company. The independent director shall present such the matter to the shareholder meeting for consideration by designating in the agenda for the shareholder meeting.
- It promotes to exercise the right such as an opportunity for the minor shareholders to increase an item in the agenda before the meeting date. An opportunity for the minor shareholder can nominate a person to the directorship in advance at a reasonable time with the information for consideration on the qualification and consent of the nominee.
 - The company designates measures to prevent from insider trading of the relevant persons, including the directors and the management related to the information (Including the spouse and underage offspring of such persons as well). In the case the employee or the management discloses or utilizes the information for self-interest or the relevant person shall be considered as a severe offense and face a disciplinary action.
 - Encourage using a ballot on the important item, e.g. making a related item, on acquisition or disposal of assets, e.g. for transparency and accountability in the case there is a dispute later.
 - It opens an opportunity for the shareholders to exercise the right to appoint the directors on an individual basis.
 - In a shareholder meeting, the directors and the management shall reveal the information on the conflict of interest in each item, so the committee can consider the transaction that may have a conflict of interest and can make a decision for the benefit of the company overall. The directors and the management with a stake in such the matter cannot vote on such the item.
 - It designates the guidelines on keeping and prevention of the use of the insider information in writing and may notify the guidelines to all people in the organization for practice. It shall designate the directors and the management to report on possession of the securities in accordance with the law on submitting such the report to the board of directors.

Chapter 3 Role towards stakeholders

The company has given priority to the rights of all stakeholders, and has a policy on their treatment of each the important stakeholder group as follows:

Shareholders	: The Company is determined to do business with knowledge and skills on management with full capability in all cases with integrity and equity to the major and minor shareholders for the optimum benefit of the overall shareholders. It includes disclosing the information regularly and fully in the actuality.
Employees	: The Company shall give the fair compensation to its employees to take care of the working environment to have safety and assets to give priority with potential development of the employees thoroughly and regularly. It shall comply with the laws and bylaws involved with the employees strictly. Including avoiding the unfair actions that may have an impact on the security in performing the duty of the employees, as well as the treatment of the employees with politeness and respect for human dignity.
Customers	: The Company is determined to produce goods and services with quality and standardization at the suitable price, keep confidentiality of the customers seriously and regularly. It seeks unstoppable guidelines to increase the benefit to the customers continuously and comply with the various conditions to the customers strictly.
Trade partner and creditor	: The Company shall not have business dishonesty with its trade partners and creditor, and is determined to comply with the various conditions with the creditors strictly. It is regardless on the objective of using money, repayment, taking care of the quality of the guarantee and other matters agreed with the creditors to achieve the mutual benefit.
Trade competitor	: The Company shall behave under the framework of rules on good competition by not seeking confidential information of the trade competitor by a dishonest or inappropriate method, and shall not try to destroy the reputation of the competitor using baseless fabrication.
Society responsibility	: The Company shall not do anything to affect the society, natural resources and the environment, while seeking an opportunity to support creative activities for the society. It shall inculcate the conscience of the CSR among the employees of all levels continuously and seriously, including the practice or control to have stringent compliance in accordance with the intentions of the law and regulations imposed by the regulators.

Chapter 4 Information disclosure and transparency

The company gives priority on revelation of information with correctness, completeness, transparency, punctuality and in accordance with the guidelines of the Security and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET") on the report of the general finance and information, including other important information with an impact on the securities prices as well as the process of making a decision and the stakeholders. So, the entire relevant persons received the information equally. Meanwhile, the company has propagated the information via the SEC and the SET via the www.autocorpgroup.com.

The board has realized that the responsibility to report the financial statement that is correct, complete, true and reasonable. The conglomerated financial statement of the company is prepared in accordance with the generally accepted accounting principles by choosing to use the suitable accounting policy. The recording of accounting data is correct, sufficient and complete to maintain the assets and to know the weak points to prevent from corruption or abnormal operation significantly with regular practices. It includes the disclosure of important information sufficiently in the remark to supplement the financial statement. Moreover, the board has appointed an audit committee to audit the financial report, the interconnected items, and the internal audit system. While the audit committee shall report the results to the board in each board meeting, but the reports of the board, the audit committee and the auditor have details in the annual report. As for the work on the investor relations report the company has assigned Mr. Wissarut Thammachotworn and Miss Warocha Kraikrut are holding a position of investor relations. The duty to contact the shareholders, the analysts and the relevant persons.

Chapter 5 Directors' responsibilities

(1) The Board of Directors structure

The board of directors consists of the directors with knowledge, capability and experience on the business operations that are beneficial to the company. They come from the appointment of the shareholder meeting consisted of a minimum of 5 directors and an independent director not less than one-third of directors. According

to the Notification of the Securities and Exchange Commission of Thailand that listed companies must have independent directors greater than or equal to one-third of directors. The Company's Board of Directors is an expert from a wide variety of industries. Both in business, accounting and finance. Involves and supports the business of the company. The company has four directors as independent directors act as the representatives of the minor shareholders. They shall perform the duty to inspect and checks and balances the operations of the company to go smoothly, fairly and for the maximum benefit of the shareholders and have each term of three years.

The chairman of the board shall not be the same as the CEO and the president, so as to counterbalance and verify the management. In addition, the company has designated the scope, power, duties and responsibilities of the directors, management and CEO clearly, so the president and the CEO cannot have the administrative power and unlimited approval of the financial limit.

(2) The sub-committees

The board of directors has appointed committees to help on the supervision are;

- The board of executives has five members to help the operations for flexibility with the scope of power and duty as assigned by the board of directors.
- The audit committee has a minimum of three persons to audit and help in the supervision of the company. It has the scope of power as assigned by the board with all members have the qualifications as designated by the law on securities and exchange, or by the criteria, announcements, bylaws or regulations of the SEC or the SET.
- The nomination and remuneration committee have a minimum of three persons mostly are independent directors, who hold its chairman to be responsible for designating its guidelines and policy for the directors and the committees. It includes nominating the suitable persons to hold the directorship and establish the compensation for the board directors.
- The company has the risk management committee, which has a minimum of three person. Most of the risk management committee are the Company's directors

and independent directors are the chairman of the risk management committee. To be responsible for support the board of directors to establish the policy on risk management covering the whole organization. It includes the supervision for the system or process on risk management to reduce the impact on the business of the company suitably.

Nonetheless, in the future the company may recruit other committees to work on an assignment to mitigate the burden of the board of directors.

(3) Role and responsibilities of the Board of Directors

The board has responsibilities to set up a policy, vision, strategy, target, mission, business plans and budget of the company, including supervision for the management to comply with the designated policies efficiently and effectively. It shall come under the framework of the law, objectives, company's regulations and the resolutions of the shareholder meetings. The Board of Directors has provided;

3.1 Business ethics

The company has prepared the recommended practices on the business ethics for the board of directors, audit committee and the operators in the various sides to adhere as the practical guidelines. It has the main issues on keeping confidentiality of the company, integrity, legality, mutual respect, taking care of the internal resources and the external environment. The priority on the business ethics can make the operational integrity and the internal control can be made more effective resulting in confidence to the capital market and building reliability to the investors.

3.2 Policy on the conflict of interest

The company has designated the policy on the conflict of interest on the principle that all employees shall perform their duty for the maximum benefit of the company only. Any actions and decisions shall be free of influence of personal interest of a family, relatives or acquaintances specifically. The policy covers two matters are;

- The related items: The company shall consider the suitability before making a related item prudently in all items. It includes designating the price and

conditions of the related items as if it was an arm's length basis. Moreover, it has the audit committee to consider the necessity and justification of the items. When the company or its subsidiary has made a related item, if it falls in the announcement by the SEC, Re: Disclosure of information and practices of the registered company in the related item and the announcement of the SEC on the guidelines on the related item, the company shall abide by the terms, conditions and method of such the announcement. It includes a revelation of such the item in the annual report and the form showing the annual information item (56-1 Form). It is for transparency on making the related item and elimination of the problems on the conflict of interest and other situations to create a conflict of interest.

- Other situations to cause a conflict of interest divided into;
 1. General investment, the company shall not allow its shareholders or beneficiary from a competitor or trader/vendor that it has a business contact to participate in a business decision on the matter related with the business relations with such business except by approval by the board of directors.
 2. Receiving a gift, the personnel at all levels should not accept a gift, boarding ticket, and sports ticket, recreation offer, entertaining accommodation or personal offer, etc., if such the action can lead to creating an obligation to the company or cause it to lose an interest.
 3. Accepting an academic work, public service work, becoming a host or any title, personnel of all levels of the company can seek approval from the director in the field to work in a technical institution, public service work as a host or any title, e.g. a company director, consultant to help expand their vision and experience to such personnel. However, they cannot bring the company or position in the company to get involved in the external activity except approved to do so.

3.3 Internal control

The company shall provide the internal control for confidence to the investors that it shall operate with effectiveness and increased reliability on the financial statement from 2017. The company has hired BK OA & IC Ltd. with the knowledge and capability on the accounting system and the internal control as the internal audit, which is independent from the outside in the inspection of the internal audit. It includes setting up an internal audit to follow up on the various control systems.

Moreover, the company has appointed Miss Wichuta Wijitwarangkul to be the secretary of the audit committee to present the results on the internal audit to the audit committee a minimum of each quarter.

(4) The Board of Director's Meetings

The board has a meeting schedule a minimum of once each quarter, and may hold a special meeting as necessary with a preparation of the result report to the committee each month. So, the committee can supervise, control and take care of the operations of the management continuously and in time. It shall send an invitation to the directors for consideration before the meeting a minimum of seven days in advance except in case of urgency to preserve the right or benefit of the company with the directors can request for necessary information additionally from the company secretary.

The chairman of the board and the Chief Executive Officer shall jointly consider designate the agenda by open an opportunity for each director can present the matter to the agenda. In some items the senior management can attend the meeting to give information for the additional details.

In 2019 and 2020 the company held 5 and 8 board meetings respectively, and 4 and 4 audit committee meeting respectively. The details on the attendance of each director are as follows;

Name - Surname	Board of Directors Meeting		Audit Committee Meeting	
	2019	2020	2019	2020
1. Mr. Panich Pongpirodorn	5/5	8/8	-	-
2. Mr. Weerachai Ngamdeevilaiak	5/5	8/8	4/4	4/4
3. M.L. Winai Kasemsri	5/5	8/8	4/4	4/4
4. Asst. Prof. Dr. Saranyapong Thiangtam	5/5	8/8	4/4	4/4
5. Mr. Phnumast Rungkakulnuwat	5/5	8/8	4/4	4/4
6. Mrs. Hathairat Rangkagoonnuwat	5/5	8/8	4/4	4/4
7. Mrs. Suksai Phoksap	5/5	8/8	4/4	4/4
8. Miss Nuchanadh Sakulsanthia	5/5	8/8	4/4	4/4
9. Miss Thanya Thimachai	5/5	8/8	4/4	4/4
10. Mr. Putip Vatin	5/5	3/3*	4/4	1/1*

Note* He resigned on April 30, 2020

(5) Reports of the board of directors

The audit committee shall review the financial report together with the accounting and finance department and the auditor in the joint meeting and present the financial report to the board of directors every quarter. The board shall be responsible for the consolidated financial statements of the company, including the financial information (Report on the responsibilities of the board in the financial report) as appears in the annual report. Such the financial statements are prepared in accordance with the accounting standards certified and audited by the company's auditor, by choosing to use the accounting policies that are suitable and accepted and practiced regularly. It includes using the discretion with circumspection on the preparation and taking care to have a disclosure of the important information sufficiently in the remark to supplement the financial statement.

(6) Remuneration

The company has a policy to establish the compensation of the directors and the audit committee to be at the level that can motivate them to maintain the required quality. The remuneration shall be at the comparable level with the similar industry group and related to the company

operation result by seeking approval for the directors at the shareholder's meeting.

The compensation of the CEO and the senior management is designated to have suitability with the power according to the guidelines and policy designated by the board of directors for the maximum benefit of the company. The compensation level in terms of salary, bonus and incentive in the long term shall be consistent with the results and the performance of each executive.

(7) Development of the directors and the management of the company

The board shall encourage and provide convenience to have training and knowledge to the relevant persons in the company system of the supervision, e.g. the board directors, audit committee and the management, etc. It is to improve the operations continuously, which the training and providing knowledge can be made inside the company or by outsourcing to an institution.

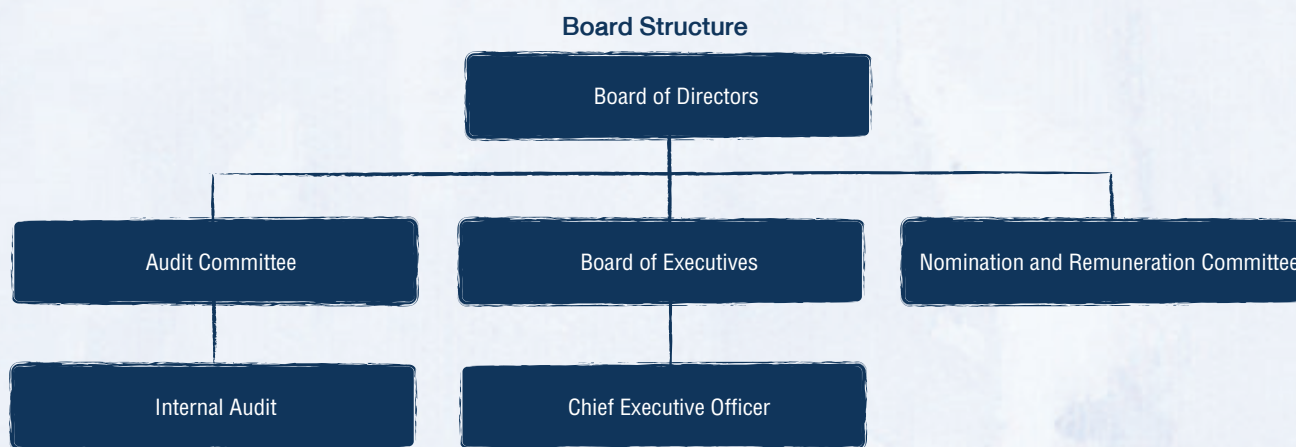
Each time that there is a change in a new director, the company secretary shall provide information document that is beneficial to the performance of the new director, including an introduction of the business characteristics and the business guidelines to them.

Designation of the responsible persons for the Corporate Good Governance

Subject	Responsible Person
Reviewer of the annual good governance policy each year.	CEO presents to the Board of Directors
Board meeting and shareholder meeting as well as storing of the meeting documents.	Company Secretary
Storing and preventing of using internal data in writing.	Company Secretary
Directors and the management have a duty to report on possessing lawful securities.	Directors and executives, Company secretary as the document keeper
Dissemination of data via the company website.	Company Secretary and Investor Relations Officer
Provider of information to shareholders, analysts and the relevant persons (Investor Relations Officer)	CEO and Investor Relations Officer
Taking care of the relevant and involved items on the conflict of interest.	Chief Financial Officer
Internal audit	Internal audit company from external
Preparation of a financial statement	Accounting Manager
Preparation of the annual report	Accounting Manager and Company Secretary
Coordinator with the SET and send the data via the Elcid system	Company Secretary and Investor Relations Officer

2. Board Structure

The Board of Directors of the company consisted of four groups as the Board of Directors, the Audit Committee, the Board of Executives and Nomination and Remuneration Committee.



Note: Apart from the Board of Directors and sub-committee above, the group designated the team called “the Board of Finance and Insurance Selection” which includes specific directors and executives who are responsible for finance and insurance selection. The meeting will be held every month.

2.1 Scope of authority and responsibility of the Board of Directors

The extraordinary general meeting of the shareholders No. 1/2018 on September 14, 2018 resolved to give the board of directors the authority and responsibilities to manage the company in compliance with the laws, objectives and company regulations. The summary of their important duties and responsibilities are as follows:

1. Hold the annual general meeting (AGM) within four months from the end of the financial year of the company. While the company shall send a meeting appointment for the board meeting and for the shareholder meeting, included the meeting agenda and supplemental documents in reasonable advance period, and no less than the time specified in the company bylaws.
2. Have a board meeting a minimum of once each quarter and must be the plenary session when considered resolving on the matter or significant item, which should include the acquisition or disposal of the assets of the company and the subsidiary with significant impact on the company. The purchased item or sale of important assets, investment project expansion, consideration and approval of the related item in accordance with the guidelines of the SET, setting the level of power level and designating the policy on financial and risk management of the company business, etc.

3. Provide the accounting system on a financial report and the audit reliability, including having document storage that can verify of the data later on, and there is an internal control and risk management with efficiency and effectiveness.
 4. Prepare a financial report at the end of the fiscal year of the company correctly to show the financial status and the operating results to be corresponded with the reality, completeness and correctness in accordance with the generally accepted accounting principles and audited by the company auditor before presenting to the shareholder meeting for consideration and approval.
 5. Designate the target, guidelines and policy on the business operation and the budget of the company by controlling, monitoring and supervision. Meanwhile, the administration and management shall comply with the policy, plan and budget designated with efficiency and effectiveness.
- Moreover, the board still has the scope and duty on the supervision of the company and its subsidiary to abide by the law on securities and exchange, the notifications of the capital commission, the requirements of the SET, e.g. making a related item and acquisition or disposal of the important assets or the relevant laws with the company business.

6. Consider reviewing, verifying and approving the business expansion plans on the large investment projects, including investing with other operators that presented by the management.
7. Enforce on the control policy and the mechanism on supervision the business that the company invest in the subsidiary, e.g.;
 - Perform the duty in accordance with the scope, duty and responsibility designated for the directors approved by the board meeting to become a director or the management of the subsidiary in the ratio of shareholding in that subsidiary.
 - Follow up on the operations of the subsidiary to comply with the plan and the budget continuously.
 - Follow up on the subsidiary to open up information related to the financial status and the operating result making between each other, and an acquisition or disposal of the assets with significance to the company completely and correctly.
 - In the case the subsidiary makes an item with a related person on acquisition or disposal of an asset or other important item, the board especially a director or other people with a resolution from the board meeting shall be appointed a director or the management in the subsidiary to supervise it in accordance with the supervisory mechanism on the related person and the item disposed of the assets. It includes the important item designated by the company. However, such making of the item of the subsidiary is the same as making the item in the same guidelines, characteristics and size that the company resolved by the board meeting or the shareholder meeting as the case maybe.
8. Consider and resolve to approve the appointment and change of the people to become a director and/or the management in the subsidiary in the proportion of shareholding in the subsidiary, including designating the use of policy on control and mechanism on supervising it as designated in the notification Tor Jor. 39/2559 Re: Seeking permission and approval to sell newly issued shares as amended.
9. Consider designating the structure on management and power in the appointment of the board of executives,

CEO and the subcommittees as appropriate, e.g. the audit committee, recruitment and compensation committee, risk management committee, etc. It includes the designation of scope of power and duty, including the compensation of the board of executives, CEO and the various committees appointed.

However, such the authorization in the scope of designating the duty shall not be in terms that may not cause the board of executives, CEO and the various committees can approve the item that may have a conflict of interest with the company or subsidiary except it shall comply with the policies and guidelines that the board considers and approves already.

In the case the board assigns the president or other people to act on its behalf on a matter, it shall be made in writing or record as a board resolution in the minutes of the board meeting clearly and state the scope of power of the attorney clearly.

10. The board can authorize one or multiple directors or anyone to perform something on its behalf under its control and supervision or authorization for such people to have the power as it deems appropriate and within the time it deems appropriate. However, the board can cancel, revoke and change or amend such the authorization when it deems appropriate.

Nonetheless, such the authorization shall not cause such the person can approve the item or person with a conflict of interest in other way to make with the company or subsidiary except it is approved for of the normal business in accordance with the general trade conditions. In addition, it can be the policy and guidelines that the board considers and approved under the terms, conditions and method as designated on the related item and the item of acquisition or disposal of an important property of the registered company pertinent to the notification of the capital market regulator and/or other notices of the relevant agencies.

11. The board directors and management shall report to the company on a conflict of interest or of the relevant person, which involved the management of the company or subsidiary in accordance with the guidelines, conditions and method designated by the capital market regulator.

12. The board directors and management shall be jointly responsible for the people who trade in the securities of the company in any damages arising from any damage due to a disclosure of information to the shareholders or the general public by showing a false statement in the essence. In addition, when they conceal the truth that should be notified in the essence as designated in the law on the securities and exchange except the directors and the management can prove otherwise or a lack of the information that should be notified thereof.
13. The directors and the management, including their spouse and underage offspring, are forbidden from using the insider information of the company and its subsidiary, derived from the performance of duty or other way that can have a significant impact on the company or subsidiary for self-interest or other people, regardless of directly or indirectly, regardless of receiving compensation or not.
14. The directors and the management of the company, including their relevant persons, have a duty to notify the company for acknowledgement, relations and transaction with the company or subsidiary in terms of causing a conflict of interest and avoid the items that may cause a conflict of interest with the company or subsidiary as such.
15. Sufficient and suitable verification of the internal audit and risk management policy shall cover the whole organization with the management as the performer of the policy in accordance with the policy and report to the board regularly. Moreover, it should have a review of the system or assessment of the effectiveness of the risk management a minimum of once a year. It shall be revealed in the annual report and each period that found the risk level has a change, included giving priority to the advance warning signal and all the abnormal items.
16. Consideration on screening the report to be presented to the shareholders for approval in the shareholder meeting with the main agenda in the AGM as follows:
 - Consideration of the report of the board presented to the meeting to show the operation results of the company.
 - Approval of the financial statement.
 - Allocation of the company profit.
 - Presentation of the names of the new directors to replace the old directors who are rotated as well as the candidates for the auditors and designate their remuneration.
 - Consideration of the items that can cause a conflict of interest or need to seek approval from the shareholders.
 - Other matters.
17. When the shareholder meeting has approved it the following matters can be made, but the directors with a stake or conflict of interest with the company or subsidiary cannot vote in these matters;
 - The matter that the law designates a resolution from the shareholder meeting.
 - Making an item that the director with a conflict of interest and within the scope that the law, SEC or SET stipulates approval from the shareholder meeting.
18. The following matters shall require approval from a board meeting with a majority vote by the attending directors and the shareholder meeting with a minimum vote of three-fourths of the votes by the attending and eligible shareholders.
 - A sale or business transfer of the entire or partial business to other people.
 - Buying or accepting a transfer of a public or private company to the company.
 - Signing, revising or cancelling a contract on a lease of the company in whole or in part in the important part, an assignment for other people to manage the business of the company or a merger with the objective to share a profit and loss.
 - An issue of new shares to repay a creditor of the company in accordance with the project conversion of debt to equity.
 - An amendment of the memorandum of association or the articles of association.
 - An increase or decrease of the capital, an issue of debenture, merger or dissolution.

- Other things designated under the provision of the law on securities and/or requirements of the SET shall be approved by a board meeting and the shareholder meeting at such the above vote ratio.
Moreover, any matter that the directors have a stake or a conflict of interest with the company; they are disqualified from voting on it.

2.2 Scope of authority and responsibility of the Audit Committee

The board meeting No. 4/2018 on 15 August 2018 resolved for the audit committee to have the power, duty and responsibility as follows:

1. Verify the company to report on the financial report correctly and sufficiently in accordance with the accounting standards by coordinating with the auditor and the management responsible for preparing the financial report on the quarterly and annual basis. The audit committee may advise the auditor to verify or inspect any item deemed necessary and important during their audit.
2. Verify for the company to have an internal control system and the internal audit that are suitable and effective, and consider independence of the internal audit unit. It includes approval in the consideration to appoint, transfer and terminate the head of the internal audit or other units responsible for the internal audit.
3. Verify for the company to comply with the law on securities and exchange, requirements of the SET and the relevant laws on the company business.
4. Verify and consult with the management on the important risk of the company and the measures that the management has implemented to follow up and control such the risk.
5. Consider selecting and appointing a person with independence to act as the company auditor and present the compensation for them. It includes attending the meeting with the auditor without the management attending it a minimum of once a year.
6. Consider the related items or may have a conflict of interest to comply with the law and the requirements of the SET and the SEC, to make sure that such the

item is justified and optimized for the company.

7. Consider the acquired or disposed item of the company assets with the size of the item to be approved from the audit committee as specified in the law, the notifications of the SET and the guidelines by the Office of the SEC
8. Prepare a report by the audit committee in the open in the annual report of the company, which it shall be signed by the chairman of the audit committee and shall be consisted of at least the following information;
 - (a) Opinion on the correctness, completion and reliability of the financial report of the company.
 - (b) Opinion on sufficiency of the internal control of the company.
 - (c) Opinion on compliance with the law on securities and exchange and the requirements of the SET or the relevant law on the company business.
 - (d) Opinion on suitability of the auditor.
 - (e) Opinion on the item that may have a conflict of interest.
 - (f) The number of the auditor committee meeting and the attendance of each audit committee.
 - (g) Overall opinion or remark of the audit committee received from the performance on the charter.
 - (h) Other items that the shareholders and general investors know under the scope of duty and responsibility assigned from the board of directors.
9. In the performance of duty by the audit committee, if found there is a doubt or the following item or action, which may have a significant impact on the financial status and the operation of the company, have the audit committee report to the board for remedy within the time it deems appropriate.
 - (a) The item that has a conflict of interest.
 - (b) Corruption or abnormality with important defect in the internal control system.
 - (c) A violation of the law on securities and exchange on the requirements of the SET or the relevant law of the company. If the board or the management fails to remedy it within the time stated in the first paragraph to the SEC or the SET.

In a situation that the board or the management fails to remedy it within the time specified above, one of the audit committee may report there is an item or action above to the SEC or SET.

10. In the performance of duty by the audit committee, which may seek consultation from an independent consultant or the expert from other professions, if they deem it is necessary and suitable. The company shall be responsible for the entire relevant expenses.
11. Review of the bylaws and the operating results for the past year a minimum of once a year in the performance of duty by the audit committee as mentioned above. The audit commit has responsibility for the board directly, but the board still has responsibility on the operations of the company for the outsiders.
12. Verify to make sure that the business ethics and code of conduct of the management and the employees and the policy on prevention of a conflict of interest is made in writing and the management and all of the employees are aware of it.
13. The audit committee should consult and verify the initial facts upon being notified a suspicious circumstance from the audit on corruption or violation of the relevant law on the performance of duty by the directors and the management pursuant to the Seciton 89/25 of the Securities and Exchange Act 2016, and report the results to the auditor and the SEC within the specified time.
14. Perform other things as the board shall assign with approval by the audit committee.

Term of office and the meetings

The audit committee has the term of three years each time, but the rotated committees can be reinstated again. In the case the audit committee position is vacated by other than the rotation, the board shall appoint the person with the full qualification to replace them to replenish the number designated by the board. The audit committees can remain in the office for the remaining term of the replaced person.

The audit committee shall convene a minimum of four times a year, and has the power to call an additional meeting as necessary. In the audit committee meeting, it can invite

the management, the internal auditor, the accounting auditor or the relevant person in the agenda. The chairman of the audit committee has a duty to manage a meeting and chair it and approve the agenda, including report on the meeting results to the board regularly.

2.3 Scope of authority and responsibility of the Board of Executives

The board meeting No. 4/2018 on 15 August 2018 resolved for the board of executives to have the power, duties and responsibilities as follows;

1. To implement and manage the company in accordance with the objectives, bylaws, policies, rules, requirements, orders and resolutions of the board meeting and/or resolution of the shareholder meeting of the company in all respects by adhering to the rules/requirements of the company board of executives.
2. To consider designating the policy, direction and tactics on the business operations of the company and its group to designate the financial plan, budget, human resources, investment, job expansion and public relations to comply with the framework that the board of directors approved and supervised on the operations of the appointed working group to achieve the target.
3. To consider on the annual budget allocation as the management has proposed before presenting to the board for consideration and approval. It shall include the consideration and approval, change and additional budget for the annual expense during no board meeting and present to the board meeting for acknowledgement in the next meeting.
4. To consider and approve to the board on the policy of paying the dividends of the company.
5. To approve the payment of the important investment as designated in the annual expense budget as assigned from the board or as it used to resolve in the principle.
6. To be a consultant group on the financial policy, marketing, personnel management and other operations.

7. To review and approve on the investment and acquisition and disposal of the assets in the limited amount as approved.
8. To supervise and manage the investment of the company with effectiveness for optimum benefit to the shareholders.
9. To designate the organizational structure, power on the organizational management, including the appointment, employment, transfer, set up the wages, compensation, the managerial bonus and termination.
10. To have the power on the authorization to one or multiple directors or other people working under the supervision of the board of executives deems appropriate and within the time it deems appropriate, which it can cancel, revoke, change or revise the attorney or such the power as it deems appropriate. However, there will be no authorization to the people who may have a conflict of interest on the operations.
11. To report the important operation results to the board of directors for acknowledgement regularly, including the important issues that the board should acknowledge.
12. To self-assess the results of the operations annually.
13. To implement other things as the board shall assign from time to time

Moreover, the board of executives cannot consider and approve the item it deems to have a stake or conflict of interest or with the company except the approval of the item that complies with the policy and guidelines that the board of directors or the shareholder meeting considers and approves and comply with the designated law. The board of directors can cancel, revoke, change or revise the power of the board of executives by a resolution of the board of directors.

An appointment of the term

The board of executives has each term for three years from the resolution and after completing, if the board of directors has not resolved to appoint a new board of executives a new board, the old one shall continue the duty until a new board is appointed to replace it. In the appointment shall be made within two months from the expiry date of the old board, and the old board can be reinstated.

In the case the board of executives is vacated by the reason other than the rotation and still has the remaining term a minimum of two months, the board of directors can appoint the vacated executives to replace the vacancy in the next board meeting. The replacing executive can remain in the position for the remaining term of the replaced executive only.

2.4 Scope of authority and responsibility of the Nomination and Remuneration Committee

The board meeting No. 4/2018 on 15 August 2018 resolved to designate the power and duty as well as responsibilities of the Nomination and Remuneration Committee as follows:

Nomination

1. Consider the components, qualifications of the board directors overall and on an individual basis that is suitable with the size, type and complexity of the company business on education, knowledge, experience, skill, specialization related to the business of the company and independence according to the guidelines designated by the company.
2. Consider the qualifications of the highest management that is suitable with the business management of the company to accomplish the designated visions covering education, experience, knowledge, specialization and the business environment factor that is important and involvement, e.g. the conditional and economic trend as well as industry, including the competitive business situation to complement the consideration as well.
3. Perform any other activities related to the determination of remuneration as assigned by the Board of Directors. Administration and every department are required to report or present relevant information and documents to the Nomination and Remuneration Committee in order to achieve their assigned duties.
4. Designate the process and guidelines on recruitment of the people to be consistent with the structure and qualifications designated in Nos. 1) and 2) by adhering to the good governance principles.

5. Supervise the company to have an orientation and give the documents that are beneficial to the operations to the newly appointed committees.
6. Prepare and review the succession plan of the highest management of the company to prepare readiness as the continuous plan for the management of the company can be continued continuously.
7. Encourage the company to open an opportunity for the minor shareholders to nominate a person to become a company director.
8. Select the company directors with the suitable qualifications to become a committee for presenting to the board meeting to be appointed when the position is vacated.

Remuneration

1. Review and present the format and the guidelines on consideration for the remuneration to be suitable with the duty and responsibility of the directors by connecting the compensation with the overall operation result of the company to motivate and maintain the capable directors with quality and potential. However, the board directors shall consider for consensus before presenting to the AGM for approval.
2. Assess the annual operation results and consider adjusting the compensation rate that is suitable for the highest management for approval by the board of directors.
3. Other operations involved with the designation of the compensation as the board has assigned with the management and the various units shall report or present the information and the relevant documents to the recruitment and compensation committee for promoting its operations to accomplish the assigned duty.

Appointment of the office term

1. The recruitment and compensation committee have each term for three years, but can be reinstated as the board deems appropriate.
2. Other than the rotation after the three years term, the committee can be removed upon death, resignation and leaving the post or the board of directors resolves to disqualify from the committee.
3. The board of directors has the power to appoint an additional recruitment and compensation committee

for the benefit on the operations in the objective or replacement to replace the resigned or dismissed committee. Meanwhile, the replacement can remain in the office for the remaining time of the replaced committee only.

2.5 Scope of authority and responsibility of the Chief of Executive Officer (CEO)

The CEO is assigned by the board of directors to perform the duty on the regular business operations in accordance with the plans and budget approved strictly, with integrity and preservation of the company optimum benefit. They shall not do anything to have a stake in it or have a conflict of interest with the company and the subsidiary. The CEO has the following duties and responsibilities.

1. Supervise and approve on the normal operations of the company and authorize the management or anyone to operate the daily operations normally. They also work on behalf of the executive only under the supervision of the CEO and within the time set by the CEO or deems appropriate. The CEO may cancel, revoke and change or revise such the powers.
2. Implement or work to comply with the policies, plans and budgets approved by the board and/or the board of executives.
3. Be an attorney of the company in the management of the company to comply with the objective, bylaws, policies, rules, requirements, orders, resolutions of the shareholder meetings and/or the resolutions of the board meeting and/or the board of executives in all respects.
4. Arrange the organization structure and management in accordance with the guidelines set by the board of directors.
5. Manage the human resources, finance and financial management and financial transaction with a financial institution in opening an account, loan, pledge, mortgage, guarantee and other, general management, transaction and register of land ownership, project operation approved by the board of directors and other items. It shall comply with the objectives for the benefit on the operations of

the company and comply with the scope of power approved by the board.

6. Have the power in sub-authorization and/or assign other people to perform a particular work by sub-authorization and/or such assignment shall come under the scope of authorization and/or comply with the rules, requirements or orders that the board of the company and/or company has designated. To follow up and assess the operations of the company regularly to prevent from a risk from the various factors, regardless of inside and outside the company.
7. Follow up and evaluate the operations of the company regularly to prevent from the risk from the various factors, regardless of inside and outside the company.
8. Consider signing the contract on the business of the company and the various contracts for the benefit of the business of the company, including designating the procedures and method on preparing such the contract to be presented to the board of executives and/or the board of directors.
9. Consider allocate the gratuity, reward or compensation approved by the board to the staff or employees of the company or anyone to do the business for the company.
10. Have the power to hire an employee and appoint, including transfer, reshuffle across the line/division/ department or relieve from the employment, set the wage rate, compensation and bonus. It includes the entire fringe benefits of the employees except the employees at the managerial level.
11. Have the power to give an order, rule, announcement and record for the operation shall comply with the policy and benefit of the company and to maintain the working discipline within the organization.
12. Perform other duties as assigned by the board of directors/board of executives occasionally.

Nonetheless, the CEO cannot approve the item that they have a stake or conflict of interest except an approval to comply with the policy and guidelines that the board or the shareholder meeting considers and approves and as designated by the law. The board may cancel, revoke and

change or revise the power of the CEO by a resolution of the board of directors.

Moreover, any matter that the director, Executive Director Chief, or Executive Officer having a stake or having a conflict of interest with the company. They have no right to vote on such matter.

2.6 Nomination and appointment of the directors and the executives

a. Board directors

The company has a nomination committee. The appointees shall possess the qualifications, knowledge, capability, experience and time to attend a meeting with the board regularly. However, a general meeting of the shareholders can use a majority vote to appoint them in accordance with the guidelines and method as follows:

1. One shareholder has one vote per share corresponded to the number of shareholdings.
2. In a board election, the method of voting by one or multiple nominees at the same time as the shareholder meeting deems appropriate. However, in voting or a resolution by a shareholder each one can exercise the entire votes as stated in No. 1, but cannot divide the votes for one candidate for more or less.
3. Voting for the director election shall comply with the majority vote, if the votes are equal, the chair of the meeting can cast the deciding vote.

Compositions and appointments by the board of directors

1. The shareholders shall designate the number of the directors that the company can have in a meeting, but the minimum is five persons, but the minimum number of one-half of the directors shall have the residence in the Kingdom.
2. The board shall consist of the independent directors by no less than designated by the law. The independent directors shall have no business or related job, which can affect the decision-making of their independence ("Independent Directors").

The following directors are considered as independent directors.

- Holding share by more than one percent of the outstanding shares of the company included the shares held by the relevant persons.
 - Participation in the management of the company or the major shareholders of the company, or received a salary from the company or a major shareholder.
 - Being a consultant receiving a salary from the company or a major shareholder or any benefit directly or indirectly on finance and management of the company or a major shareholder or the relevant person or next of kin to the senior management or a major shareholder of the company.
3. Have the board of directors selects one independent director as the chairman of the company by considering a minimum experience on an important field for the company, e.g. business, marketing, human resources, finance, law, management, but the chairman of the company cannot become the CEO.
 4. The election of the board shall abide by the bylaws of the company and the relevant lawful requirements, but it is transparent and clear.
 5. The recruitment of the directors shall go through the process of the nomination and remuneration committee with sufficient details for the benefit on the decision-making of the board of directors and/or the shareholders.

b. Audit committee

Compositions and appointment of the audit committee

The board of directors shall appoint the audit committee a minimum of three persons and one chairman appointed from the selected audit committees. The audit committees shall be the directors of the company and independent directors with the qualifications pertinent to the securities and exchange, including the notices, bylaws and/or rules of the SET. Moreover, a minimum of one audit committee shall have the knowledge and experience related to accounting or finance.

Qualifications of the audit committees

1. Holding the maximum shares of 1% of the entire voting shares of the company, the parent company, subsidiary, affiliate or a juristic person that can have a conflict, including the shares held by the relevant persons.
2. No a director with participation in the management/ staff/employees/salaried consultant/controller of the parent company/subsidiary, affiliate and same-leveled subsidiary or a juristic person that may have a conflict (At present and appointed in the previous two years).
3. No blood relations or by registration in terms of parents, spouse, sibling, offspring and children, including the spouse of the offspring with the management, major shareholder, authorized person or people nominated as the management or authorized person of the company or subsidiary.
4. No business relations with a company, parent company, subsidiary, affiliate or juristic person that can have a conflict in terms of conflict characterized by obstruction of independent discretion. It includes not a major shareholder, non-independent director or the management of the business relations with a company, parent company, subsidiary and affiliate or a juristic person that can have a conflict.
5. Not an auditor of a company, parent company, subsidiary, affiliate or juristic person that may have a conflict in terms of obstruction of independent discretion, including not a major shareholder, not an independent director or the management of a person with business relations with a company, parent company, subsidiary, affiliate or a juristic person that can have a conflict.
6. Not a professional service provider, including a legal counsel or financial consultant, who received the service fees exceeding two million Baht per annum from a company, parent company, subsidiary, affiliate or a juristic person that can have a conflict. In addition, they are not major shareholders, not an independent director, the management or partner manager of a professional service provider as well.
7. Not a director appointed as an agent of a company director, major shareholder or shareholder related with a major shareholder of the company.

8. No other characteristics causing the incapable of independent opinions.
9. Not currently the director authorized by the board to make administrative decisions of the company, parent company, subsidiary, same-level subsidiary, major shareholders, or controlling persons. And, not currently the director of the parent company, subsidiary, or same-level subsidiary of listed companies only.
10. Having the same duties and characteristics designated in the notifications of the SET on the qualifications and scope of the operations of the audit committee.

c. Executives

Compositions and appointment of the board of executives

1. The board of directors appoints a number of directors as it deems appropriate to become the board of executives to work as assigned by it, and its executive board shall appoint one executive as its chairman.
2. The executives shall have the knowledge, capability and integrity and honesty with the business ethics and have sufficient time to perform the duty for the company as well.
3. They have the qualifications and do not possess the prohibited characteristics in accordance with the public company law and the relevant laws.
4. The executives cannot become a partner or director in other juristic person with the similar business and in competition with the company business, regardless of for personal benefit or for other people. However, they can notify the shareholder meeting before the resolution to appoint the executives to hold the positions as approved by the board of directors.

d. Nomination and Remuneration Committee

Compositions of the Nomination and Remuneration Committee

The nomination and remuneration committee is appointed by the board of directors and consisted of a minimum of three directors and executives, with one-half of the entire directors shall be independent directors, and the chairman of audit committee is the chairman of nomination and remuneration committee.

e. Senior Management

When the management position is vacated or incapacitated, the company has a system for the management at the nearby level or secondary level to become acting until there is a recruitment and selection of the qualified persons in accordance with the designated guidelines. They must be visionary, knowledgeable, capable and experienced and suitable for the corporate culture. The consideration by the recruitment and compensation committee shall present them to the board of directors to approve the appointment for the suitable person to replace them.

3. Overseeing of Operations of Subsidiaries and Associated Companies

The company designates the policy on supervision and management of the subsidiary and affiliate in the main business shall comply with the articles of association of the company on supervision and management of the subsidiary and affiliate. It has the objective to designate the measures with direct and indirect mechanisms, so the company can supervise and manage the business of the subsidiary and affiliate, including the follow-up for them to comply with the various measures and mechanisms designated as the company own unit. However, in the articles of association of the subsidiary has designated the management to comply with the policy on supervision by the parent company. It includes the public company law, the Civil and Commercial Code, the securities law and the relevant laws, including the announcements, bylaws and various guidelines involved with the Capital Regulatory Commission, the SEC, the SEC Office and the SET. However, it is to preserve the interest in the investment of the company in such the subsidiary, it has designated the policy on the supervision of the operations in the subsidiary and affiliate as well as requiring the directors, management and/or employees appointed by the company to become a director and/or the management in the subsidiary and affiliate, which shall sign in to acknowledge the policy on their supervision.

In the case this policy has designated making an item or operation with significance or effect on financial status

and operation results of the subsidiary and affiliate, it shall be approved by the board or the shareholder meeting (as the case maybe) for the director to hold a board meeting and/or the shareholder meeting (as the case may be) to consider approve it before the subsidiary and affiliate to hold a board and/or the shareholder meeting (as the case may be) to approve before making or implement it. In this matter the company shall reveal the information and compliance with the guidelines, conditions, procedures and method involved to be approved as specified in the public company law, the Civil and Commercial Code, securities law, and the relevant law, including the notices, bylaws and the various guidelines of the Capital Market Regulatory Commission, the SEC, Office of SEC and the SET with a necessary change (as long as not in conflict) completely and correctly.

3.1 In the following cases the subsidiary or affiliate (as the case maybe) shall be approved by the board meeting of the company before the subsidiary makes an item.

- (1) An appointment or presentation of a person to become a director and the management of the subsidiary or affiliate a minimum in accordance with the ratio of shareholding in a subsidiary or affiliate. It shall have nominated or appointed director at a discretion on voting in the board meeting of the subsidiary or affiliate on the general management and normal business operations of the subsidiary or affiliate as their director deems appropriate or for their maximum benefit (as the case maybe) except the matter that this policy designates otherwise.
Moreover, the directors and the management as stated in the above paragraph who have been nominated or appointed shall have their names in the list of the directors and the management of the company that issued the white list and has the qualification, role, duties and responsibilities as designated in the relevant law. Furthermore, it has no lack of trust pursuant to the notification of the SEC on designating the lack of trust of the director and the management of the company.
- (2) Consideration of approving the annual dividends and the interim dividends (if any) of the subsidiary except it pays the dividends in the total below what is designated in the annual budget of each company.

- (3) An amendment of the articles of association in the subsidiary except on the important matter as refers to No. 3.2 (5), which required approval from the shareholder meeting.
- (4) Consideration of approving the annual conglomerated budget of the subsidiary and the entire group except it is designated in the delegation of authority of the subsidiary approved by the board already.
- (5) An increase of the capital by issuing additional shares of the subsidiary and allocation of shares, including a reduction of the registered capital and/or paid-up capital of the subsidiary, which does not comply with the ratio of old shareholding of the shareholders or other things. If it affects the shareholding of the company and/or exercise of the right to vote of the company directly and indirectly in the shareholder meeting of the subsidiary, regardless of which level, by less than 10 (Ten) percent of the paid-up capital of the subsidiary or its entire number (as the case maybe).

The items from (6) to (14) shall be considered as essential, and if making an item shall have a significant impact on the financial status and the operating result of the subsidiary. Thus, before there is a board meeting of the subsidiary, the director appointed by the parent company shall attend the meeting (except there is force majeure) and vote in the following matters. Such the director shall receive approval from the board of directors on such matter first. However, it shall be the case when calculated the size of the item that the subsidiary compared with that of the company by applying the guidelines on the calculation of the item as designated in the relevant notice of the Capital Market Regulatory Commission and the SEC (as the case maybe) to apply with a necessary change. It shall be required approval from the company board in the following items;

- (6) In the case the subsidiary agrees to make an item with the related person of the company or the subsidiary or the item related to the acquisition or disposal of the assets of the subsidiary.
- (7) A transfer or waiver of the benefit, including the waiver on the person causing damage to the subsidiary.
- (8) A sale or transfer of the business of the subsidiary, in whole or in part, on the important part to other people.

- (9) A purchase or transfer of the business of other company to the subsidiary.
- (10) Making, revising or terminating the contract on leasing the business of the subsidiary, in whole or in part, on the important part, an assignment for other people to manage the business of the subsidiary or merger it with other people.
- (11) Leasing or hire-purchase of the business or assets of the subsidiary, in whole or in part, on the important part.
- (12) Lending, borrowing of money, giving a credit, guarantee, making a binding legal act, which the subsidiary has to take a financial burden more or a financial aid in other forms to other people and not the regular business of the subsidiary.
- (13) Dissolution of the subsidiary.
- (14) Other items not the normal business of the subsidiary, but have an impact on the subsidiary significantly.

3.2 In the following cases the subsidiary shall require approval from the company shareholder meeting with a minimum of three-fourths (3/4) votes of the total by the attending and eligible shareholders before it makes the item.

- (1) In the case the subsidiary agrees to make an item with a person related to the company or subsidiary or the related item on the acquisition or disposal of its assets. Nonetheless, it shall be the case when calculated the size of the item that it make the item compared with the company size by applying the guidelines on the calculation of the item size as designated in the notification involved with the Capital Market Regulatory Commission and the SEC (as the case maybe) to apply with a necessary change, and within the criteria to be approved by the shareholder meeting of the company.
- (2) An increase of the capital by issuing shares in the subsidiary and allocation of the shares, including a decrease of the registered capital and/or the paid-up capital of the subsidiary, which does not comply with the ratio of holding the old shares of the shareholders or other thing in the same characteristics. As a result, the ratio of shareholding of the company and/or the exercise of the right to vote of the company directly and

indirectly in the shareholder meeting of the subsidiary, regardless of which level to less than the designated ratio in the applicable law with the subsidiary. As a result, the company has no control on such the subsidiary, but it must be the case when calculated the size of the item compared with the company is within the range to be approved by the company shareholder meeting. It shall apply the criteria on the calculation as designated in the relevant notice of the Capital Market Regulatory Commission and the notifications of the SET (as the case maybe) with a necessary change.

- (3) Dissolution of the subsidiary, only in the case when calculated the size of the subsidiary to be dissolved compared with the size of the company by applying the guidelines on the calculation of the size of the item as designated in the relevant notifications of the Capital Market Regulatory Commission and the notifications of the SET (as the case maybe) with a necessary change, and within the criteria to be approved by the company shareholder meeting.
- (4) Other items not the normal business of the subsidiary and is the item to have an impact on the subsidiary significantly. However, it shall apply the criteria on the calculation as designated in the relevant notice of the Capital Market Regulatory Commission and the notifications of the SET (as the case maybe) with a necessary change, and within the criteria to be approved by the company shareholder meeting.
- (5) An amendment of the articles of association of the subsidiary on the matter that may have an impact significantly with the financial status and the operating result of the subsidiary, included but not limited to the amendment that may have an impact on the right of the company on the nomination of a name or appointment of a person to become a director or the management in the subsidiary in the ratio of the company shareholding in the subsidiary. It included voting by the nominated director and/or an appointment in the board meeting of the subsidiary, voting of the company in the shareholder meeting of the subsidiary and/or a payment of dividends of the subsidiary, etc.

3.3 The company shall follow up on the director and the management appointed to hold the position as a director and the management in the subsidiary and the affiliate (with a necessary change) to comply with the duties and responsibilities according to the law, rules and policy of the company.

3.4 The company board of directors shall implement for the subsidiary to have the internal control system and other necessary systems, including the measures to follow up on its operations of the subsidiary and the affiliate that is suitable with the efficiency and thoroughness to make sure that they shall comply with the plans, policies of the company, the law and notices Re: The good governance of a listed company. It includes the laws and notices Re: The good governance of the listed companies, including the notices, rules and various criteria involved with the Capital Market Regulatory Commission, the Office of the SEC truly and continuously. Furthermore, it shall follow up for the subsidiary and the affiliate to reveal the information, financial status and the operation result, and making the item related to each other and the item that may have a conflict on the benefit of the acquired or disposed item of the assets significantly. Any significant item with the company and the various operations shall comply with the guidelines on supervision and management of the subsidiary and affiliate completely and correctly in accordance with the related notifications by the Capital Market Regulatory Commission and the SEC (as amended) as the case maybe.

3.5 The company shall implement for the appointed director to become a director in the subsidiary to attend a meeting and vote as designated by the company in the subsidiary board meeting. In the consideration with essence on the business of the subsidiary each time, and the company board has a power to designate the scope, duties and responsibilities of the director or the management who is appointed in that subsidiary.

3.6 Have the director and the management of the subsidiary nominated or appointed by the company to the following duties;

(1) The director and the management of the subsidiary shall reveal the information on the financial status and the operating results on making the related item of the subsidiary, including the acquisition or disposal of the assets and/or the significant item to the company for acknowledgement completely, correctly and within the reasonable time as designated by the company.

(2) The director and the management of the subsidiary shall reveal the information on their stake and the relevant persons with the subsidiary board of directors on the relations and transactions with each other in terms that may cause a conflict of interest, and also avoid to make an item that may cause a conflict of interest. Moreover, the board of the subsidiary has a duty to report such the matter to the company board within the time designated by the company as the information to supplement the consideration, decision or approval, which considering the overall benefit of the subsidiary and the company as priority.

Nonetheless, the director of the subsidiary shall not have participated in approving the matter that they have a stake or conflict of interest directly and indirectly as well. Furthermore, as such to cause the director, the management or the relevant person of the subsidiary to receive other financial benefit beyond the normality or to cause it to be damaged. It is assumed that the action that is in conflict of interest of the subsidiary significantly.

(a) Making a transaction between the subsidiary and the director, the management or relevant person shall comply with the guidelines on making a related item.

(b) Use of the company information or the subsidiary learned except it has been disclosed to the public already.

(c) Use of the assets or business opportunity or in the same characteristics as the company has made and in violation of the guidelines or general practices as the Capital Market Regulatory Commission has designated.

(3) The director and the management of the subsidiary have to report the business plans, business expansion, large investment project as approved by the company, including the joint investment with other operators to the company via the month operating result report, and give an explanation and/or submit the documents to supplement the consideration upon request.

- (4) The director and the management of the subsidiary shall come to explain and/or submit information or involved document on the operations to the company upon request.
- (5) The director and the management of the subsidiary shall come to explain and/or submit information or involved document to the company in the case the company discovers a significant issue.
- (6) The director and the management of the subsidiary have to take responsibility for the subsidiary to have the internal control system, the risk management system and the Background and Key Milestones prevention system suitably with efficiency and thoroughness sufficiently. It is to make sure that the various operations shall comply with the policy of the company, the requirements in this chapter, the law and notifications on good governance of the listed companies. It includes the notifications, requirements and various guidelines involved by the Capital Market Regulatory Commission, the SEC and the SET truly. It includes proving the clear working system to show that the subsidiary has sufficient system to reveal the information on the making of the item with significance in accordance with the designated guidelines continuously and reliably. They have a channel for the director and the management can receive the information of the subsidiary in the follow-up the operations and the financial status, making an item between the subsidiary and its director and management and the making of the important item by the subsidiary efficiently. Moreover, it shall provide a mechanism on the inspection of such the job system in the subsidiary by the working team of the internal audit committee and the independent director of the company can access the information directly. It shall have a report on the audit result to the director and the management of the company to make sure there is compliance with the provided system regularly.

3.7 The directors and the management of the subsidiary, their staff and employees or assignees, including their spouse and underage offspring are prohibited from using the inside information of the company and the subsidiary. In spite of deriving from working on duty

or other channels to have or may impact significantly to the company and/or the subsidiary for self-benefit or other people, regardless of directly or indirectly, and there is compensation or not.

3.8 The directors, the management or those involved with the subsidiary can do a transaction with it when it is approved by its director and/or the company board and/or the subsidiary shareholder meeting and/or the company shareholder meeting (as the case maybe) for the item size calculated (applying the guidelines on the calculation of the item as specified in the notifications of the Capital Market Regulatory Commission and the notifications of the SEC Re: Making a related item to apply with a necessary change). Nevertheless, it is making a transaction that is a trade agreement in the same characteristics that a reasonable man shall with a contractual party generally in the same situation with trading power negotiations without an influence as a director, the management or the relevant person as the case maybe. It shall be a trade agreement approved by the company board or in compliance with the principles approved by it

Oversight on the use of inside information

The company has a policy and method of auditing the directors and the management in using the inside information, which the company has not disclosed to the public to seek personal benefit in the securities trading as follows:

1. Giving knowledge to the directors and the management on the duty of reporting their possession of securities, spouse and underage offspring to the SEC pursuant to Section 59 and the notification of the Office of SEC No. Sor Jor.12/2552 Re: Preparation and disclosure of the report on possessing the securities by the directors, the management and auditor and the punishment provision pursuant to Section 275 of the Securities and Exchange Act 1992 (Included the amendment), as well as a report on the acquisition or disposal of their securities, spouse and underage offspring to the SEC pursuant to Section 246 and the punishment provision pursuant to Section 298 of the Securities and Exchange Act 1992 (Included the amendment).

2. The company requires its directors and the management, including the spouse and underage offspring to prepare a report on possessing of securities and a report on the change of securities possession to the SEC pursuant to Section 59 and the punishment provision in Section 275 of the Securities and Exchange Act 1992 and the notifications of the Office of SEC No. Sor Jor.12/2552 Re: Preparation and disclosure of the report on possessing the securities by the directors, the management and auditor and submit this report copy to the company on the same day of submitting a report to the SEC so the company can audit the share transaction of all the management.
3. The company designates its directors and the management, including the operator involved with the insider information in essence with effect on a change of the securities prices shall suspend securities trading during the one-month period before the financial statement or the insider information is disclosed to the public during the 24 hours after the insider information of the company is disclosed to the public already. Meanwhile, it is prohibited from disclosing the essential information to other people until there is a report on it to the SET, but if there is use of the inside information that implies the behavior to cause the company or shareholder to be impaired and damaged by a perpetrator at the board of executives, the board of directors shall consider punishing it as appropriate. In a situation the perpetrator is a lower managerial level, the board of executives shall consider the punishment.

4. Auditor Fee

1. Audit fees

The Company's financial statements were audited by Mr. Natthaphong Tantichattanon, Certified Public Accountant no. 8829 from KPMG Phoomchai Audit Limited. The audit fee for the year ended 2019 for the company and its subsidiary was Baht 2.7 million in total. In addition, there was a resolution to approve the audit fee for 2020 totaling Baht 2.9 million for the annual audit and quarterly reviews.

2. Non-audit fees

- None -

5. Other Compliance with Good Corporate Governance

- None -



Report of the Board of Director's Responsibilities for the Financial Statements

The Board of Directors of Autocorp Holding Public Company Limited is responsible for consolidated financial statements of the Company, including the information and information disclosure and the financial information in 2020 annual report. Such financial statements were regularly prepared according to the financial reporting standard and appropriate accounting policy. The discretion and estimates were used carefully and reasonably as needed. The information disclosure in the financial statement appendix was sufficient.

The Board of Directors retain the effective control system in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent any frauds or significantly irregular operations.

The Board of Directors has appointed the Audit and Risk Management Working Group comprising of the independent directors to take responsible on the quality of financial statement and internal control system. The opinions of the Audit and Risk Management Working Group on such issues were presented in the annual report.

The Company's financial statements were audited by KPMG Phoomchai Audit Limited., the auditor's opinions were appeared the Auditor's Report which presented in the annual report.

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate and can reasonably assure the creditability of the financial statements of the Company for the year ended December 31, 2020.



Mr. Panich Pongpirodorn

Chairman of the Board of Directors
Autocorp Holding Public Company Limited
February 22, 2021

Report of the Audit Committee

Dear Shareholders,

The Audit Committee consists of three independent directors, all of whom command pertinent expertise and experience in finance, accounting, economics and law. They are, therefore, qualified to review the credibility of financial statements in accordance with the regulations of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee comprises the Chairman, Mr. Weerachai Ngamdeevilaiak, and two audit committee members, namely Asst Prof. Dr. Saranyapong Thiangtam, and M.L. Winai Kasemsri. Serving as secretary to this Committee is Ms. Wichuta Wijitwarangkul.

The Committee independently performed its duties as prescribed by the Company's Board and as specified in the Audit Committee Charter, in compliance with all the rules stipulated by the SEC and SET. The Audit Committee strives to ensure good corporate governance and comprehensive reviews of financial reports, connected transactions, risk management, internal controls, and internal audit systems. The Audit Committee also ensures that the Company remains in compliance with laws and regulations relevant to operations in order to create value added to the organization.

In 2020, the Committee held 4 meetings, where consultations were held with the management, Internal Audit, and the external auditor. This year, performance highlights are as follows:

1. Review of Financial Statements

The Committee reviewed material items and issues of quarterly and annual financial statements of the Company and its subsidiaries in compliance with the Thai Financial Reporting Standards (TFRS) in cooperation with related members of the management and the external auditors. Material items reviewed included the accuracy and completeness of financial information, the important adjustment entries, the accounting estimation, as well

as the information disclosure of the financial statements. The committee considered clarifications from the external auditor, top executives, and other relevant parties which ultimately led to the conclusion that the Company's financial statements and disclosures in the notes to the financial statements aligned with TFRS. The external auditor's unqualified opinion was that the internal control evaluation results were appropriate in that no data were concealed, and the external auditor was able to work independently. In addition, the Audit Committee, together with the external auditor, in the absence of the executives, discussed matters related to auditing plans, their independence in fulfilling their duties, and the opinions of the external auditor.

2. Review of Connected Transactions

The committee reviewed connected transactions, particularly those posing potential conflicts of interest with the Company and subsidiaries under the SET's and the SEC's announcements. This review revealed that the Company and subsidiaries operated under regular business practices, exercised fairness and sensibility, and exhibited no benefit siphoning. In addition, its disclosure of information was carried out with accuracy and completeness in compliance with the Company's corporate governance policies as well as the SEC's and the SET's notifications.

3. Review of risk management

The Board of Directors, the Risk Management Working Group, and the management have placed great emphasis on risk management and thus prescribed assessment of internal and external risk factors, risk potential, and impacts as well as compiled risk management plans to prevent or mitigate potential impacts on the business to an acceptable level. The Risk Management Working Group was appointed by the Board of Directors to oversee risk management of the Company, and the management is

responsible for reporting risk developments regularly. The Audit Committee reviewed the efficiency of the Company and its subsidiaries's risk management based on the performance reports of the Company and its subsidiary as well as reports of internal and external auditors and found that the Company's management had effectively reduced risks to an acceptable level.

4. Review of Internal Control System

Reviewed and ensured that the Company has an appropriate and efficient internal control system and also management to monitor Anti-Fraud & Corruption situations. The internal audit office is under the oversight of the Audit Committee who evaluate the appropriateness and effectiveness of the internal control system and tools to achieve the goals of the Company.

5. Review of legal compliance

The Audit Committee reviewed the operation and compliance of the Company to ensure consistency with the prescribed system and that the operations of the Company and its joint ventures were governed with integrity and strictly complied with laws and regulations of the SEC and the SET as well as other laws relevant to the operation of the Company so as to ensure that the Company operated under correct and appropriate terms. In 2020, no case of violation of relevant laws and regulations was found in the Company and its subsidiary.

6. Appointment of the External Auditor for 2021

This process involved selecting external auditor candidates based on their independence, skills, competence, and experience in the electricity and energy business, together with deciding upon acceptable fees. Ultimately, the Audit Committee nominated KPMG Phoomchai Audit Company Limited to join the Board of Directors, which is to be proposed at the 2021 Annual General Meeting of Shareholders. Names of individual auditors to be proposed and appointed as the Company's 2021 external auditors are Mr. Natthaphong Tantichattanon (CPA 8829), Mr. Vairoj Jindamaneepitak (CPA 3565), or Mr. Bunyarit Thanormcharoen (CPA 7900). These nominated auditors have secured SEC's concurrence as being suitable.

7. Selection of the internal auditor

Audit Committee selects internal auditor based on their performance, independence, qualifications, skills, competency and experience in auditing in the previous year as well as the internal audit fees. The Audit Committee selected BK IA & IC Limited to be the company's internal auditor, as well as, to consider internal audit plan to cover all working flows

Overall, the Audit Committee is of the opinion that the performance in accordance with the Audit Committee Charter can be independently exercised, achievable and in line with the principles of good corporate governance. With full cooperation and support of all parties in the Company, the Audit Committee has achieved its responsibilities with acceptable satisfaction.

This report was reviewed and approved by the Audit Committee on 22 February 2021.

On behalf of the Audit Committee

Mr. Weerachai Ngamdeevilaisak

Chairman of the Audit Committee

22 February 2021

Related Party Transactions

1. Characteristics of Relationship

The Group company has related transactions with persons or entities who may have led to the conflict of interests. Connected persons, who are directors, shareholders and executives, are Mr. Phanumast Rungkakulnuwat and Mrs. Hathairat Rangkagoonnuwat are directors and major shareholders of the Company. Percentage of shareholding at related transaction date of Mr. Phanumast Rungkakulnuwat and Mrs. Hathairat Rangkagoonnuwat were 45.14% and 24.49% respectively.

2. Details of Related Party Transactions

Summary Table of Characteristics and Details of Related Party Transactions of Autocorp Holding Public Company Limited

Persons or entities who may have a conflict of interest	Characteristics of the transaction	Size of the Transaction (million Baht) 2020	Outstanding Balances (million Baht) 2020	Executive's Elucidations of Necessity and Appropriateness	Opinions of the Audit Committee
Honda Maliwan Co., Ltd.	Management service	48.34	4.39	Management service of the Company and its subsidiary is in line with policy and regulation of the group.	Audit committee gave an opinion that management service fee is in line with policy and regulation of the group and is in accordance with TP document of an independent appraiser (KPMG) and appropriate.
	Office rental	0.55	-	Since the employees of Autocorp Holding Public Company Limited are working in Honda Maliwan Co., Ltd.'s areas, the subsidiary had been charging office rental for Baht 46,000 per month, area 418 sq.m. and office equipment rental for Baht 35,000 which is the rate that was compared with the market rate and appropriately calculated.	Audit committee gave an opinion that rental is appropriate because it makes business flexible. Rental rates are appropriate since they were compared with the market rate.
	Office equipment rental	0.42	-		

Summary Table of Characteristics and Details of Related Party Transactions of Autocorp Holding Public Company Limited

Persons or entities who may have a conflict of interest	Characteristics of the transaction	Size of the Transaction (million Baht) 2020	Outstanding Balances (million Baht) 2020	Executive's Elucidations of Necessity and Appropriateness	Opinions of the Audit Committee
Honda Maliwan Co., Ltd.	Dividend income	83.79	-	Dividends paid according to the resolution approving the payment of dividends at the Shareholders' meeting on April 20, 2020 at the rate of 10.91 Baht per share, amounting to Baht 60 million and the Board of directors meeting on November 10, 2020 at the rate of 4.36 Baht per share amount Baht 24 million.	Audit Committee gave an opinion that the dividend received is reasonable according to the resolution approving the payment of dividends in the Shareholders' meeting and Board of Directors meetings.
	Loan to subsidiary	10.00	10.00	Loan has credit limit Baht 35 million, the loan has been drawn Baht 10 million, interest rate 0.5% in accordance with the resolution of the Board of Directors meeting approval.	Audit Committee gave an opinion that loan is reasonable to provide liquidity in business operations and the interest rate on the fixed deposit because the source of the loan comes from operations, not from borrowing.
Autoclik by ACG Co., Ltd	Interest income	0.25	0.002	Loan has credit limit Baht 35 million, the loan has been drawn Baht 10 million, interest rate 0.5% in accordance with the resolution of the Board of Directors meeting approval.	Audit Committee gave an opinion that loan is reasonable to provide liquidity in business operations and the interest rate on the fixed deposit because the source of the loan comes from operations, not from borrowing.
	Dividend	16.74	-	Dividends paid according to the resolution approving the interim dividend payment at the Board of Directors' meeting on April 7, 2020 at the rate of 0.04 Baht per share, amounting to 24 million baht.	The Audit Committee gave an opinion that the dividend received is reasonable according to the resolution approving the payment of interim dividends in the Board of Directors' meeting.
Key Management personnel					

Summary Table of Characteristics and Details of Related Party Transactions of Honda Maliwan Company Limited

Persons or entities who may have a conflict of interest	Characteristics of the transaction	Size of the Transaction (million Baht) 2020	Outstanding Balances (million Baht) 2020	Executive's Elucidations of Necessity and Appropriateness	Opinions of the Audit Committee
Autocorp Holding Public Company Limited	Management service fee	48.34	4.39	Management service of the Company and its subsidiary is in line with policy and regulation of the group.	Audit committee gave an opinion that management service fee is in line with policy and regulation of the group and is in accordance with TP document of an independent appraiser (KPMG) and appropriate.
	Office rental revenue	0.55	-	Since the employees of Autocorp Holding Public Company Limited are working in Honda Maliwan Co., Ltd.'s areas, the subsidiary had been charging office rental for Baht 46,000 per month, area 418 sq.m.	Audit committee gave an opinion that rental is appropriate because it makes business flexible.
	Office equipment rental	0.42	-	and office equipment rental for Baht 35,000 which is the rate that was compared with the market rate and appropriately calculated.	Rental rates are appropriate since they were compared with the market rate.
	Dividend	83.79	-	Dividends paid according to the resolution approving the payment of dividends at the Shareholders' meeting on April 20, 2020 at the rate of 10.91 Baht per share, amounting to Baht 60 million and the Board of directors meeting on November 10, 2020 at the rate of 4.36 Baht per share amount Baht 24 million.	Audit Committee gave an opinion that the dividend received is reasonable according to the resolution approving the payment of dividends in the Shareholders' meeting and Board of Directors meetings.

Summary Table of Characteristics and Details of Related Party Transactions of Honda Maliwan Company Limited

Persons or entities who may have a conflict of interest	Characteristics of the transaction	Size of the Transaction (million Baht) 2020	Outstanding Balances (million Baht) 2020	Executive's Elucidations of Necessity and Appropriateness	Opinions of the Audit Committee
Key Management personnel	Dividend	0.17	-	Dividends paid according to the resolution approving the payment of dividends at the Shareholders' meeting on April 20, 2020 at the rate of 10.91 Baht per share, amounting to Baht 60 million and the Board of directors meeting on November 10, 2020 at the rate of 4.36 Baht per share amount Baht24 million.	Audit Committee gave an opinion that the dividend received is reasonable according to the resolution approving the payment of dividends in the Shareholders' meeting and Board of Directors meetings.
Other related parties	Dividend	0.05	-	Dividends paid according to the resolution approving the payment of dividends at the Shareholders' meeting on April 20, 2020 at the rate of 10.91 Baht per share, amounting to Baht 60 million and the Board of directors meeting on November 10, 2020 at the rate of 4.36 Baht per share amount Baht24 million.	Audit Committee gave an opinion that the dividend received is reasonable according to the resolution approving the payment of dividends in the Shareholders' meeting and Board of Directors meetings.
Mr. Phanumast Rungkakulnuwat	Bank 1 Credit limit O/D, P/N, L/G,	340.00	-	Mr. Phanumast Rungkakulnuwat put collaterals on his name for the Company without any compensations.	Audit committee gave an opinion that guarantee is appropriate and benefit to the Company and its subsidiary because no compensation is given for guarantee.
Mrs. Hathairat Rangkagoonuwat	Bank 1 Credit limit O/D, P/N, L/G,	150.00	-	Mrs. Hathairat Rangkagoonuwat put collaterals on his name for the Company without any compensations.	Audit committee gave an opinion that guarantee is appropriate and benefit to the Company and its subsidiary because no compensation is given for guarantee.

Summary Table of Characteristics and Details of Related Party Transactions of Honda Maliwan Company Limited

Persons or entities who may have a conflict of interest	Characteristics of the transaction	Size of the Transaction (million Baht) 2020	Outstanding Balances (million Baht) 2020	Executive's Elucidations of Necessity and Appropriateness	Opinions of the Audit Committee
Autocorp Holding Public Company Limited	Loan	10.00	10.00	Loan has credit limit Baht 35 million, the loan has been drawn Baht 10 million, interest rate 0.5% in accordance with the resolution of the Board of Directors meeting approval.	Audit Committee gave an opinion that loan is reasonable to provide liquidity in business operations and the interest rate on the fixed deposit because the source of the loan comes from operations, not from borrowing.
	Interest expense	0.25	0.002	Loan has credit limit Baht 35 million, the loan has been drawn Baht 10 million, interest rate 0.5% in accordance with the resolution of the Board of Directors meeting approval.	Audit Committee gave an opinion that loan is reasonable to provide liquidity in business operations and the interest rate on the fixed deposit because the source of the loan comes from operations, not from borrowing.

3. Measures or Steps of Related Party Transactions Approval

Engagement in transactions with third parties who have the conflict of interests must be proposed to Audit Committee for consideration and approval of such transactions for maximum benefit of the entity and to protect investors, including related parties of the Company and its subsidiary. The transaction must be in compliance with the Securities and Exchange Act and regulations, notifications, orders and specification of the Stock Exchange of Thailand. It must also in compliance with regulations concerning related party transaction disclosure which instructing that a person who have the conflict of interests or interests in entering related transactions has no rights to be involved in transaction approval.

1) Commercial transactions under general commercial conditions

Ordinary business transactions and ordinary business support transactions, namely selling of products and providing service, must have trade agreements with fair trade conditions and prices. The transaction must be comparable to transaction between the Company and its subsidiary with general people, or transaction between a person who may have conflict of interests with general people, or transaction with same characteristics of other companies in the business. The principle has been approved that management has the power to approve such transaction if the transaction has trade agreement with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person. The executives of the Company and its subsidiary have normally operated under the principle approved by the Board of Directors and prepared reports of those transactions during the past to report in the Audit Committee and the Board of Directors meetings in every quarter.

2) Commercial transactions not under general commercial conditions

For commercial transactions not under general commercial conditions, the Company designated the Audit Committee to consider and give opinion on the necessity of entering into a transaction and appropriateness of the price of the transaction. In the event that the Audit Committee has no expertise on price consideration of such transaction, the Company and its subsidiary will provide an independent appraisal or auditor to be a person who gives opinions about the transaction to the Audit Committee for consideration and give opinion to the Board of Directors or shareholders, as the case may be, for further consideration and approval.

Nonetheless, for both aforementioned case, the company discloses connected transactions that occur in the notes to financial statements audited by the company's auditor, annual registration statement (Form 56-1) and annual report (Form 56-2), in compliance with the Securities and Exchange Act and regulations, notifications, orders and specification of the Stock Exchange of Thailand

4. Trend for Future Related Party Transactions

- 1) Loan guarantee by director if financial institutions require the director of the Company and its subsidiary to sign loan guarantee jointly with the Company and its subsidiary to acquire the loan. The director and subsidiary company do not receive any compensation. However, the Company and its subsidiary have a plan withdraw the guarantees by the director after listed in the Stock Exchange. Nonetheless, it depends on the conditions of the financial institutions.
- 2) The group has no policy on providing financial supports to a person or juristic person related to the Company and its subsidiary, including directors and executives. In sometimes which loan between the Company and its subsidiary needs to be incurred to generate liquidity in business operation, there is a policy on loan or financial support between the Company and its subsidiary. The interest rates are loan interest of the Group plus margin.

3) Commercial transactions between the Company and its subsidiary and connected persons. the Company and its subsidiary still expect related transactions in the future such as selling of products and providing service. Sales and services of car to connected persons will be at the prices that do not lower than market prices.

Conditions of future related party transactions will be under general commercial conditions, referring to appropriate market prices and conditions. The company will designate the Audit Committee and/or Independent Directors give opinion on price and the necessity of the transaction. If a transaction with a person who may

have the conflict of interests is occurred, the Company will comply with rules, notifications and/or regulations of The Securities and Exchange Commission and/or the Stock Exchange of Thailand. The Company and its subsidiary may assign an independent appraisal or the company's auditor to be a person who gives opinions about the transaction for consideration and approval of the Board of Directors or shareholders, as the case may be. Nonetheless, the company and its subsidiary disclose related party transactions in the notes to financial statements audited by the auditor of the company and its subsidiary.



Internal Control and Risk Management

Risk Management

To support the Board of Director in managing the good corporate governance with optimal risk, in consistent with the situation that keeps changing over period of time, the Company recognizes the importance of risks that may occur and affect the business operation. A Risk Management working group has been established to track and set guidelines on how to manage and maintain risks within the acceptable level. The Risk Management working group consists of the Managing Director, who chairs the Committee, Executive Vice Presidents and Senior Vice Presidents and from 8 departments as Committee members, who cover major risks within the Company. In 2020, the process is as follow:

1. Set risk management policy for the Company according to international standard by focusing risk management on 5 aspects: strategy, operation, finance and related regulations, and risk related to the change in business environment (Emerging Risk).
2. Review major risks at the corporate level. The process includes the analysis, assessment, and summary of Corporate Risk Profile by taking into account the dynamic of external factors with regards to economic, social, and climate change, and innovation technology that impact consumers' lifestyle and behavior amidst of competition with both the existing peers in the same industry and the new entrances. Set Key Risk Indicator as the precaution reminder for risks and monitor risk management plan effectively.

Internal Control

In the Board of Directors Meeting No.1/2021 on February 22, 2021, the Board of Directors has reviewed the sufficiency of the internal control system with the Audit Committee and Top Management according to the 5 aspects of 17 COSO principles. It is concluded that the internal control system of the Company is sufficient and appropriate for the operational objective and good corporate governance. Key summaries are as follows:

1. Control Environment

The Board of Directors and the management support organizational culture that upholds morality and ethical business values and ensure that the operation meets the visions and missions. The Company also fosters internal control that is proper and beneficial to internal control policy compliance as set out below:

- 1) The Company formulates good corporate governance, the code of ethics, regulations, internal control policies, and anti-corruption policies as practice guidelines for the Board of Directors, the Management and associates. All associates are expected to be honest in adhering this policy. Similarly, Organizational structure, the boundaries of authority and the responsibilities of a job position are appropriately outlined to ascertain enough, effective and efficient performance and follow-up processes and to avoid conflict of interest against the Company.
- 2) The Company's Board of Directors is the experts at the Company's retail business with the valuable competencies. Besides, they are independent from the Management and they oversee the overall operation and develop internal control activities. The Board of Directors also monitors the establishment of clear and measurable business goals as the practical guidelines for executives and associates. This is to ensure the achievement of the designated targets.
- 3) The Company establishes the clusters and sectors' organizational structures so that the Company's administration achieves effectiveness and all cluster alignment. The formulated areas range from suitable reporting lines, authorization and responsibility. This is to ensure the Company's objective fulfillment and imbue associates with awareness of roles, authorization, duties and responsibilities.

4) Apart from key role succession, the Company determines the qualifications of a job position as recruitment and human development criteria. Standard and transparent appraisal ensures fair remuneration and effective staff motivation for outstanding performance. Competitive benefits help retain associates.

2. Risk Management

To boost the confidence in target accomplishment, both in short and long-term dimensions, the Board of Directors and the Management highlight the importance of risk management by appointing the Risk Management working group. The duties are to monitor the Company's risk management to ascertain appropriateness and effectiveness. The following administration guidelines are as follow:

- 1) As guided by the COSO Enterprise Risk Management, the Company executes risk management companywide by launching risk management policies that are acknowledged by the Management and associates at all levels. As risk management is part of our organizational culture, the financial report meets the established accounting standards and is reviewed by external certified public accountants. This is a testimony of our risk-related activities.
- 2) The Company's scope of risk profiles is fully implemented at the organizational, business function and unit levels. Risk management involves investment and processes by taking into account changes posed by both internal external factors. Risk management guidelines seek to ensure that risks are curbed at an acceptable degree. On top of this, yearly risk review helps fulfill the attempt and risk management activities must be responsible by all business units.
- 3) Key Risk Indicators (KRI) tracks the progress of evolving changes in risk factors, assesses the possibility of corruption activities in various forms and assists in preventive actions. Communication is imparted amongst associates across rankings for acknowledgement and compliance.

4) The Company closely monitors the latest external news and situations in a bid to assess changes in operational models and emerging trends that could affect the Company's targets. Related suitable measures are on hand in advance to deal with a challenge.

3. Control Activities

Our effective and efficient control activities lessen a risk of unsuccessful objective achievement as set out by the Company and ensure that risks will not exceed an established threshold as detailed below:

- 1) Based on good internal control principles such as policy formulation and practice guidelines, the Company maps out control activities in written forms that fit the Company's business characteristic and job functions. Segregation of duties and approval authorization are systematically dispersed to groups of personnel, approvers, those who record, keepers etc. to generate check and balance.
- 2) The Company has devised safety measures of information system through automatic control tools for key priorities such as User Permission to ensure an effective conformity between job positions and ERP access performance rights. In addition, the system is well updated with prompt inspection and maintenance to be taken by relevant associates upon receiving an irregular notification.
- 3) A transaction executed by major shareholders, directors, executives, and related people is traced by the Company's cautious policy and undergoes a predefined approval process responsible by a third party. The Company's highest advantage is on top of this practice. Similarly, the Company has provided a follow-up measure on a regular and constant basis to ensure that subsidiaries adhere to the given strategies. Policies and working processes are also scrutinized so that they operate as planned.

4. Information & Communication

The Company places an importance on quality information and communication which are central to effective internal control as illustrated below:

- 1) Correct, detailed, and timely information are key to our decision making and a critical discussion at a meeting where internal and external sources are taken into

account. The Company insists that only proper and verified information is used. In addition, information security classification, important documents and controlled documents are under supervision of soft wares that gather and process input in all areas to lessen an overlap while expediting a report to the Management.

- 2) The Company appropriately communicates with the Board of Directors, the Management, associates and stakeholders. Important documents related to the Company's financial results and meeting handouts are prepared for the Board of Directors in advance of a meeting so that they are equipped with enough information analysis before making a decision. Our internal communication is disseminated through various channels ranged from the Intranet, an e-mail, mobile application, an orientation that hands over key messages to new associates. In addition, ACG Service Application has been developed to offer a wider range of internal communications for our associates, which is accessible from anywhere at anytime.
- 3) A website, an e-mail, or social media, including Facebook, act as the Company's communication tools that address external stakeholders. The Company assigns task to a special working unit with particularly overseeing constant key message communication with stakeholders. Besides, our whistleblowing system fosters associates and stakeholders' confidence over transparency, morality, fairness and confidentiality within a reasonable timeframe. More information is available in the corporate governance section.

5. Monitoring Activities

The Company employs monitoring and assessment of the adequateness of internal control and improvement process for the purpose of effectiveness and efficiency. The following are our practices:

- 1) The Company evaluates internal control both at the organizational and process levels. In this, employees perform a yearly appraisal. Furthermore, the Internal Control Department from external ensures adequateness and appropriateness, provides some advice on improvement and presents the Audit Committee with reviewing results. This aims to achieve the independency

of audits' performance and result reporting. Trainings and professional development of audit-related knowledge are also provided to internal audit team.

- 2) In case of fraud, the Management must immediately report a case to the Board of Directors. A similar prompt action also concerns a suspected serious corruption, an unlawful practice and any other irregularity that can significantly affect the Company's reputation and financial position. Within a timely manner, an issue summary and a solution are required to be ready for the consideration of the Board of Directors or the Audit Committee.

In 2020, the Company found no major mistake related to internal control that could significantly derail the key organizational objective accomplishment, nor significant error with regards to a transaction that could lead to a conflict of business, corruption or violation of securities and exchange laws, regulations of the Stock Exchange of Thailand or laws involving the operation of the Company.

Mr. Natthaphong Tantichattanont, who is the certified public accountant no. 8829 of KPMG Phoomchai Audit Company Limit, as the external auditor of the Company's for the year-end on December 31, 2020, as well as the auditor approved by the Office of the Securities and Exchange Commission, has given her comment on the assessment of the efficiency of the internal control of the Company's accounting by reporting that no significant weak point arose.

6. Head of Internal Audit

On February 24, 2020, the Audit Committee Meeting No.1/2020 has appointed Ms. Boonnee Kusolsopit from BK IA&IC Company Limited to be the Head of Internal Audit, since she has experience in internal audit for the Company and experience in similar business. She has passed the Certified Professional Internal Audit of Thailand (CPIAT) test and has been trained in related internal audit courses such as Audit Standard, Information Technology Auditing, Risk base Audit, etc. In addition, she has a good understanding of the Company's operation. As a result, it is appropriate to appoint her to perform such duties. The Audit Committee is responsible for approving the appointment and removal of the Head of Internal Audit.

Head of Internal Audit's Profile

Title	Detail
Internal Audit (Outsource)	: BK IA&IC Company Limited : 84/77 Soi Charoenkrung 80, Bang Kho Laem, Bang Kho Laem, Bangkok 10120 : Tel. 083-299-5959 : E-mail : boonneebk@gmail.com
Head of Internal Audit	: Miss Boonnee Kusolsopit
Educations	: Master's degree in MBA (Executive), Burapha University : Bachelor's degree in B.A. (Mass Communication), Ramkhamhaeng University : Bachelor's degree in B.A. (Accounting), Rajamangala University of Technology Krungthep
Certificates	: Endorsed Internal Auditing Program, Chulalongkorn University : Graduated Diploma (Auditing), Chulalongkorn University
Trainings	: Fraud Risk and Control in The New Normal Age (Federation of Accounting Professions) : Financial Statements in Covid-19 pandemic for management, accountants and auditors (Federation of Accounting Professions) : How to Audit during Covid-19 crisis (The Institute of Internal Auditors of thailand) : Risk Management in Crisis (The Institute of Internal Auditors of thailand) : A case study of fraud for future fraud investigations (The Institute of Internal Auditors of thailand)
Work Experience	2547 - Present : Director - BK IA&IC Company Limited 2546 - Present : Auditor & Consultant - K&A Audit Company Limited 2545 - 2547 : Auditor & Consultant - A Accounting & Tax business Company Limited 2538 - 2546 : Head of Internal Audit - AMC Company Limited

Risk Factors

In 2020, the world economy and Thailand were adversely affected by the outbreak of COVID-19, so the company has careful surveillance and monitoring so that the business can continue and minimize the risk to an acceptable level.

1. Risk in the business operations

The group has a business expansion plan by investing in the showroom and service center of Honda in accordance with the strategy on the branch expansion to cover all regions. The investment in the branch expansion of each showroom and service center can make the ACG group to have a risk from the improbable operations as planned, e. g. the revenue from sales and services do not meet the projection as calculated. While

the company has a cost, land lease, depreciation cost and fixed financial cost, if the branch operations in the future do not comply with the established plans, it may have an impact on the operations of the ACG on the net revenue and profit are reduced.

The Company has prioritized this risk issue using circumspection in a branch expansion by making a project feasibility study to analyze the financial status of the ACG, the investment budget and remuneration from the investment, including the time for the return on investment. The selection of a location of each branch shall consider the market suitability based on the potential and marketing gap, location of the showroom and service center. It includes the size and the budget on the suitable investment of each location.

Moreover, The ACG depends on the business operation as a dealer and service of Honda car brand by purchasing the goods from Honda Automobile (Thailand) Ltd. ("Honda") as the manufacturer to the ACG. Honda shall consider allocating the goods depended on the market condition and the number of goods in existence, also it shall consider helping on sales promotion, customer service, including the allocation of spare parts to the dealer at its own discretion for each one. The customer service included the allocation of spare parts to the dealer at its discretion to each distributor, and Honda shall approve a branch expansion in the future of the ACG. It includes approval to open a branch for all dealers based on the candidates with potential and complete qualifications. However, the selection of the dealer has no limitation on creating a competitor under the same brand. That said, each area can have more than one dealer depending on the size of the market and various factors at the time. The whole things have the risk to impact the business continuity significantly.

In the past Honda would set the standards for the operations of the "dealer," including the assessment of the work product of the dealer to measure the sales standards and service of each one. They include satisfaction on providing the service and compliance with the plans or marketing target jointly planned. In addition, the company also set up its own business operations to make the ACG to receive 3d the evaluation score at the good level and received a reward on such the assessment continuously.

The ACG has received approval from Honda in the expansion of eight showroom and service centers, which approved as mentioned above. The ACG had to present to the Honda group in the stages later.

Furthermore, since Honda car is the main goods of the group, so if there is a problem from the goods, so Honda shall recall it and can have an impact on the revenue and reputation of the ACG group. Nonetheless, from the experience of dealership and the service centers of Honda car brand over 28 years, it has never had such an event to impact the ACG.

Furthermore, if there is an incident that Honda has to decide to cancel a production and sales of goods in Thailand shall have a continuous impact on the future business operation significantly. Nonetheless, Honda was established in Thailand since 1983 and had the growth rate all along. Japan considered Thailand as a country with potential on the production and purchasing power of the consumers, so they decided to build a production base for car and spare parts to support the growth of the Honda car consumers sold in Thailand and exported to other countries. There is no other essential reason to cause Honda to terminate the production and sales of its goods in Thailand in a near future. And the risk from not renewing the dealership contract and service of Honda car or terminated from a breach of the agreement of the dealership agreement

Honda Maliwan Ltd. is a subsidiary and is a contractual party with Honda Automobile (Thailand) Ltd. by the contract appointing the dealership and service of Honda is for year-to-year (The current contract expires on 31 December 2021). The contract has the limited term that may cause a risk to ACG, in the case the contract is not renewed, or there is a change of the terms and conditions in the contract that may result in the company cannot continue the business.

In the past the ACG has operated the business under the contract with Honda for a long time and the company management has experience on the business management for a long time, so the ACG has expertise on the business management and knowledge on the operations from setting a business policy, personnel training and selling of the goods under the framework and contractual conditions of Honda excellently all along. It has received an award from the evaluation of the operations as a Honda dealer with the good operating results, efficiency and is consistent with the target and guidelines of Honda on the operations and customer satisfaction.

Since Honda is a leading brand at the world level and one of the top leaders of Honda car in Thailand, which gives priority to the care of customers very much, so the high standards on selecting the dealers. Thus, to qualify as a Honda dealer must have been selected very well.

Although the term of contract is year-to-year, but it is a policy of Honda to treat all dealers in the whole country, the ACG is confident that it still can be renewed of the contract in the future due to no breach of contract to cause a breach of the contract appointing the dealership and service as such.

In 2020, the Thai automobile industry has been affected by the COVID-19 outbreak, resulting in the interruption of both domestic and international supply chains. In addition, the economic disruption has resulted in a decrease in purchasing power of public sector. From this incident, the Company has seen a risk of investing in only one subsidiary. Therefore, the Company is always searching for opportunities in other businesses to diversify the risk.

The company established Autoclik by ACG Company Limited as a new subsidiary in the year 2020. It is expected to be opened in the first quarter of 2021. The new subsidiary business is parts selling and urgent repair and maintenance services for all car brands (FASTFIT). This is an expansion of our customer base to all car models and brands. The investment in this subsidiary will reduce the risks mentioned above from having only one subsidiary company.

2. Financial risk

Overall, Thai and worldwide economy in year 2020 is decelerating from the last year from the COVID-19 outbreak.

As of 31 December 2020 the ACG has borrowed money from a financial institution as the principle in doing the business. The group has a debt burden that is short-term and long-term loans from financial institutions totaling 408.50 million Baht, divided into the short-term loan with a financial institution of the promissory note (P/N) with the contractual term of three months for 320.00 million Baht. The long-term loan to be due within one year for 28.70 million Baht, which will be due by the end of May 2021 amount 12.50 million Baht, and long-term loan remains 59.75 million Baht. As a result, on 31 December 2020 the company has the liquidity ratio equals to 0.95 times and the debt ratio to equity equals to 1.00 times (calculated from the total debt). In 2018-2020, the company had the financial costs of Baht 28.39, 27.82 and 25.79 million respectively.

In a scenario that the business operations with the sales and services do not meet the set target the dependence of the capital from a financial institution can cause a risk to the financial stability and the ability to repay the interest and principal from the financial institution. It includes a breach of some conditions, which may affect the business operations of ACG significantly.

Moreover, the company group has the short-term loan ratio about 78 percent out of the total loan for use in buying goods and investment in a new branch. In the case the company is not renewed of the loan or the bank recalls the short-term loan may affect the company group to lack financial liquidity or working capital. However, the company still has good relations with the three financial institutions all along, and has never defaulted on the interest repayment. Thus, the group is confident that it shall be supported from the financial institutions continuously. Moreover, the group can find a capital source from other financial institution or can request for a long-term loan due to there is a piece of land that is free from being used as a guarantee.

For a financial covenant in the loan agreement, due to the subsidiary company has borrowed from a commercial banks since 2015 with a condition that it needs not cause a debt obligation or burden for the debt-to-equity ratio exceeding 3.5 times in 2017-2018, and not exceeding 2.50 times for 2019. Also it has to maintain the debt service coverage ratio (DSCR) by no less than 1.1 times (calculated from the profit before interest expense, income tax, depreciation and amortization divided by current portion of long-term debt plus entire interest expenses) The conditions on the financial ratios by the bank are referenced to the annual financial statement of each year of the subsidiary company.

However, as of 31 December 2020 the core company had the D/E and the DSCR equals to 1.00 times and 2.08 times respectively, which means it can maintain the ratio according to bank conditions due to the better operation results. Nonetheless, if in the future the subsidiary cannot maintain the financial ratios in this requirements, it is confident that the financial institution shall give leniency on such the matter as in the past due to the subsidiary has not defaulted on the interest and principal and still has the guarantee with the financial institutions.

3. Other risks

Due to the COVID-19 outbreak, the Company has issued preventive measures as follows:

- All staff are required to wear masks and provided of disinfectants to clean their working area and customer service area, the Company also produces mask for distributing to employees, customers, as well as donating to hospitals.
- Control the entry and exit of persons inside and outside the Company, everyone must be screened their body temperature with screening system under the condition that their body temperature must not higher than 37.5 degrees Celsius. If anyone fails to follow any abovementioned requirements, he/she will not be allowed to enter into the Company's premises.
- All staff are divided into teams and the working areas are separated to follow the Social Distancing rule for preparing in case an employee is infected.
- Promote, announce, provide knowledge and understanding including various guidelines about hygiene care for employees.

The risk from depending on the large shareholder with the power to set the managerial policy.

At present the Rangkakulnuwat family is the major shareholder of the company or 74 percent of the paid-up capital, Mr. Phanumast and Mrs. Hathairat Rangkakulnuwat are still almost completely able to control the resolution at the shareholder meeting, regardless of on the appointment of the directors or the resolution on other matters to use a majority vote of the meeting. However, only the matter that the law or regulations of the company requires to receive three-fourths (3/4) of the votes in the shareholder meeting, e.g. the increase of the capital, capital reduction, sales or transfer of the business partially or entirely, etc. Thus, other shareholders cannot gather the votes to audit and apply checks and balances when the major shareholder proposes.

Nonetheless, the board of directors has appointed four independent directors with three audit committees and one chairman out of the total of 9 directors to attend the board meeting to audit and use the checks and balances of the board and the management. It includes the consideration

on approval of the various items before presenting to the shareholder meeting is for confidence to the shareholders that the management inside the company shall be transparent.

Moreover, the ACG has depended on Mr. Phanumast Rungkakulnuwat as the CEO, who is the major shareholder of the company and has managed the business all along. If the ACG loses the main management may cause damage to the company. Nevertheless, Mr. Phanumast and family as the major shareholder is expected the company to be still able maintain the management with the company in the future.

The risk from the investment in other company

The company is a holding company, currently investing in Honda Maliwan Co., Ltd., which is the core company and doing the business of sales and service in the automobile industry and the related businesses at the ratio of 99.74 percent. In the end of the year 2020, the Company has invested in Autoclik by ACG Company Limited, which business is to sell parts and provide urgent repair and maintenance services for all car brands (FASTFIT), at the ratio 99.00 percent.

While the company has not operated other business by itself results in the operating results of the company depends on the operating results of subsidiary entire, and the dividends come from them. Thus, if the subsidiary has good operations will result in the company having good operating result as well. However, on the other hand, if the subsidiary has poor operating result, it will send a negative impact to the company as well.

However, the company realizes the risk from the investment in such the subsidiary, it shall analyze the possibility and consider the potential of the future project, including the risk factor from the investment in a new branch and present the investment plan of the subsidiary to the company board consider, including an advice to reduce the investment risk that can happen. In addition, in the supervision of the subsidiary the company shall send a director or the management with the suitable qualification and experience to the business as the representative in the management of the business of such the subsidiary to designate the important policy and control the business operation of such the subsidiary.

Board of Directors and Management Profiles



Mr. Panich Pongpirodom
Chairman of the Board of Directors and Independent Director



Mr. Weerachai Ngamdeevilaissak
Chairman of the Audit Committee and
Independent Director



Asst. Prof. Dr. Saranyapong Thiangtam
Audit Committee Member / Independent Director
and Member of the Nomination and
Remuneration Committee



M.L. Winai Kasemsri
Audit Committee Member / Independent Director
and Chairman of the Nomination and
Remuneration Committee



Mr. Phanumast Rungkakulnuwat
Chief Executive Officer / Director and
Member of the Nomination and
Remuneration Committee



Mrs. Hathairat Rangkagoonnuwat
Deputy Chief Executive Officer and Director



Mrs. Suksai Phoksap
Chief General Managing Officer and Director



Miss Nuchanadh Sakulsanthia
Chief Financial Officer and Director



Mr. Putip Vatin
Accounting Manager and Director
(resigned on April 30, 2020)



Miss Thanya Thimachai
Accounting Manager and Director



Miss Soontaree Chittham
Accounting Manager and Company Secretary



Mr. Narawut Thaneepun
Chief Service Center Officer

Mr. Panich Pongpirodom

Chairman of the Board of Directors and Independent Director

Date of first appointment

8 November 2017

Age: 72 Years



(%) of shareholding as of 31 December 2020

-None-

Relation among family with other directors and executives

-None-

Educations

- Ph.D.in Engineer, Offshore Engineer, Asian Institute of Technology
- M.S. in Engineer, Water Resource Engineer, Asian Institute of Technology
- M.S. in Engineer, Environmental Engineer, Chulalongkorn University
- B.S. in Engineer, Civil Engineer, Chulalongkorn University

Training/Certification

- Director Accreditation Program (DAP), Thai institute of Directors Association (IOD), Class 56/2006
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 121/2009
- Understanding the Fundamental of Financial Statement (UFS), Thai Institute of Directors Association (IOD), Class 1/2016
- Setting the CEO Performance Plan and Evaluation, Thai Institute of Director Association (IOD)
- Role of the Compensation Committee (RCC), Thai Institute of Director Association (IOD), Class 21/2016
- Role of the Nomination and Governance Committee (RNG), Thai Institute of Director Association (IOD), Class 8/2016

Working Experience

Positions in Listed Companies in SET

- 2017- Present: Chairman of the Board of Directors and Independent Director, Autocorp Holding Plc.
- 2013 - Present: Independent Director and Chairman of the Nomination and Remuneration Committee, Raja Ferry Port Plc.

Position in Other Companies

- 1990 - Present: Director,
Panich - Worasak and Friend 2510 Co., Ltd.

Mr. Weerachai Ngamdeevilaisak

Chairman of the Audit Committee and Independent Director

Date of first appointment

8 November 2017

Age: 59 Years



(%) of shareholding as of 31 December 2020

0.24

Relation among family with other directors and executives

-None-

Educations

- Min MBA, Thammasat University
- Advanced Certificate, Public Administration and Law, King Prajadhipok's Institute
- B.S. in Commerce and Accountancy, Thammasat University

Training/Certification

- Director Certificate Program (DCP), Thai Institute of Directors Association (IOD), Class 0/2000
- Finance for Non-Finance Director (FN), Thai Institute of Directors Association (IOD), Class 1/2003
- Role of the Compensation Committee (RCC), Thai Institute of Directors Association (IOD), Class 3/2017
- Successful Formulation & Execution of Strategy, Class 4/2014
- Chartered Director Class (CDC), Thai Institute of Directors Association (IOD), Class 8/2014

Working Experience

Positions in Listed Companies in SET

- 2017 - Present: Chairman of the Audit Committee and Independent Director, Autucorp Holding Plc.
- 2016 - Present: Audit Committee and Independent Director and Chairman of the Nomination and Remuneration Committee and Member of Risk Management Committee, Pruksa Holding Plc.
- 2016 - Present: Chairman of the Audit Committee and Independent Director and Member of the Nomination and Remuneration and Governance Committee, SYN Mun Kong Insurance Plc.
- 2014 - Present: Chairman of the Board of Director and Chairman of the Audit Committee and Independent Director, Alla Plc.
- 2013 - Present: Member of Audit Committee and Independent Director and Chairman of Risk Management Committee and Member of the Nomination and Remuneration Committee, Srisawad Corporation Plc.

Position in Other Companies

- 2020 - Present: Director, World Asia Solution Co., Ltd.
- 2018 - Present: Director, Mongkolpattawee Co., Ltd.
- 2017 - Present: Director, W&M Associate Co., Ltd.
- 2016 - Present: Director, Smile P Co., Ltd.
- 2010 - Present: Director, Audit one Co., Ltd.
- 2007 - Present: Director, F&A Solutions Co., Ltd.

M.L. Winai Kasemsri

Audit Committee Member, Independent Director,
Chairman of Nomination and Remuneration Committee

Date of first appointment

8 November 2017

Age: 70 Years



(%) of shareholding as of 31 December 2020

-None-

Relation among family with other directors and executives

-None-

Educations

- B.S. in Law, Thammasat University

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 142/2017
- Board Nomination and Compensation Program (BNCP), Thai Institute of Directors Association (IOD), Class 9/2020

Working Experience

Positions in Listed Companies in SET

2017 - Present: Member of Audit Committee and Independent Director and Chairman of the Nomination and Remuneration Committee,
Autucorp Holding Plc.

Position in Other Companies

2015 - Present: Consultant, HMD Asia Co., Ltd.
2009 - Present: Consultant, Penven (Thailand) Co., Ltd.
2009 - Present: Director, Prime City Golf Co., Ltd.
2002 - Present: Consultant, Unipart Co., Ltd.
1992 - Present: Lawyer and Owner, M.L. Winai Kasemsri's office

Asst. Prof. Dr. Saranyapong Thiangtam

Audit Committee Member and Independent Director and
Member of Nomination and Remuneration Committee

Date of first appointment

8 November 2017

Age: 52 Years



(%) of shareholding as of 31 December 2020

0.13

Relation among family with other directors and executives

-None-

Educations

- Ph.D. in Technopreneurship and Innovation Management, Chulalongkorn University
- M.S. in Business Administration, Marketing, Kasetsart University
- B.S. in Economics, Chiang Mai University

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 142/2017
- Board Nomination and Compensation Program (BNCP), Thai Institute of Directors Association (IOD), Class 9/2020

Working Experience

Positions in Listed Companies in SET

2017 - Present: Member of Audit Committee and Independent Director and Chairman of the Nomination and Remuneration Committee,
Autucorp Holding Plc.

Position in Other Companies

-None-

Mr. Phanumast Rungkakulnuwat

Chief Executive Officer and Director and

Member of the Nomination and Remuneration Committee

Date of first appointment

12 March 2015

Age: 54 Years



(%) of shareholding as of 31 December 2020

45.14

Relation among family with other directors and executives

Mrs. Hathairat Rangkagoonnuwat's spouse

Educations

- B.S.in Economics, Chiangmai University

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 142/2017

Working Experience

Positions in Listed Companies in SET

2017 - Present: Member of the Nomination and Remuneration Committee,
Autocorp Holding Plc.

2015 - Present: Chief Executive Officer and Director,
Autocorp Holding Plc.

Position in Other Companies

2020 - Present: Director,
Autoclik by ACG Co., Ltd.

1992 - Present: Director,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co.,
Ltd and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.

Mrs.Hathairat Rangagoonnuwat

Vice Chief Executive Officer and

Chief Sales Officer and Director

Date of first appointment

12 March 2015

Age: 41 Years



(%) of shareholding as of 31 December 2020

24.49

Relation among family with other directors and executives

Mr. Phanumast Rungkakulnuwat's spouse

Educations

- B.S.in Accountant, The University of the Thai Chamber of Commerce
- M.S.in Business Administration, Mahasarakham University

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 142/2017

Working Experience

Positions in Listed Companies in SET

2015 - Present: Vice Chief Executive Officer and Chief Sales Officer and Director,
Autocorp Holding Plc.

Position in Other Companies

2020 - Present: Deputy Director,
Autoclik by ACG Co., Ltd.

2009 - Present: Deputy Director and Chief Sales Manager,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co.,
Ltd and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)

Mrs. Suksai Phoksap

Chief General Managing Officer and Director

Date of first appointment

12 March 2015

Age: 51 Years



(%) of shareholding as of 31 December 2020

0.20

Relation among family with other directors and executives

-None-

Educations

- Diploma Program in Accountant, Surin Vocational College

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 143/2017

Working Experience

Positions in Listed Companies in SET

2017 - Present: Director,
Autocorp Holding Plc.
2015 - Present: Chief General Managing Officer,
Autocorp Holding Plc.

Position in Other Companies

2020 - Present: Chief General Managing Officer,
Autoclik by ACG Co., Ltd.
2018 - Present: Director,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co., Ltd
and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)
1992 - Present: Chief General Managing Officer,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co., Ltd
and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)

Miss Nuchanadh Sakulsanthia

Chief Financial Officer and Director

Date of first appointment

8 November 2017

Age: 31 Years



(%) of shareholding as of 31 December 2020

0.01

Relation among family with other directors and executives

-None-

Educations

- B.S. in Accountant, Khon Kaen University

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 143/2017
- Strategic CFO in Capital Markets Program, Stock Exchange of Thailand (SET), Class 5/2017
- CFO in Practice (Certificate Program), Federation of Accounting Professions (FAP), Class 7/2017

Working Experience

Positions in Listed Companies in SET

2017 - Present: Chief Financial Officer and Director,
Autocorp Holding Plc.

Position in Other Companies

2020 - Present: Chief Financial Officer and Budget manager,
Autoclik by ACG Co., Ltd.

2018 - Present: Director,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co., Ltd
and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)

2016 - Present: Chief Financial Officer,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co., Ltd
and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)

Mr. Putip Vatin

Director and Accounting Manager

Date of first appointment

8 November 2017

Age: 30 Years



(%) of shareholding as of 31 December 2020

0.03

Relation among family with other directors and executives

-None-

Educations

- B.S. in Accountant, Assumption University

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 143/2017
- Strategic CFO in Capital Markets Program, Stock Exchange of Thailand (SET), Class 4/2017

Working Experience

Positions in Listed Companies in SET

2017 – 2020: Director,
Autocorp Holding Plc.

Position in Other Companies

2016 - 2020: Accounting Manager,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co., Ltd
and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)

Miss Thanya Thimachai

Director and Accounting Manager

Date of first appointment

8 November 2017

Age: 31 Years



(%) of shareholding as of 31 December 2020

0.05

Relation among family with other directors and executives

-None-

Educations

- B.S. in Accountant, Khon Kaen University

Training/Certification

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 142/2017
- Strategic CFO in Capital Markets Program, Stock Exchange of Thailand (SET), Class 4/2017

Working Experience

Positions in Listed Companies in SET

2017 - Present: Director,
Autocorp Holding Plc.

Position in Other Companies

2016 - Present: Accounting Manager,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co., Ltd
and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)

Miss Soontaree Chittham

Accounting Manager and Company Secretary

Date of first appointment

12 October 2017

Age: 29 Years



(%) of shareholding as of 31 December 2020

0.03

Relation among family with other directors and executives

-None-

Educations

- B.S. in Accountant, Khon Kaen University

Training/Certification

- Fundamentals for Corporate Secretary, Thai Institute of Directors Association (IOD), Class 2/2017

Working Experience

Positions in Listed Companies in SET

2017 - Present: Accounting Manager and Company Secretary,
Autocorp Holding Plc.

Position in Other Companies

2020 - Present: Business Planning and Administration Manager (New center),
Autoclik by ACG Co., Ltd.

2016 - Present: Accounting Manager,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co., Ltd
and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)

Mr. Narawut Thaneepun

Chief Service Center Officer

Date of first appointment

12 March 2015

Age: 48 Years



(%) of shareholding as of 31 December 2020

0.12

Relation among family with other directors and executives

-None-

Educations

- Diploma Program in Mechanic, Surin Vocational College

Training/Certification

- None -

Working Experience

Positions in Listed Companies in SET

2015 - Present: Chief Service Center Officer,
Autocorp Holding Plc.

Position in Other Companies

1994 - Present: Chief Service Center Officer,
Honda Maliwan Co., Ltd. (Amalgamation between Honda Maliwan Co., Ltd
and A.V. Buriram Honda Cars Co., Ltd. And A.V. Cars (Surin) Co., Ltd.)

Autocorp Holding Public Company Limited and its Subsidiaries

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Autocorp Holding Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Autocorp Holding Public Company Limited and its subsidiaries (the "Group") and of Autocorp Holding Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to Notes 4 (f) and 8 to the consolidated financial statements	
The key audit matter	How the matter was addressed in the audit
The major inventory of the Group is cars. The sales volume of the Group depending on the market demand of each model and car manufacturer's supply. As a result of the fluctuation in sales volume of cars which may affect the price in certain period, the valuation of inventory involves management's judgment for the net realisable values of inventories by evaluating the future trading forecasts including the marketing and promotion program from car manufacturer. In addition, due to the material size of the inventories, I considered this as the key audit matter.	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Enquiring with management to obtain an understanding of the Group's policy in relation to the estimation of net realisable values of inventories; - Understanding the design of internal controls on inventory management; - Observing the inventory count; - Evaluating the appropriateness of retrospective review with estimation of the net realisable values of inventories at the reporting period; - Tested the calculation of net realisable value of inventories; - Evaluated the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Natthaphong Tantichattanon)
Certified Public Accountant
Registration No. 8829

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2021

Autocorp Holding Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	6	162,539,975	153,900,977	58,226,429	5,068,381
Trade accounts receivable	7, 22	46,785,759	130,554,150	-	-
Other current receivables	5	6,988,502	16,069,567	4,982,754	8,655,901
Inventories	8	240,075,280	474,297,721	-	-
Current tax assets		2,258,218	3,030,546	2,212,575	2,016,830
Other current assets		3,447,359	13,344,400	42,541	97,413
Total current assets		462,095,093	791,197,361	65,464,299	15,838,525
Non-current assets					
Investments in subsidiaries	5, 9	-	-	549,590,000	548,600,000
Long-term loan to subsidiary	5	-	-	10,000,000	-
Investment properties	10	69,596,683	69,596,683	-	-
Property, plant and equipment	11	671,932,824	695,817,322	-	-
Right-of-use assets	3, 12	106,205,157	-	-	-
Intangible assets		7,143,639	8,347,873	4,226,479	4,553,721
Deferred tax assets		3,152,407	1,834,926	464,111	193,756
Other non-current assets		2,439,864	2,276,674	-	-
Total non-current assets		860,470,574	777,873,478	564,280,590	553,347,477
Total assets		1,322,565,667	1,569,070,839	629,744,889	569,186,002

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
(in Baht)					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	13	320,000,000	670,001,193	-	-
Trade accounts payable		107,193,010	162,051,102	-	-
Other current payables	5	25,513,879	32,611,306	827,975	1,516,828
Current portion of long-term loans from					
financial institution	13, 22	28,700,000	30,000,000	-	-
Current portion of lease liabilities	3, 12, 13, 22	1,515,112	-	-	-
Current income tax payable		2,153,339	1,823,991	-	-
Other current liabilities		1,246,483	990,447	384,383	362,217
Total current liabilities		486,321,823	897,478,039	1,212,358	1,879,045
Non-current liabilities					
Long-term loans from financial institution					
	13, 22	59,750,000	12,500,000	-	-
Lease liabilities	3, 12, 13, 22	108,851,336	-	-	-
Non-current provisions for employee benefits		4,787,171	2,918,410	2,320,556	968,779
Other non-current liabilities		-	3,075,521	-	-
Total non-current liabilities		173,388,507	18,493,931	2,320,556	968,779
Total liabilities		659,710,330	915,971,970	3,532,914	2,847,824

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
(in Baht)					
Equity					
Share capital:	14				
Authorised share capital		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up share capital		300,000,000	300,000,000	300,000,000	300,000,000
Share premium	14	137,109,509	137,109,509	137,109,509	137,109,509
Surplus on business combination under common control	15	130,891,299	130,891,299	-	-
Retained earnings					
Appropriated					
Legal reserve	15	5,768,303	1,518,303	5,768,303	1,518,303
Unappropriated		87,244,245	81,872,685	183,334,163	127,710,366
Equity attributable to owners of the parent		661,013,356	651,391,796	626,211,975	566,338,178
Non-controlling interests		1,841,981	1,707,073	-	-
Total equity		662,855,337	653,098,869	626,211,975	566,338,178
Total liabilities and equity		1,322,565,667	1,569,070,839	629,744,889	569,186,002

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries

Statement of income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
(in Baht)					
Revenue					
Revenue from sale and rendering of services	5, 16	1,997,465,542	3,027,873,338	48,344,435	42,434,556
Commission income		60,916,044	77,498,037	-	-
Dividend income	5	-	-	83,786,182	-
Other income	5	17,144,531	18,353,265	58,394	210,597
Total revenue		2,075,526,117	3,123,724,640	132,189,011	42,645,153
Expenses					
Cost of sales and rendering of services	18	1,822,156,803	2,833,107,000	-	-
Distribution costs	18	56,520,825	67,733,144	-	-
Administrative expenses	5, 18	125,954,498	126,812,401	47,086,134	41,369,540
Total expenses		2,004,632,126	3,027,652,545	47,086,134	41,369,540
Profit from operating activities		70,893,991	96,072,095	85,102,877	1,275,613
Finance costs		(25,787,261)	(27,819,845)	-	-
Profit before income tax expense		45,106,730	68,252,250	85,102,877	1,275,613
Tax expense (income)	19	9,938,682	14,735,000	325,690	(90,453)
Profit for the year		35,168,048	53,517,250	84,777,187	1,366,066
Profit attributable to:					
Owners of the parent		34,826,278	52,995,738	84,777,187	1,366,066
Non-controlling interests		341,770	521,512	-	-
Profit for the year		35,168,048	53,517,250	84,777,187	1,366,066
Basic earnings per share	20	0.06	0.10	0.14	0.003

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Profit for the year	35,168,048	53,517,250	84,777,187	1,366,066
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Losses on remeasurements of defined benefit plans	(1,509,703)	(591,284)	(1,129,238)	(401,344)
Income tax relating to items that will not be reclassified	301,941	118,257	225,848	80,269
Other comprehensive income (expense) for the year, net of tax	(1,207,762)	(473,027)	(903,390)	(321,075)
Total comprehensive income for the year	33,960,286	53,044,223	83,873,797	1,044,991
Total comprehensive income attributable to:				
Owners of the parent	33,621,560	52,524,231	83,873,797	1,044,991
Non-controlling interests	338,726	519,992	-	-
Total comprehensive income for the year	33,960,286	53,044,223	83,873,797	1,044,991

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements								
Note	Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Retained earnings		Equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Unappropriated			
				(in Baht)				
Year ended 31 December 2019								
	222,000,000	-	130,891,299	1,450,000	29,416,757	383,758,056	1,187,081	384,945,137
Balance at 1 January 2019								
Transactions with owners, recorded directly in equity								
Contributions by owners of the parent								
14	78,000,000	137,109,509	-	-	-	215,109,509	-	215,109,509
	78,000,000	137,109,509	-	-	-	215,109,509	-	215,109,509
Total transactions with owners, recorded directly in equity								
Comprehensive income for the year								
	-	-	-	-	52,995,738	52,995,738	521,512	53,517,250
	-	-	-	-	(471,507)	(471,507)	(1,520)	(473,027)
	-	-	-	-	52,524,231	52,524,231	519,992	53,044,223
Total comprehensive income for the year								
15	-	-	-	68,303	(68,303)	-	-	-
	-	-	-	-	-	-	-	-
Transfer to legal reserve								
	300,000,000	137,109,509	130,891,299	1,518,303	81,872,685	651,391,796	1,707,073	653,098,869
Balance at 31 December 2019								

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements									
		Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Legal reserve	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total equity
Note						Unappropriated			
(in Baht)									
Year ended 31 December 2020									
	Balance at 1 January 2020	300,000,000	137,109,509	130,891,299	1,518,303	81,872,685	651,391,796	1,707,073	653,098,869
Transactions with owners, recorded directly in equity									
Distributions to owners of the parent									
21	Dividends	-	-	-	-	(24,000,000)	(24,000,000)	(213,818)	(24,213,818)
	Total distributions to owners of the parent	-	-	-	-	(24,000,000)	(24,000,000)	(213,818)	(24,213,818)
Changes in ownership interests in subsidiary									
	Increase in investment in subsidiary	-	-	-	-	-	-	10,000	10,000
	Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	10,000	10,000
Total transactions with owners, recorded directly in equity									
		-	-	-	-	-24,000,000	-24,000,000	-203,818	-24,203,818
Comprehensive income for the year									
	Profit	-	-	-	-	34,826,278	34,826,278	341,770	35,168,048
	Other comprehensive income	-	-	-	-	(1,204,718)	(1,204,718)	(3,044)	(1,207,762)
	Total comprehensive income for the year	-	-	-	-	33,621,560	33,621,560	338,726	33,960,286
15	Transfer to legal reserve	-	-	-	4,250,000	(4,250,000)	-	-	-
	Balance at 31 December 2020	300,000,000	137,109,509	130,891,299	5,768,303	87,244,245	661,013,356	1,841,981	662,855,337

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries

Statement of changes in equity

Seperated financial statements						
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve	Unappropriated	
(in Baht)						
Year ended 31 December 2019						
Balance at 1 January 2019		222,000,000	-	1,450,000	126,733,678	350,183,678
Transactions with owners, recorded directly in equity						
Contributions by owners						
Issue of ordinary shares	14	78,000,000	137,109,509	-	-	215,109,509
Total transactions with owners, recorded directly in equity		78,000,000	137,109,509	-	-	215,109,509
Comprehensive income for the year						
Profit		-	-	-	1,366,066	1,366,066
Other comprehensive income		-	-	-	(321,075)	(321,075)
Total comprehensive income for the year		-	-	-	1,044,991	1,044,991
Transfer to legal reserve	15	-	-	68,303	(68,303)	-
Balance at 31 December 2019		300,000,000	137,109,509	1,518,303	127,710,366	566,338,178

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries
Statement of changes in equity

Seperated financial statements						
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve	Unappropriated	
(in Baht)						
Year ended 31 December 2020						
Balance at 1 January 2020		300,000,000	137,109,509	1,518,303	127,710,366	566,338,178
Transactions with owners, recorded directly in equity						
Distributions to owners						
Dividends	21	-	-	-	(24,000,000)	(24,000,000)
Total transactions with owners, recorded directly in equity		-	-	-	(24,000,000)	(24,000,000)
Comprehensive income for the year						
Profit		-	-	-	84,777,187	84,777,187
Other comprehensive income		-	-	-	(903,390)	(903,390)
Total comprehensive income for the year		-	-	-	83,873,797	83,873,797
Transfer to legal reserve	15	-	-	4,250,000	(4,250,000)	-
Balance at 31 December 2020		300,000,000	137,109,509	5,768,303	183,334,163	626,211,975

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	35,168,048	53,517,250	84,777,187	1,366,066
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (income)	9,938,682	14,735,000	325,690	(90,453)
Finance costs	25,787,261	27,819,845	-	-
Depreciation and amortisation	42,596,991	31,240,695	551,242	543,084
Impairment loss recognised in profit or loss	152,164	-	-	-
Doubtful debts	-	177,997	-	-
Losses on inventories devaluation	1,832,620	654,471	-	-
Gain on disposal of plant and equipment	(3,067,727)	(2,713,629)	-	-
Dividends received	-	-	(83,786,182)	-
Interest income	(267,743)	(724,163)	(46,027)	(210,592)
	112,140,296	124,707,466	1,821,910	1,608,105
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	83,676,059	(35,626,940)	-	-
Other current receivables	9,021,233	(4,508,071)	3,673,147	691,135
Inventories	232,389,821	(258,414,591)	-	-
Other current assets	9,897,041	(7,488,939)	54,872	308,715
Restricted deposits	-	9,000,000	-	-
Other non-current assets	(163,190)	614,610	-	-
Trade accounts payable	(54,858,092)	41,601,375	-	-
Other current payables	(5,286,507)	4,634,538	(688,921)	(1,973,654)
Non-current provisions for employee benefits	359,058	1,224,884	222,539	465,106
Other current liabilities	256,036	209,928	22,166	250,251
Other non-current liabilities	(3,075,521)	1,720,623	-	-
Net cash generated from (used in) operating	384,356,234	(122,325,117)	5,105,713	1,349,658
Taxes paid	(9,852,546)	(15,027,088)	(565,942)	(717,571)
Net cash from (used in) operating activities	374,503,688	(137,352,205)	4,539,771	632,087

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
(in Baht)					
Cash flows from investing activities					
Acquisition of plant and equipment		(20,620,970)	(116,746,463)	-	-
Proceeds from sale of plant and equipment		9,897,385	6,547,791	-	-
Acquisition of intangible assets		(447,851)	(2,453,366)	(224,000)	(1,548,476)
Acquisition of investment in subsidiary		-	-	(990,000)	(213,000,000)
Loans to subsidiary		-	-	(10,000,000)	-
Dividends received		-	-	83,786,182	-
Interest received		267,743	739,526	46,027	210,592
Net cash from (used in) investing activities		(10,903,693)	(111,912,512)	72,618,209	(214,337,884)
Cash flows from financing activities					
Proceeds from issue of shares		-	224,640,000	-	224,640,000
Transaction costs from issue of shares		-	(9,530,491)	-	(9,530,491)
Decrease in bank overdrafts		(1,193)	(878,656)	-	-
Proceeds from loans from financial institutions		2,190,000,000	2,770,000,000	-	-
Repayment of loans from financial institutions		(2,494,050,000)	(2,720,000,000)	-	-
Payment of lease liabilities		(5,079,900)	-	-	-
Dividends paid to owners of the Company		(23,999,932)	-	(23,999,932)	-
Dividends paid to non-controlling interests		(213,818)	-	-	-
Proceeds from called for paid-up share capital					
from subsidiary		10,000	-	-	-
Interest paid		(21,626,154)	(27,842,715)	-	-
Net cash from (used in) financing activities		(354,960,997)	236,388,138	(23,999,932)	215,109,509
Net increase (decrease) in cash and cash equivalents		8,638,998	(12,876,579)	53,158,048	1,403,712
Cash and cash equivalents at 1 January		153,900,977	166,777,556	5,068,381	3,664,669
Cash and cash equivalents at 31 December	6	162,539,975	153,900,977	58,226,429	5,068,381
Non-cash transactions					
Payable for purchase of plant and equipment		1,275,573	3,079,507	-	-

The accompanying notes form an integral part of the financial statements.

Autocorp Holding Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 22 February 2021.

1 General information

Autocorp Holding Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Market for Alternative Investment (MAI) on 27 June 2019. Subsequently, the Company filed in requesting the Stock Exchange of Thailand (SET) to approve the trading of registered shares on SET and was approved the trading of registered shares be traded on SET commencing from 1 July 2020 onwards. The Company’s registered office at 1111, Moo 1, Maliwan Road, Ban Thum, Mueang Khon Kaen, Khon Kaen, Thailand.

The group has registered branches as follow:

Headquarter	:	1111, Moo 1, Maliwan Road, Ban Thum, Mueang Khon Kaen, Khon Kaen, Thailand
Prachasamosorn Branch	:	345, Moo 6, Prachasamosorn Road, Nai Mueang, Mueang Khon Kaen, Khon Kaen, Thailand
Surin Branch	:	274, Moo 9, Pattamanon Road, Salangpan, Mueang Surin, Surin, Thailand
Weerawatyothin Branch	:	783, Moo 20, Surin-Prasat Road, Nok Mueang, Mueang Surin, Surin, Thailand
Buriram Branch	:	65, Moo 9, Buriram-Nangrong Road, Isan, Mueang Buriram, Buriram, Thailand
Nangrong Branch	:	123, Moo 6, Chockchai-Dech Udom Road, Thanon Hak, Nangrong, Buriram, Thailand
Phuket Branch	:	3/17, Moo 3, Thepkrasattri Road, Ratsada, Mueang Phuket, Phuket, Thailand
Naka Branch	:	36/3, Moo 4, Chaofahtawantok Road, Vichit, Mueang Phuket, Phuket, Thailand
Mueang Krabi Branch	:	328, Moo 2, Phetkasem Road, Krabi Noi, Mueang Krabi, Krabi, Thailand

The Company’s major shareholder during the financial year was Rungkakulnuwat family.

The principal activity of the Company is investing in the company which operates in distribution of cars and spare parts and services center dealership. Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 9.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of revised TFRS which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4(j) and 12 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options.

4(p) and 16 Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- whether revenue from sales of products is recognised over time or at a point in time;
- commission revenue: whether the Group acts as an agent in the transaction rather than as a principal.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(j)	Determining the incremental borrowing rate to measure lease liabilities;
8	Measurement of allowance for inventories.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

A. TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(c) and 4(k). There is no material impact of applying TFRS - Financial instruments standards on the Group's financial statements.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Increase in right-of-use assets	94,510	-
Increase in lease liabilities	94,510	-

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Measurement of lease liability		
Operating lease commitment as disclosed at 31 December 2019	109,197	-
Discounted using the incremental borrowing rate at 1 January 2020	96,341	-
Recognition exemption for short-term leases	(1,831)	-
Lease liabilities recognised at 1 January 2020	94,510	-
Weighted-average incremental borrowing rate (% per annum)	4.06 - 4.18	-

Right-of-use assets and lease liabilities shown above were presented as part of cars and accessories dealership and repair and maintenance services and spare parts dealership segments.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(c) Financial instruments

Accounting policies applicable from 1 January 2020

(c.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(c.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets – business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(c.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(c.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using methods as follows:

Cars	-	Cost of each purchase transaction (Specific Identification method)
Parts and others	-	First in first out

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property.

No depreciation is provided on freehold land.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	2 - 40 years
Furniture, fixtures and office equipment	3 - 5 years
Machinery and equipment	5 - 10 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	3 - 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting policies applicable before 1 January 2020

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(k) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(o) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on observable inputs.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(p) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue from rendering of services is recognised when the services are provided. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Commission revenue

For the contracts that the Group is arranging for the provision of the goods or services on behalf of its customers and does not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

(q) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(r) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(u) Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(v) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative expenses.

5 Related parties

Relationships with subsidiaries and other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Honda Maliwan Co., Ltd.	Thailand	Subsidiary, 99% shareholding and common directors
Autoclik by ACG Co., Ltd.	Thailand	Subsidiary, 99% shareholding and common directors

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Rendering / Receiving of service	Cost plus margin
Purchases of assets	Agreed prices
Rental expense	Agreed prices
Interest income	Contractually agreed rates based on fixed deposits interest rate

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Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Dividend income	-	-	83,786	-
Rendering of services	-	-	48,344	42,435
Interest income	-	-	25	-
Rental expense	-	-	972	972
Other related parties				
Dividend paid	46	-	-	-
Key management personnel				
Dividend paid	16,907	-	16,739	-
Key management personnel compensation				
Short-term employee benefit	5,280	5,035	5,280	5,035
Post-employment benefits	842	93	842	93
Total key management personnel compensation	6,122	5,128	6,122	5,128

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other current receivables				
Subsidiaries	-	-	4,396	8,171
Investment in subsidiaries (note 9)	-	-	549,590	548,600
Other current payable				
Subsidiaries	-	-	-	288

<i>Long-term loans to</i>	Interest rate		Separate financial statements		
	31 December 2019 (% per annum)	31 December 2020	31 December 2019	Increase Decrease (in thousand Baht)	31 December 2020
Subsidiary	-	0.5	-	35,000 (25,000)	10,000
Total			-		10,000

Significant agreements with related parties

As at 31 December 2020, the Group has the following significant agreements with related parties.

Management Service Agreement

The Company has management service agreement with the subsidiary. The Company agrees to provide management, advisory and other services, whereby the service fees are stipulated in the agreement with the term of agreement for 1 year expiring in December 2021. This agreement shall be automatically renewable for an additional period of 1 year, unless either party gives written notice to the other of its intention to terminate the agreement.

Office Rental and Service Agreements

The Company has office building rental and service agreement with a subsidiary. The subsidiary has leased an office, including office equipment and service for the operation of the Company, whereby the service fees are stipulated in the agreement. The term of agreement is for 1 year expiring in September 2021 and being able to renew by giving 30 days prior notice in writing to the subsidiary before the expiration date of the agreement.

Long-term loan Agreement

The Company has an unsecured long-term loan agreement with a subsidiary with credit facility totalling Baht 35 million with interest rate of 0.5% per annum and the interest is payable on monthly basis. The loan will become due in August 2025. As at 31 December 2020, the Company had the remaining balance of loan to a subsidiary amounting to Baht 10 million.

6 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	155	135	4	3
Cash at banks - current accounts	74,774	97	60	45
Cash at banks - savings accounts	77,161	140,582	58,162	5,020
Cheques on hand	10,450	13,087	-	-
Total	162,540	153,901	58,226	5,068

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other parties	47,105	130,781	-	-
Total	47,105	130,781	-	-
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(319)	(227)	-	-
Net	46,786	130,554	-	-
Impairment loss for the year (2019: Doubtful debts expense for the year)	92	178	-	-

Aging analyses for trade accounts receivable were as follows:

Other parties				
Within credit terms	45,972	126,637	-	-
Overdue:				
Less than 3 months	814	3,792	-	-
3-6 months	92	145	-	-
6-12 months	103	68	-	-
Over 12 months	124	139	-	-
	47,105	130,781	-	-
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(319)	(227)	-	-
Net	46,786	130,554	-	-

The normal credit term granted by the Group ranges from 7 days to 60 days.

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cars	213,112	437,918	-	-
Parts and others	31,749	39,333	-	-
Total	244,861	477,251	-	-
Less allowance for decline in value of inventories	(4,786)	(2,953)	-	-
Net	240,075	474,298	-	-
Inventories recognised in ‘cost of sales of goods’:				
- Cost	1,734,357	2,751,498	-	-
- Write-down to net realisable value	1,844	546	-	-
Net	1,736,201	2,752,044	-	-

9 Investments in subsidiaries

	Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	548,600	335,600
Acquisitions	990	213,000
At 31 December	549,590	548,600

Acquisitions

At the Extraordinary General Meeting of the shareholder of subsidiary, Honda Maliwan Co., Ltd held on 28 August 2019, the subsidiary's shareholders passed a resolution to increase the authorized share capital from Baht 337 million (comprising of 3,370,000 ordinary shares at par value of Baht 100 per share) to Baht 550 million (comprising of 5,500,000 ordinary shares at par value of Baht 100 per share) by offering to existing shareholder to their proportion. As a result, the Company had investment in the ordinary share of the subsidiary amounting to Baht 213 million. The subsidiary registered the additional authorized share capital with the Ministry of Commerce on 29 August 2019.

On 8 July 2020, the Group made an investment in 99% of the issued and paid-up capital of Autoclik by ACG Co., Ltd., is incorporated in Thailand amounting to baht 0.99 million. Autoclik by ACG Co., Ltd. thereby become a subsidiary of the Group.

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Investments in subsidiaries as at 31 December 2020 and 2019, and dividend income from those investments for the years then ended, were as follows:

Separate financial statements

Type of business	Ownership interest (%)		Paid-up capital		Cost		At cost - net		Dividend Income for the year
	2020	2019	2020	2019	2020	2019	2020	2019	
Direct subsidiaries									
Honda Maliwan Co., Ltd.									
Distribution of cars and spare part and service center dealership	99	99	550,000	550,000	548,600	548,600	548,600	548,000	83,786
Autoclik by ACG Co., Ltd.	99	-	1,000	-	990	-	990	-	-
Total					549,590	548,600	549,590	548,000	83,786

All subsidiaries registered and is incorporated in Thailand. The Company has no investments in subsidiaries listed in The Stock Exchange of Thailand, therefore, no published price quotations were disclosed.

10 Investment properties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	69,597	69,597	-	-
At 31 December	69,597	69,597	-	-
Net book value				
At 1 January	69,597	69,597	-	-
At 31 December	69,597	69,597	-	-

Investment properties comprise of the subsidiary's land which currently undetermined future use.

Fair values of investment properties as at 31 December 2020 amounting to Baht 152.46 million (*2019: Baht 152.46 million*) was determined by independent professional valuers, at open market values on an existing use basis. The fair value of investment property has been categorised as a Level 3 fair value.

Security

At 31 December 2020, the Group's investment properties with carrying amount of Baht 23.64 million (*2019: Baht 23.64 million*) are mortgaged as collateral with financial institutions for the bank overdrafts and short-term loans for the subsidiary (refer to note 13).

11 Property, plant and equipment

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Office furniture, fixtures and equipment	Machinery and equipment (in thousand Baht)	Vehicles	Assets under construction and installation
Cost						Total
At 1 January 2019	281,997	358,988	26,320	47,735	33,979	764,590
Additions	-	567	5,768	9,439	27,525	110,010
Transfers	1,269	74,216	5,012	114	-	-
Disposals	-	(20)	(354)	(372)	(8,170)	(8,916)
At 31 December 2019 and 1 January 2020	283,266	433,751	36,746	56,916	53,334	865,684
Additions	-	-	1,036	1,364	9,640	18,819
Transfers	-	3,412	126	-	-	-
Disposals	-	(2,157)	(353)	(905)	(13,188)	(16,603)
Reclassify	-	1,683	(1,683)	-	-	-
At 31 December 2020	283,266	436,689	35,872	57,375	49,786	867,900
Depreciation						
At 1 January 2019	19	86,634	15,032	25,734	18,016	145,435
Depreciation charge for the year	40	12,845	4,680	4,837	7,113	29,515
Disposals	-	(1)	(273)	(203)	(4,606)	(5,083)
At 31 December 2019 and 1 January 2020	59	99,478	19,439	30,368	20,523	169,867
Depreciation charge for the year	57	15,034	6,099	6,050	8,633	35,873
Disposals	-	(2,157)	(246)	(703)	(6,667)	(9,773)
Reclassify	-	301	(301)	-	-	-
At 31 December 2020	116	112,656	24,991	35,715	22,489	195,967
Net book value						
At 31 December 2019	283,207	334,273	17,307	26,548	32,811	695,817
At 31 December 2020	283,150	324,033	10,881	21,660	27,297	671,933

The gross amount of the Group's fully depreciated equipment that was still in use as at 31 December 2020 amounted to Baht 88.94 million (2019: Baht 78.07 million).

Security

At 31 December 2020, the Group's properties with carrying amount of Baht 502.21 million (2019: Baht 509.83 million) are mortgaged as collateral with financial institutions for the bank overdrafts and other credit facilities (refer to note 13).

12 Leases

As a lessee

	Consolidated financial statements	Separate financial statements
<i>At 31 December 2020</i>		
	<i>(in thousand Baht)</i>	
Right-of-use assets		
Land	106,205	-
Total	106,205	-

In 2020, additions to the right-of-use assets of the Group were Baht 106.21 million.

The Group leases a number of land for 6 - 33 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

Some land leases contain extension options exercisable by the Group up to 30 days before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land	5,073	-	-	-
Interest on lease liabilities	4,168	-	-	-
Lease expense	-	7,962	-	-

In 2020, total cash outflow for leases of the Group was Baht 5.08 million.

13 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Current				
Bank overdrafts				
Secured	-	1	-	-
Short-term loans from financial institutions				
Secured	320,000	670,000	-	-
Bank overdrafts and short-term loans from financial institutions	320,000	670,001	-	-
Current portion of long-term loans from financial institutions				
Secured	28,700	30,000	-	-
Current portion of lease liabilities	1,515	-	-	-
Total current	350,215	700,001	-	-
Non-current				
Long-term loans from financial institutions				
Secured	59,750	12,500	-	-
Lease liabilities	108,851	-	-	-
Total non-current	168,601	12,500	-	-
Total	518,816	712,501	-	-

As at 31 December 2020, the Group has short-term loans with various local financial institutions totaling Baht 320 million (2019: Baht 670 million) which bear interest rate at 3.5% per annum (2019: minimum loan rate (MLR) less 2% per annum and fixed interest rate at 3.95% per annum).

On 22 July 2015, a subsidiary entered into a secured long-term loan agreement with a domestic financial institution amounting to Baht 150 million with bear interest at THBFIX plus 1.62% per annum and repayment on a monthly basis from June 2016 with repayment term of 5 years and 6 months which will be due in May 2021. The subsidiaries shall comply with other conditions related to maintain financial ratio and other restrictions stated in the term loan agreement.

On 2 April 2020, a subsidiary entered into a secured long-term loan agreement with a local financial institution amounting to Baht 80 million. The subsidiary received a loan on 25 September 2020 which bear interest at minimum loan rate (MLR) less 1% per annum with repayment term of 5 years. The loan is repayable in 60 monthly instalments starting from October 2020. The subsidiary shall comply with the conditions related to maintain financial ratio and other restrictions as stipulated in the term loan agreement.

The secured interest-bearing liabilities as at 31 December 2020 are secured by directors and mortgaged of the Group's land and buildings (2019: secured by directors, mortgaged of the Group's land, buildings and restricted deposits).

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
			(in thousand Baht)		
Investment properties	10	23,642	23,642	-	-
Land, building and improvement	11	502,213	509,835	-	-
Total		525,855	533,477	-	-

As at 31 December 2020, the Group has unutilised credit facilities totalling Baht 871 million (2019: Baht 601 million).

14 Share capital

	<i>Par value per share (in Baht)</i>	2020		2019	
		Number	Baht	Number	Baht
		(thousand shares / thousand Baht)			
Authorised shares at 31 December	0.5	600,000	300,000	600,000	300,000
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	0.5	600,000	300,000	444,000	222,000
Increase of new shares	0.5	-	-	156,000	78,000
At 31 December					
- ordinary shares	0.5	600,000	300,000	600,000	300,000

Initial Public Offering

On 27 June 2019, the Company completed its Initial Public Offering ("IPO") and issued 156 million shares on the Market for Alternative Investment (MAI) with an offering price of Baht 1.44 per share (par value of Baht 0.5 per share and share premium of Baht 137.11 million) amounting to Baht 224.64 million. Directly attributable expenses of the initial public offering totalling Baht 9.53 million were deducted from the premium on share capital received from the offering.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

15 Surplus and reserves

Surplus on business restructuring under common control

The difference between net book value of asset of subsidiaries as at the business restructuring date and the cost of business combination under common control recognised in surplus on business combination under common control within equity.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

16 Segment information and disaggregation of revenue

Management determined that the Group has two reportable segments which are the Group’s strategic divisions for different products and services and are managed separately. The strategic divisions have different transactions. The following summary describes the operations in each of the Group’s reportable segments.

- *Segment 1* Cars and accessories dealership
- *Segment 2* Repair and maintenance services and spare parts dealership

Each segment's performance is measured based on segment profit before finance costs, income tax, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before finance costs, income tax, depreciation and amortisation is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

	Consolidated financial statements					
	Cars and accessories dealership		Repair and maintenance services and spare parts dealership		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
Information about reportable segments						
External revenue	1,604,261	2,650,102	393,205	377,771	1,997,466	3,027,873
Total revenue	1,604,261	2,650,102	393,205	377,771	1,997,466	3,027,873
EBITDA segment					214,486	235,375
Depreciation and amortisation					(42,597)	(31,241)
Finance costs					(25,787)	(27,820)
Income tax expense					(9,939)	(14,735)
Administrative expense unallocated					(100,995)	(108,062)
Profit for the year					35,168	53,517
Segment assets as at 31 December	497,832	582,697	367,647	364,996	846,479	947,693
Segment liabilities as at 31 December	414,638	810,443	87,556	71,374	502,194	881,817

The Group is managed and operated principally in Thailand. The timing of revenue recognition from sales and rendering of services are recognised at a point in time.

Reconciliations of reportable segment assets and liabilities

	2020	2019
	<i>(in thousand Baht)</i>	
Assets		
Total assets for reportable segments	865,479	947,693
Other unallocated amounts	457,087	621,378
Consolidated total assets	1,322,566	1,569,071
Liabilities		
Total liabilities for reportable segments	502,194	881,817
Other unallocated amounts	157,516	34,155
Consolidated total liabilities	659,710	915,972

17 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Wages and salaries	81,070	74,710	32,363	27,922
Social security contributions	2,090	2,313	513	553
Defined benefit plans	359	1,691	223	670
Defined contribution plans	1,696	1,641	959	930
Others	5,365	4,371	637	294
Total	90,580	84,726	34,695	30,369

Defined contribution plans

The Group established provident funds for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 7% of their basic salaries and by the Group at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

18 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in inventories		232,390	(258,415)	-	-
Purchases of inventory		1,523,757	3,010,459	-	-
Distribution		7,965	16,302	-	-
Depreciation and amortisation		42,597	31,241	551	543
Commission		19,214	22,181	-	-
Employee benefits expenses	17	90,580	84,726	34,695	30,369
Others		88,129	121,159	11,840	6,968
Total cost of sales of goods, distribution costs and administrative expenses		2,004,632	3,027,653	47,086	41,370

19 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	10,954	14,581	370	-
	10,954	14,581	370	-
Deferred tax expense				
Movements in temporary differences	(1,015)	154	(44)	(90)
	(1,015)	154	(44)	(90)
Total income tax expense (income)	9,939	14,735	326	(90)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2020		2019	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		45,107		68,252
Income tax using the Thai corporation tax rate	20.0	9,021	20.0	13,650
Additional deductible expenses		(135)		(615)
Expenses not deductible for tax purposes		1,053		1,700
Total	22.1	9,939	21.6	14,735

	Separate financial statements			
	2020		2019	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		85,103		1,276
Income tax using the Thai corporation tax rate	20.0	17,021	20.00	255
Income not subject to tax		(16,757)		(483)
Expenses not deductible for tax purposes		62		138
Total	0.4	326	-	(90)

20 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(thousand Baht/thousand shares)</i>			
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>				
Profit for the year attributable to owner of the Company (Basic)	34,826	52,996	84,777	1,366
Number of ordinary shares issued as at 1 January	600,000	444,000	600,000	444,000
Effect of shares issued and paid-up during the year	-	80,351	-	80,351
Weighted average number of ordinary shares outstanding (Basic)	600,000	524,351	600,000	524,351
Earnings per share (Basic) (in Baht)	0.06	0.10	0.14	0.003

21 Dividends

The shareholders of the Group have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2020				
Interim dividend	7 April 2020	May 2020	0.04	24,000

22 Financial instruments

(a) Carrying amounts and fair values

The Group's fair values of financial assets and financial liabilities approximate their carrying values.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management worker committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management worker committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 60 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

	Consolidated financial statements	
	Trade accounts receivables	Allowance for expected credit loss
At 31 December 2020	<i>(in thousand Baht)</i>	
Within credit terms	45,972	-
Overdue:		
Less than 3 months	814	-
3 - 6 months	92	92
6 - 12 months	103	103
Over 12 months	124	124
Total	47,105	319
Less allowance for expected credit loss	(319)	
Net	46,786	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

<i>Movement of allowance for expected credit loss of trade accounts receivables</i>	Consolidated financial statements (in thousand Baht)	Separate financial statements
At 1 January 2020	227	-
Addition	92	-
At 31 December 2020	319	-

(b.1.2) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a minimum credit rating which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December 2020</i>	Carrying amount	1 year or less	Consolidated financial statements Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			(in thousand Baht)			
Non-derivative financial liabilities						
Bank overdrafts and short-term loans from financial institutions	320,000	321,797	-	-	-	321,797
Trade account payables	107,193	107,193	-	-	-	107,193
Long-term loans from financial institution	88,450	31,925	17,017	47,766	-	96,708
Lease liabilities	110,306	5,813	6,006	19,682	164,758	196,259
	626,009	466,728	23,023	67,448	164,758	721,957

<i>At 31 December 2019</i>	Effective interest rate (% per annum)	Consolidated financial statements Maturity period			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
		(in thousand Baht)			
Financial Liabilities					
Loans - Financial institutions	4 - 5	700,001	12,500	-	712,501
Total		700,001	12,500	-	712,501

(b.3) Market risk

(b.3.1) Foreign currency risk

The Group's normal business is relating to purchase and sale of goods and services which are denominated in Baht currencies, so the Group does not have a foreign currency risk.

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 13).

23 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

24 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Capital commitments				
Buildings and other constructions	1,599	-	-	-
Total	1,599	-	-	-
Other commitments				
Purchase orders for goods and supplies	104,957	27,392	-	-
Bank guarantee for electricity usage	826	829	-	-
Bank guarantees for purchases of cars, spare parts and accessories under "Honda" trademark	80,000	80,000	-	-
Total	185,783	108,221	-	-

25 Events after the reporting period

At the Board of Directors' meeting of the Company held on 22 February 2021, the Board of Directors agreed to propose the shareholders at the Annual General Meeting of the Shareholders to consider and approve the appropriation of the fiscal year 2020 performance as dividend of Baht 0.04 per share, amounting to Baht 24 million. The dividend is subject to the approval of the shareholders at the annual general meeting.



Autocorp Holding Public Company Limited

1111 Moo.1 Maliwan Road, Bantum,

Muang, Khonkaen, 40000, Thailand