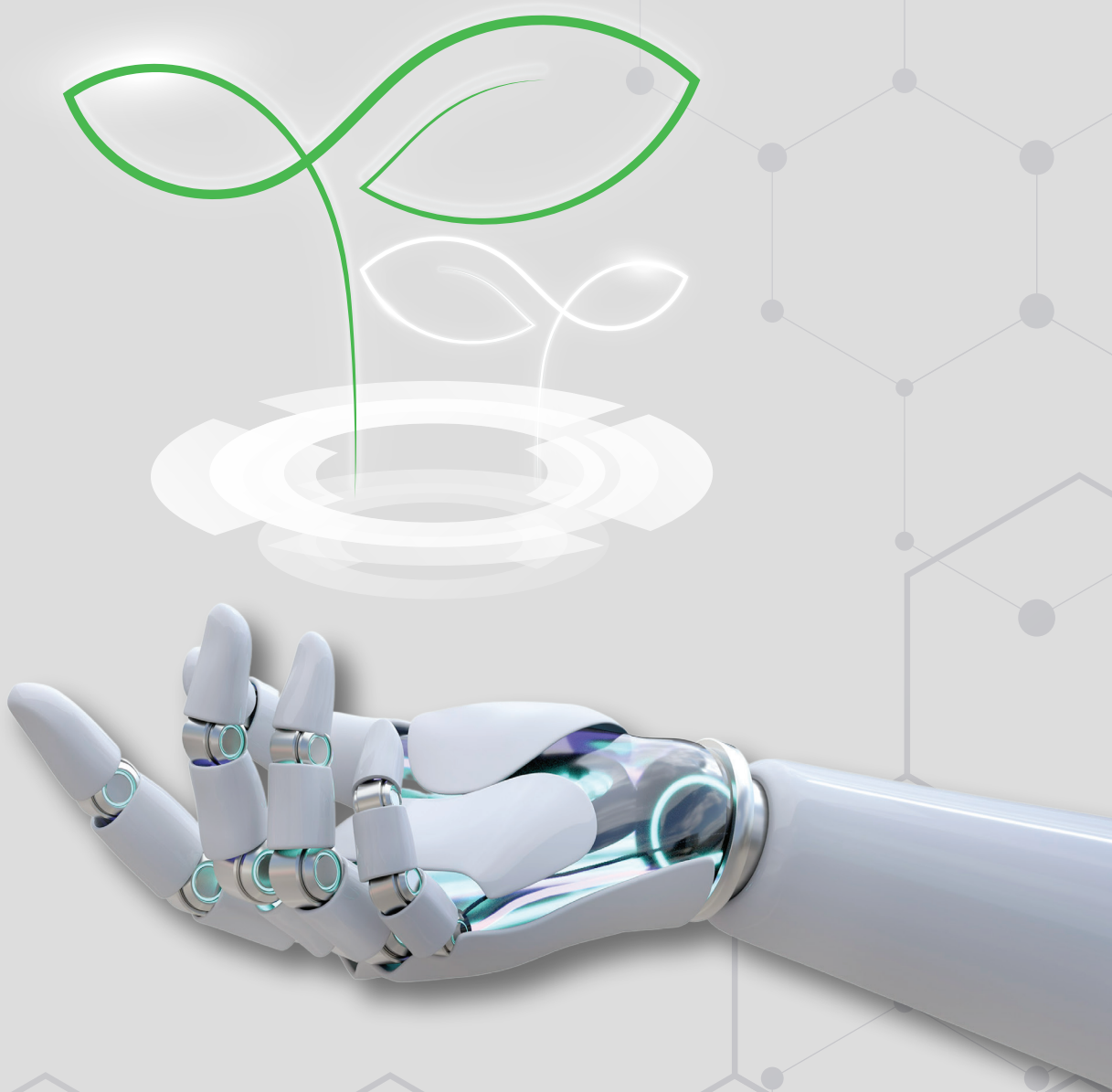




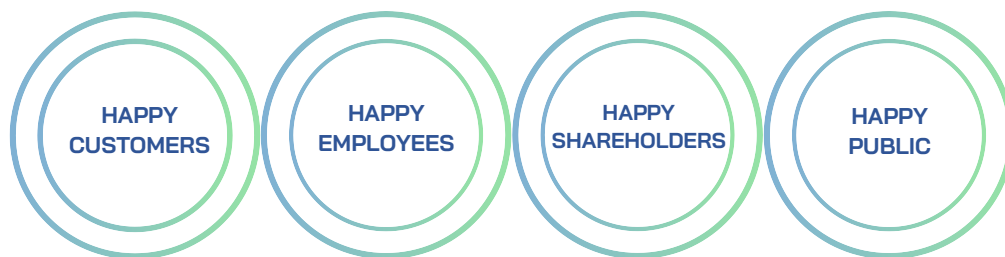
56-1 ONE REPORT 2022

AAPICO HITECH PUBLIC COMPANY LIMITED



AAPICO'S VISION

Our vision is to become a **Lean, Green, Happy, and**
Digital World Class Organization with
4 Fundamental Values of Happiness.



CONSISTS OF 3 CORE PILLARS





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PRESIDENT'S MESSAGE

As mentioned in last year's report, I expect 2022 to trend upward. We performed above expectations and beat our budget significantly. Revenue was THB 28,348 million vs THB 20,967 million in 2021 or increased 35%. Profit was THB 1,824 million vs THB 1,024 million in 2021 or increased 78%.

Our core market in Thailand operations performed well above target. Malaysia, China and Portugal also improved better than 2021. As a result, 2022 was the best historical result for Aapico since our inception. It was very challenging, but the team, as a whole performed above expectations and gave their best efforts to deliver the demand made by all customers.

The Ukraine war, resulted in an increase of interest rates, and a depressed economic situation. However, we were able to mitigate these negative factors, The significant winning of new orders and the cost reduction efforts carried out in a very determined way, were very effective to assist this superb results in 2022. One significant new order was the manufacture of parts for two Vinfast electric vehicles for export to USA which improved the Q4 sales. It is happy to note the supply to Vinfast for this project will continue for the next 2 years. The launching of the new Ford pickup, also, added higher revenues as the demand globally for this Ranger pickup is very strong. This product will continue for the next 8 to 10 years.

Mr. Yeap Swee Chuan

President and CEO

AAPICO Hitech Public Company Limited

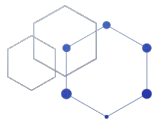


On the EV front, we are also manufacturing more components to catch the strong growth of the EV components. While the growth may be strong, in relation to our current products the share percentage is still small as the BEV cars being assembled are still relatively low. We need to clarify here that over 90 percent of our current products can be used in BEV vehicles. Hence, our future business is stable and will continue to grow in line with the introduction of BEV vehicles globally.

As part of the trend on ESG, we are pursuing this in earnest to support carbon neutrality. We have set a target to be carbon neutral by the year 2048. Aapico received Thailand Sustainability Investment 2022 (THSI) from the Stock Exchange of Thailand (SET) and was listed in THSI Index. AAPICO was also selected from Thaipat institute to be in ESG100 lists.

I am so pleased with the dedication of our team of loyal associates. They overcame the Covid crisis in 2021 very well with little impact to customers. This can do attitude is carried over into 2022 and helped to achieve and overcome the challenges and created a very strong growth in 2022. I expect 2023 to continue to see a better performance from my team.

At this juncture, I like to convey my Big Thanks to all our associates and stakeholders, without their support, we would not have been able to achieve such a record performance in 2022. Hence it allows the company to give a better dividend to all shareholders meeting their high expectations.



AAPICO Global Footprints

OEM Automotive Parts Manufacturing Business

Thailand



AAPICO Stamping and Tooling (Jigs & Dies) Facilities
Hitech Industrial Estate, Ayutthaya, Thailand



AAPICO Plastic Facility
Bangpli Industrial Estate, Samutprakarn, Thailand



AAPICO Stamping Assembly and Forging & Machining Facilities
Amata City Chonburi, Thailand



AAPICO Stamping and Plastic Facilities
Amata City Rayong, Thailand

AAPICO has **47 subsidiaries and associates** around the world, with **33 companies in Thailand** and **14 companies overseas**.
“Headquarters in Thailand”

● AAPICO Facilities

● AAPICO Representative Offices



Portugal



AAPICO Iron Casting Facility
Águeda, Portugal



AAPICO Iron Casting & Machining Facility
Maia, Portugal

China



AAPICO Forging & Machining Facility
Kunshan, China

Malaysia



AAPICO Honda Dealers
Kajang and Petaling Jaya, Malaysia



AAPICO Proton Dealers
Jalan Cheras, Kuantan, Temerloh and Chan Sow Lin, Malaysia

Car Dealership Business

Thailand



AAPICO Mitsubishi Dealers
Pakkret, Pathumthani, Ratchada, Ladkrabang-King Kaew and Chaengwattana, Thailand



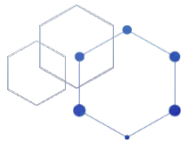
AAPICO Ford Dealers
Ramindra, Samutprakarn and Lamluaka, Thailand



AAPICO Mazda Dealer
Navanakorn, Thailand



AAPICO MG Dealers
Pathumthani and Sukhapiban 3, Thailand



AAPICO Products Parts: Passenger Car

ENGINE

Connecting Rod
Shaft Balance
Bearing Cap
Bearing Cap Block
Common Rail
Pump Housing
Tube Air
Oil Level Gauge Guide
EGR Pipe



Radiator Cover



Core metal (Inside Rubber)
Seal Product



TRANSMISSION

Input Shaft
Companion Flange
Gear, Clutch
Differential Case



Choke Up Product



SUSPENSION

Socket
Link Center
Arm-Pitman



Windshield
Washer System



Air Bag
Product



Cover Pass Air Bag



Seat Belt
Product



Quarter Trim



Protector



Plastics Fuel
Tank System



Plastic Fuel Tube

Fuel Filler
Neck Pipe



Seat Component



Door Trim



Body Side Molding



DRIVE WHEEL & POWER TRAIN

Wheel Hub
Axle Carrier
Knuckle



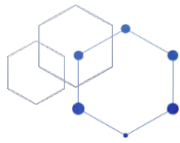
BRAKE

Piston
Anchor
Housing
Lever Brake
System
ABS Brake Tube



Door Check Arm





AAPICO Products Parts: Pickup Truck

ENGINE

Connecting Rod
Shaft Balance
Common Rails
Water Pipe
Pump Housing
Nozzel Leakage
EGR Pipe



SUSPENSION

Socket
Link Center
Arm-Pitman



Windshield
Washer System



Air Bag
Product



Seat Belt Product



Reinforcement
Seat Belt



Cover ASM;
RR S/D WDO, LH
(Crew Cab)



Panel Rear
End Trim



Door Check Arm



Panel Rear End Trim
(Ext Cab)



Rear Axle Housing



Steel Fuel Tank



Fuel Filler
Neck Pipe



Plastic Fuel Tube



ASM Latch with strap



Door Trim



Chassis Frame Component

Trim Pillar A,B,C



UNDERBODY

Crossmember
Side Sill Inner
Cluster Tube
Floor Parts
Side Sill Outer
Reinforcement
Assembly Tunnel



Cross Car Beam



DRIVE WHEEL & POWER TRAIN

Wheel Hub
CV Joint
Link Center
Differential Case
Axle Carrier
Output-Shaft



BRAKE

Piston
Housing
ABS Brake Tube
Anchor



Lower Control Arm

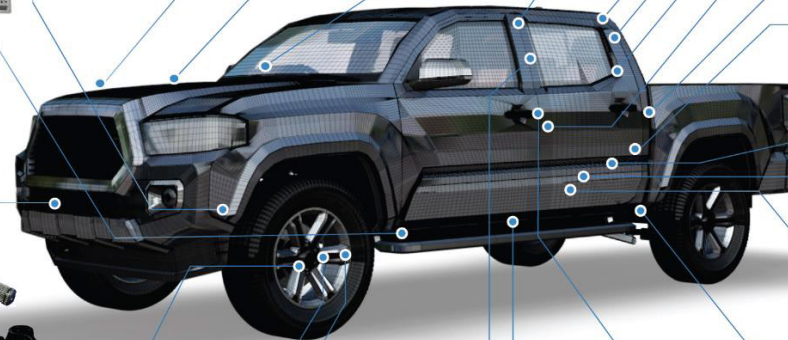


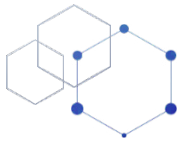
Lock Pillar



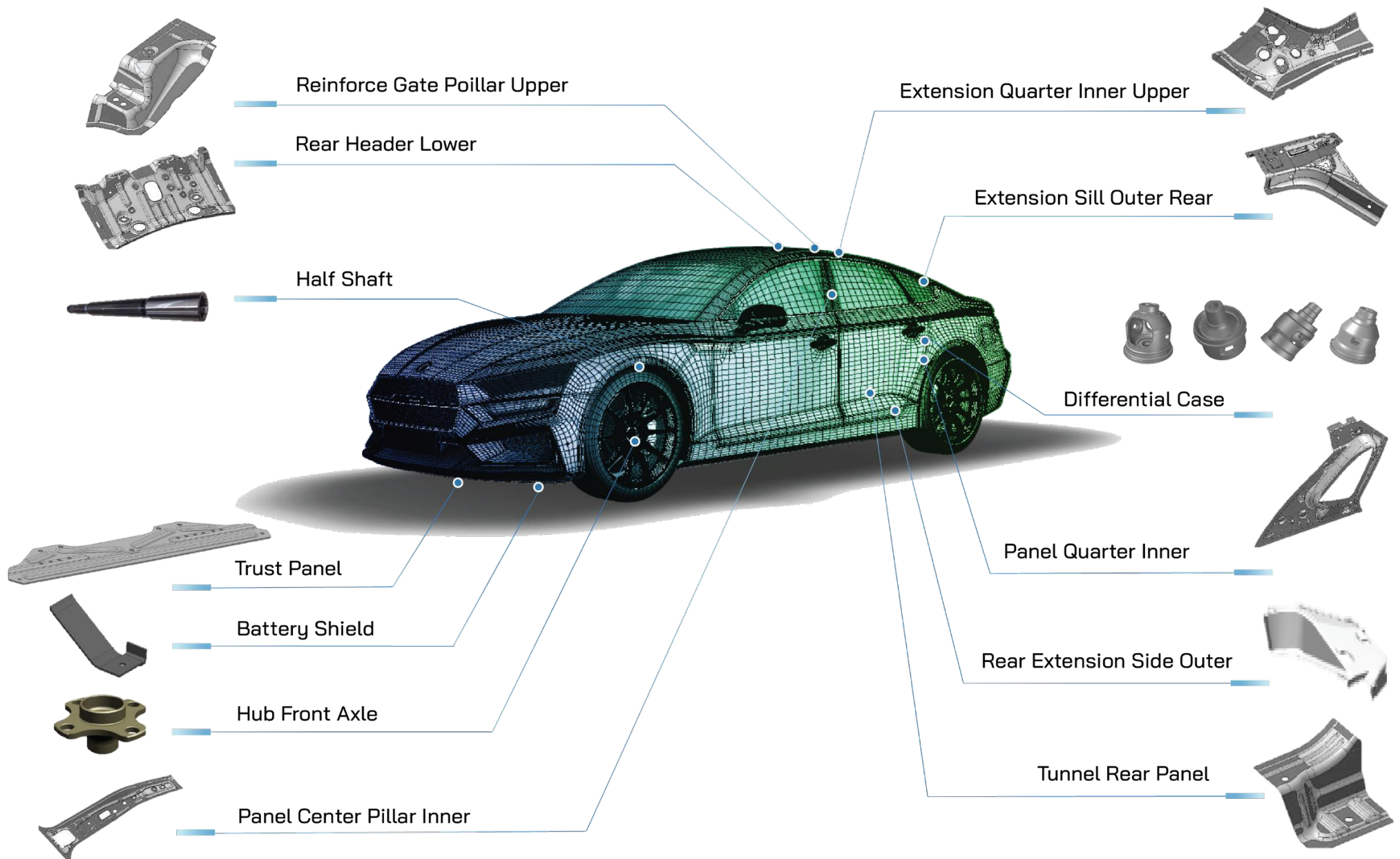
PROP SHAFT

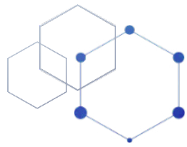
Tube Shaft
Yoke Weld
Tube Yoke





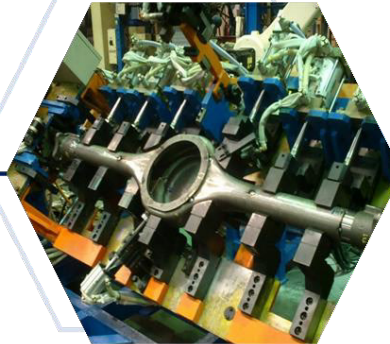
AAPICO Products Parts: EV Passenger Car



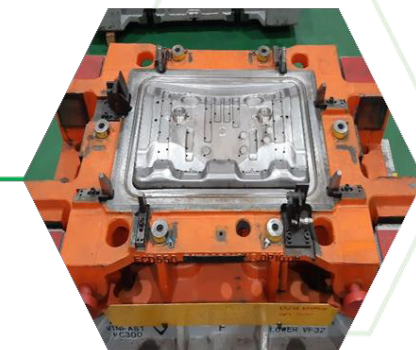
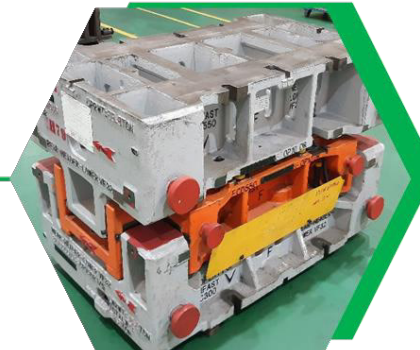
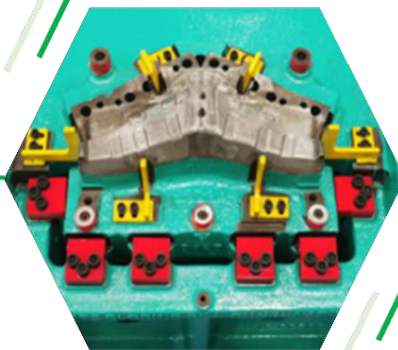
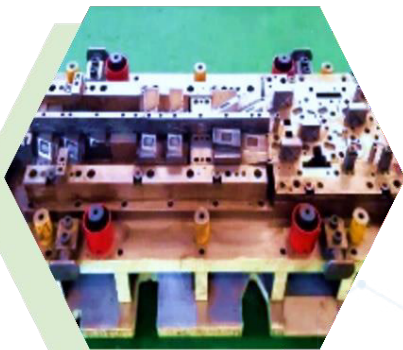


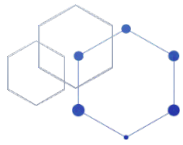
AAPICO Products: Jigs & Dies

ASSEMBLY JIGS

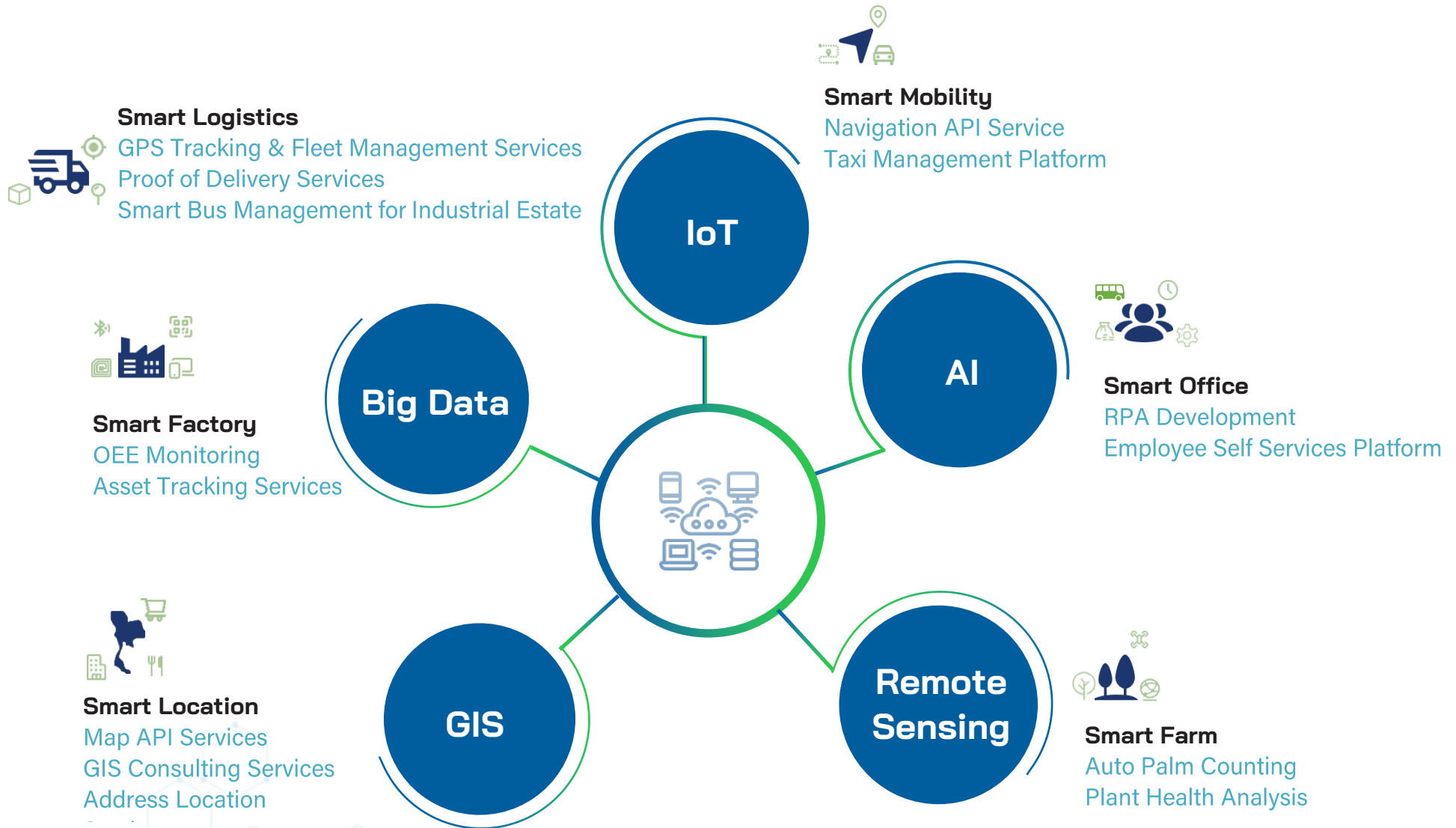


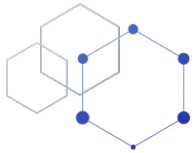
STAMPING DIES





IoT Connectivity & Mobility Business





ESG at a Glance



ECO-Efficiency

Environment



1,563.85 MWh
of electric energy
consumption
reduced and saved

2.69 Million THB
by Solar Rooftop

**Only in Rayong Plants*

Waste Generated

34.40%

Decreased from 2021
**Except Industrial Waste*

Water Usage

43.07%

Decreased from 2021

Greenhouse Gas Emissions

Scope 1

0.007

tCO₂eq/Total Production

Scope 2

0.078

tCO₂eq/Total Production

Scope 3

0.436

tCO₂eq/Total Production



Elevate Quality of Life

Social



900
Households
were supported

By Our Social Projects

Employee Engagement

85.47%

Injury Frequency Rate (IFR)

6.02 Times/
1 Million
Working Hours

Average Training Hour of Employees per Year

7.38 Hours/
Person/
Year

Increased from 2021

Lost-Time Injury Frequency Rate (LTIFR)

1.72 Times/
1 Million
Working Hours

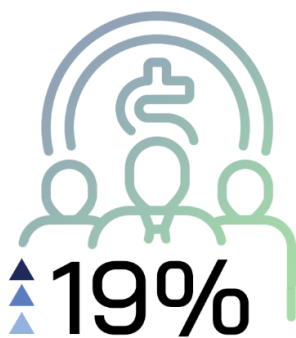
0
Complaint

No Human Rights and
Conducts of Inequality
Violation



Enhance Economic Value

Economy & Governance



19%

Increased in the number
of Shareholders from 2021

17 Awards
& Credibility

in Good Performance
and Sustainability

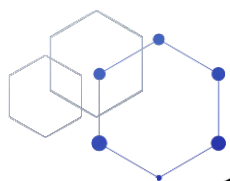


93%

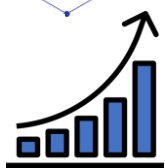
Suppliers evaluated as Grade A

90.24%

Customers' Satisfaction



Financial Highlights



28,348
THB Million

Strong Revenue Growth

+35.2% YoY
Outperform Industry Growth



3,191
THB Million

Gross Profit

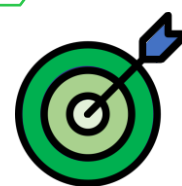
+44.5% YoY
All-Time High Gross Profit



2,294
THB Million

Core Operating Profit¹

+78.9% YoY
Significant Increase



1,824
THB Million

Net Profit attributable to Equity Holders

+78.1% YoY
Highest Net Profit since Start of Operation

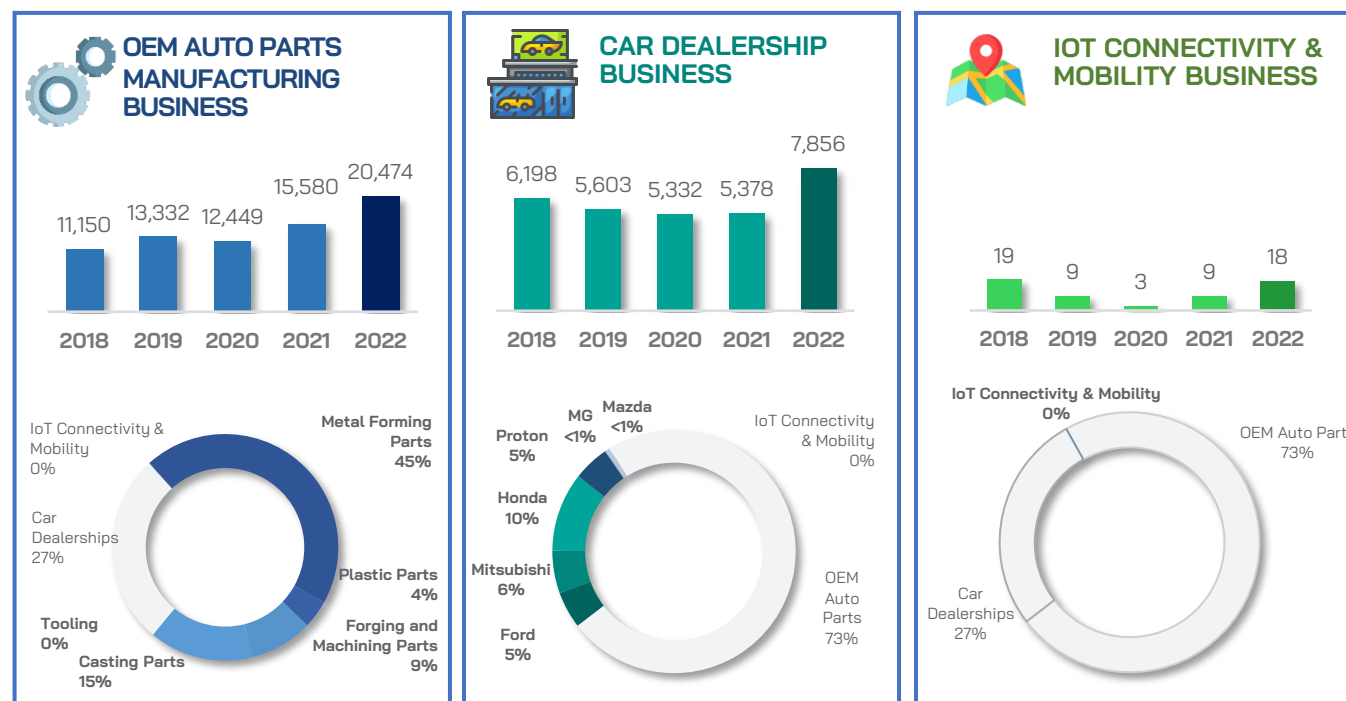
2022: A Record Year for AAPICO

¹ Defined as Earnings before Interest and Taxes exclude Interest Income, Gain (Loss) On Exchange Rate and Other Irregular items

Financial Position (THB Million)

	Current Asset	Non-Current Asset	Total Asset	Current Liabilities	Non-Current Liabilities	Total Liabilities	Total Equity
2022	9,184	16,285	25,469	11,238	4,302	15,540	9,929
			+12.1%			+11.7%	+12.6%
2021	6,286	16,436	22,722	9,158	4,750	13,908	8,814
			+1.7%			-4.8%	+13.9%
2020	6,566	15,780	22,346	8,446	6,159	14,605	7,741

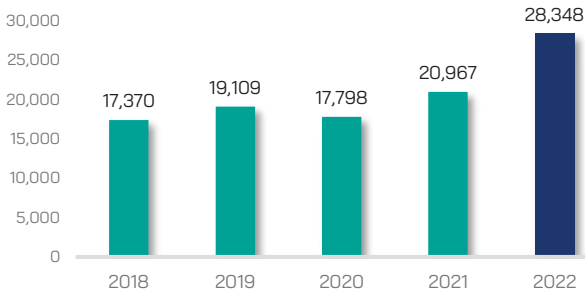
Total Revenues by Business Segment (THB Million)



Remark: Financial information referred from company's audited financial statement in 2022

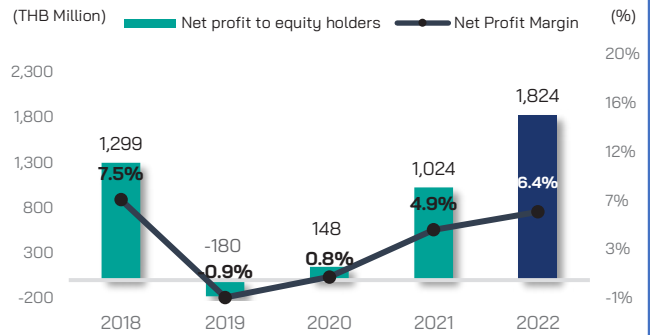
Total Revenues

(THB Million)



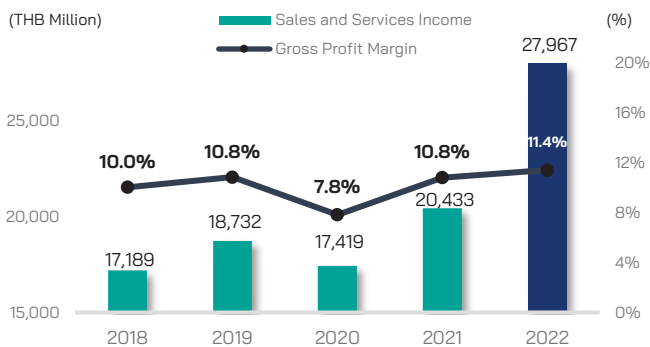
Net Profit Attributable to Equity Holders and Net Profit Margin

(THB Million)



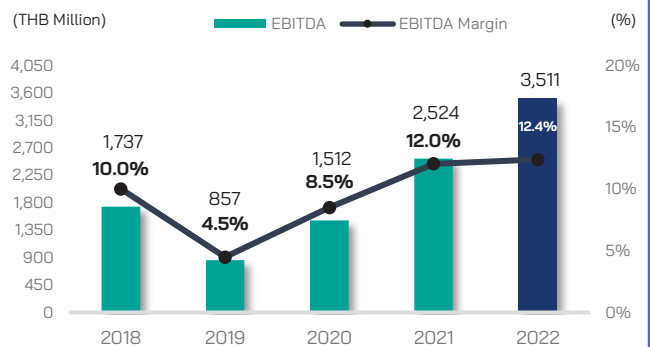
Sales and Services Income and Gross Profit Margin

(THB Million)



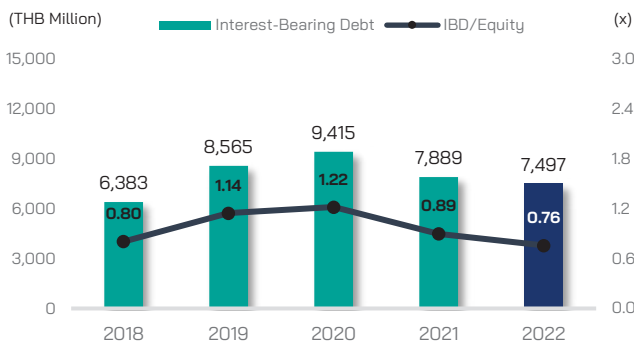
EBITDA and EBITDA Margin

(THB Million)



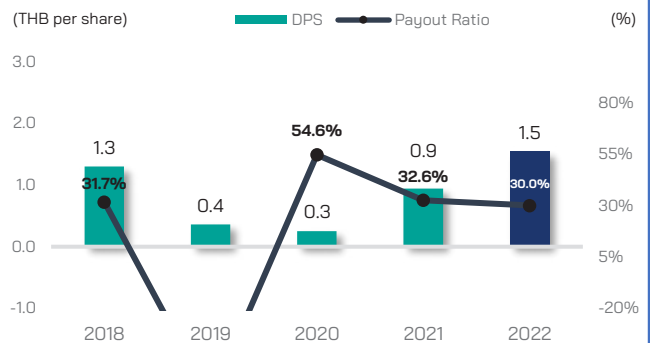
Interest-Bearing Debt and IBD to Equity Ratio

(THB Million)



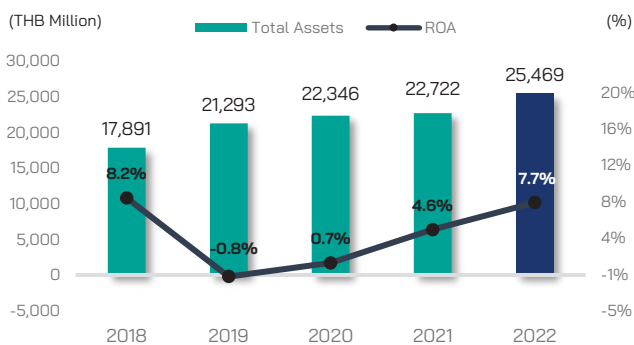
Dividend per Share and Dividend Payout Ratio

(THB per share)



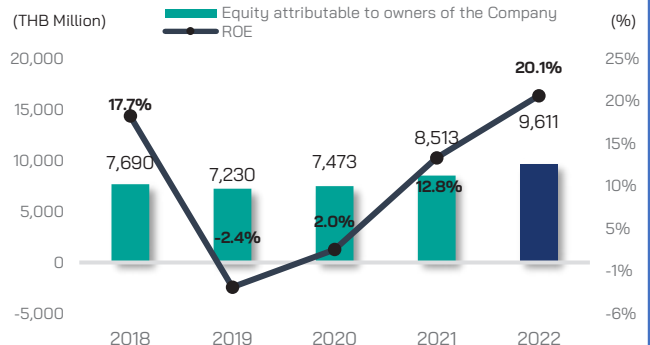
Total Assets and Return on Assets (ROA)

(THB Million)



Total Equity and Return on Equity (ROE)

(THB Million)



AWARDS & ACHIEVEMENTS

4 OEM Awards

- 1 Regional Supplier Quality Award Finalist from Nissan Motor (Thailand)



- 2 Thailand Supplier Appreciation 2022 from BMW



- 3 Outstanding service provider and supporting the delivery of Ford Thailand's products from Ford International Markets Group



- 4 Top Supplier Award 2022 from Auto Alliance (Thailand)



9 Dealership Awards

- 1 CEO Award for 2022 Elite Dealer of the Year from Honda (Malaysia)



- 2 Top Sales (Top 4) 2022 from Honda (Malaysia)



- 3 Rookie Award 2021 from Mitsubishi Motors (Thailand)



- 4 3rd Best Sales Performance Award from SAIC Motor - CP Co., Ltd.



- 5 3rd Best Accessory Performance 2022 Award from SAIC Motor - CP Co., Ltd.



- 6 Dealer Recognition Awards 2022 from Proton Edar (Malaysia) (4 Awards)



4 Sustainability Awards

- 1 Outstanding Sustainability Model Organization in the Thai Capital Market for Supporting Persons with Disabilities of the year 2022 from the Office of the Securities and Exchange Commission



- 2 Thailand Sustainability Investment 2022 (THSI) from the Stock Exchange of Thailand (SET) and was listed in THSI Index

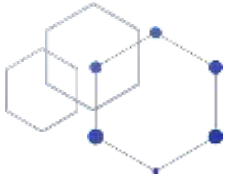


- 3 Achieved CG Score of 5-star rating from Thai Institute of Directors (IOD)



- 4 Selected in ESG100 Index in 2022 from Thaipat Institute

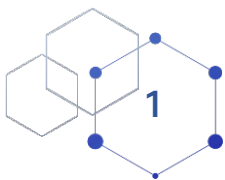




Part 1:

Business Operation and Performance

1. Business Structure and Operation of the Group
2. Risk Management
3. Driving Business towards the Sustainable Developments Goals
4. Management Discussion and Analysis
5. General Information and Other Significant Information



Business Structure and Operation of the Group

1.1 Policy and Business Overview

AAPICO Hitech Public Company Limited (“**The Company** or **AAPICO**”) was established in 1996 and was listed on the Stock Exchange of Thailand in 2002. The Company’s main business initially was to design, produce, and install car assembly jigs and stamping dies; and to manufacture OEM automotive parts, including floor parts, cross members, pillars, brackets, clips, and fuel tanks for leading automobile assemblers in Thailand. The Company has since progressed by adding the production of chassis frame components, forging parts, machining parts, casting parts, plastic parts and plastic fuel tanks to its manufacturing portfolio.

AAPICO operates under the management of Mr. Yeap Swee Chuan, the President & CEO and founder of AAPICO Group. The Company’s first factory was located at Hitech Industrial Estate, Ayutthaya. Today, it has factories in Samutprakarn, Chonburi and Rayong. Globally, the Company also expand its footprint to Malaysia, China and Portugal.

AAPICO is comprised of 3 business pillars: the OEM Auto Parts Manufacturing Business, the Car Dealership Business, and the IoT Connectivity & Mobility Business. As of today, the Group comprises 47 subsidiaries and associate companies, of which 33 companies are operating in Thailand and 14 companies are located overseas.

1.1.1 Vision, Objective, Target, or Operation Strategy

The Company has set the vision to become a Lean, Green, Happy, and Digital World Class Organization for sustainable growth. The Company has an important mission to grow into a Global organization with excellence in 4 fundamental values of happiness, as follows:

- **Happy Customers**

The Company set operational targets for the organization to achieve manufacturing excellence in order to satisfy customers’ needs. This is accomplished by maintaining safety standards, product quality, competitive price, on-time delivery, engineering development, and continuous excellent management for utmost customers’ satisfaction.

- **Happy Employees**

The Company gives importance to employees, which are the heart to driving stable and sustainable organization growth. This is accomplished by arranging for happy workplace environment, encouraging teamwork, defying problem as opportunity, inspiring loyalty, fostering respect between colleagues, and imprinting familial love of the employees in order to lay a strong happy foundation that will carry over to the organization and country.

- **Happy Shareholders**

The Company is determined to operate with optimal profits and benefits for the shareholders, and to arrange for appropriate returns for the shareholders.

- **Happy Public**

The Company is aware and gives precedence to the importance of managing business with regards to corporate social responsibility to the community and public for sustainable growth.

AAPICO set a clear target in becoming an organization with excellence in operations that adhere to the standard of good Corporate Governance, as to promote stable and sustainable growth. The Company has set operational production targets based on the SQCDM guideline, as follows:

- **Safety** : Safety always comes first

- **Quality** : Manufacturing operations that are up to quality standards and produce zero waste in order to achieve '0' PPM targets
- **Cost** : The ability to compete in pricing with low and appropriate cost
- **Delivery** : 100% on-time delivery, with Just-In-Time (JIT) production method
- **Engineering** : The determination to continuously improve the Company's engineering process (KAIZEN)
- **Management** : Managing operations to be clever, transparent, and attentive to details, while also utilizing digital technology to increase efficiency as appropriate.

AAPICO is determined to improve the Company's manufacturing process, strengthen the employees' knowledge, and search for new technologies from around the globe to support and increase the efficiency of the Company's manufacturing process. Our goal is to become one of the most accepted top automotive parts manufacturers within both Thai and international automotive industry, offering high quality standards, while also standing ready to support and push Thailand into becoming a global base for the production of automotive parts.

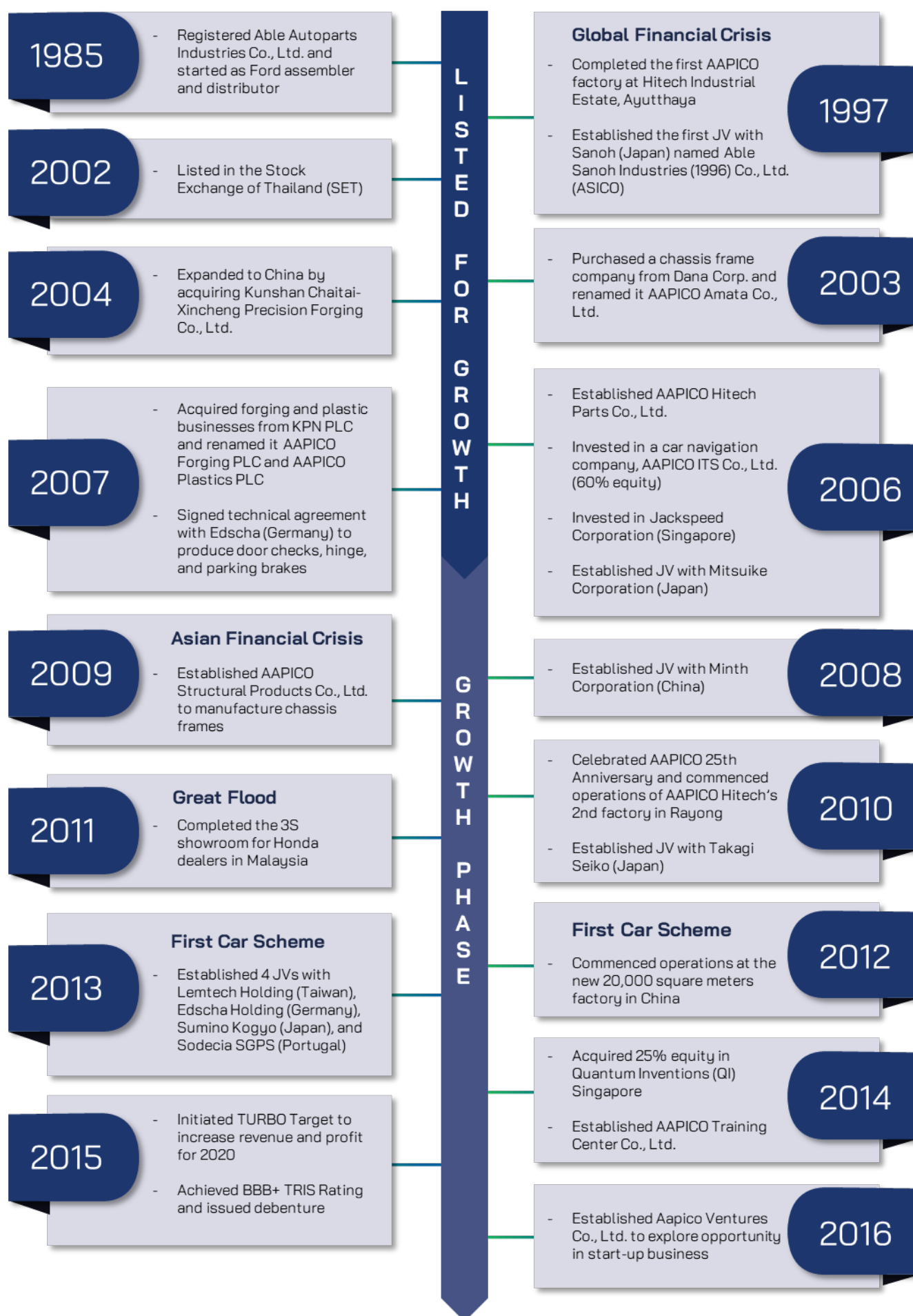
Owing to the Company's longstanding commitment to the simple visions and principles of being a lean and happy organization with transparent management and excellence in corporate governance, AAPICO has been accepted by customers from every corner of the globe as an entrepreneur with sustainable excellence in manufacturing and consistently maintain quality operation standards in accordance with SQCDM guidelines on Safety, Quality, Cost, Delivery, Engineering, and Good Management. The Company was approved and guaranteed of its quality

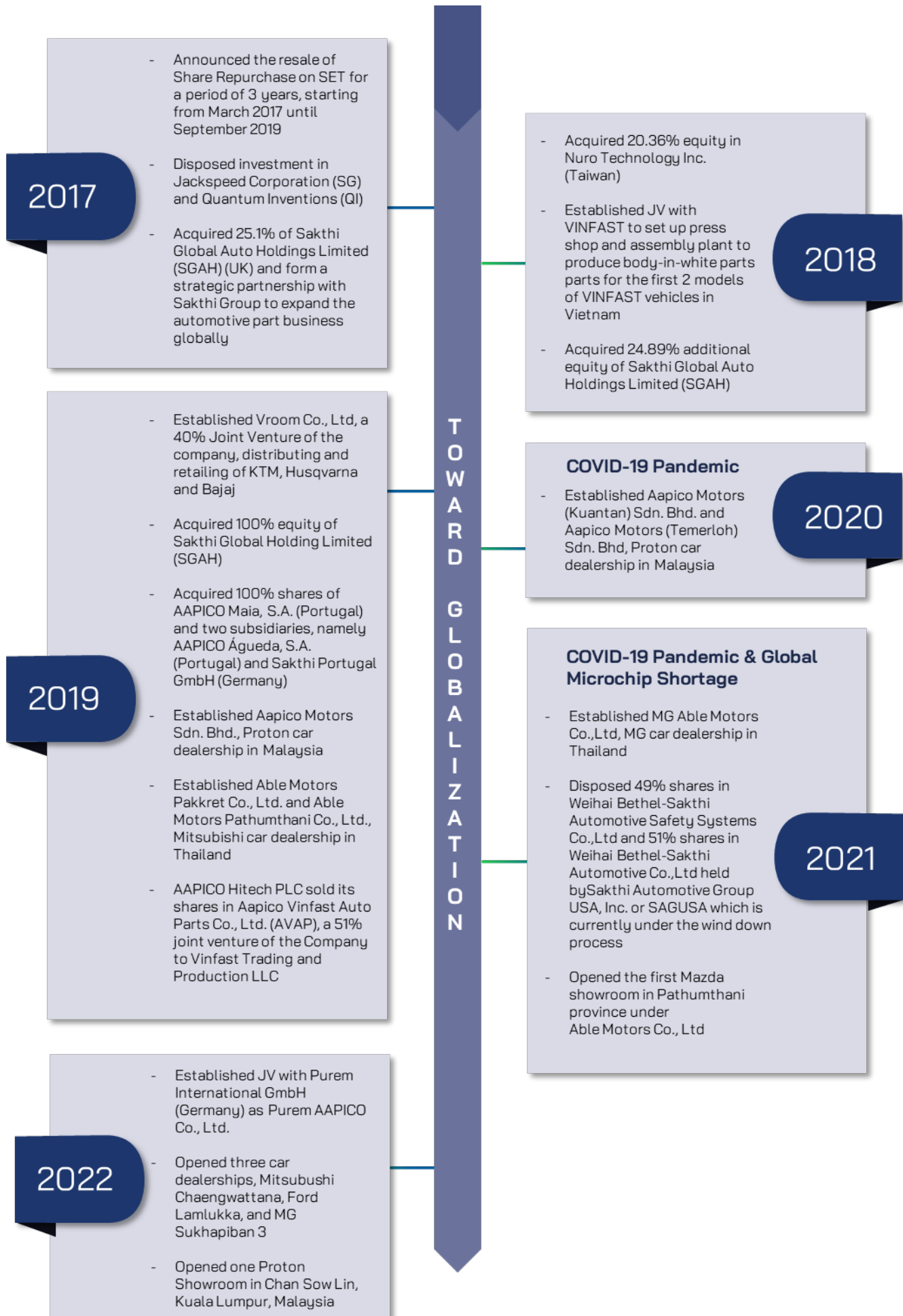
manufacturing process with ISO/TS16949 and ISO14001 standards, in addition to various other awards and certificates continuously received from customers and suppliers. Combined with transparent management and attentiveness to stakeholders, which contributed to the establishing of trust with customers and suppliers, the Company is therefore able to sustainably elevate business relations with various brands of automotive manufacturers.

Long-Term Plan

The Company's long-term business plan is Globalization. Currently, the Company has firm base of operations in Thailand, Malaysia, China, India, and Europe. For the time being, the Company is looking to expand and establish the Company's presence into Japan, USA as well as other Asian countries.

1.1.2 Milestones and Major Development





Major Development over the Past three Years

2020

- In August 2020, AAPICO Hitech PLC increased its shareholding in AAPICO Hyojin Autotech Co., Ltd. from 55% to 70%.
- In October 2020, AAPICO Hitech PLC acquired 2 Proton dealerships in the state of Pahang Malaysia, namely AAPICO Motor (Kuantan) Sdn. Bhd. and AAPICO Motors (Temerloh) Sdn. Bhd.

Awards and Recognition received in 2020 :

- 1) AAPICO Hitech PLC received the Thailand Sustainability Investment (THSI) 2020 award from the Stock Exchange of Thailand (SET).
- 2) AAPICO Hitech PLC received the 2020 Best Quality Supplier Award from Toyota.
- 3) Tenaga Setia Resources Sdn. Bhd., the Company's subsidiaries in Malaysia, received the Honda CEO and Top sales Awards from Honda Malaysia.
- 4) Able Motors Pathumthani Co., Ltd. received Body Shop Award (No.1 in Thailand) from Mitsubishi.
- 5) Able Motors Pakkret Co., Ltd. and Able Motors Co., Ltd. received President Award from Mitsubishi.



Thailand Sustainability Investment 2021



Thailand Sustainability Investment 2020



Best Quality Supplier Award 2020



Honda CEO and Top Sales Awards 2020

2021

- In May 2021, AAPICO Hitech PLC established a new MG dealership subsidiary namely MG Able Motors Co., Ltd., which is located at Pathumthani province.
- In May 2021, AAPICO Hitech PLC disposed 49% shares in Weihai Bethel-Sakthi Automotive Safety Systems Co., Ltd. and 51% shares in Weihai Bethel-Sakthi Automotive Co., Ltd. held by Sakthi Automotive Group USA, Inc. or SAGUSA which is currently under the wind down process.
- In September 2021, AAPICO Hitech PLC opened the first Mazda showroom in Navanakorn.

Awards and Recognition received in 2021 :

- 1) AAPICO Hitech PLC received the Thailand Sustainability Investment (THSI) 2021 award from the Stock Exchange of Thailand (SET) and listed in the THSI index. This confirms the Company's business operations that take into account the environment, society and corporate governance in all parts of the organization for two consecutive years.
- 2) AAPICO Hitech PLC achieved 5-star rating or "Excellent" score on Corporate Governance from Thai Institute of Directors (IOD) in collaboration with the Stock Exchange of Thailand (SET)
- 3) AAPICO Hitech PLC received the Top Supplier Award 2021 from Auto Alliance (Thailand) Co., Ltd.
- 4) Tenaga Setia Resources Sdn. Bhd., the Company's subsidiaries in Malaysia, received the CEO Award 2021 – Elite Dealer and Top Sales Dealer No.4 from Honda (Malaysia).



Top Supplier Award 2021



Honda CEO Award – Elite Dealer and Top Sales Dealer

2022

- In August 2022, AAPICO Hitech PLC established a JV with Purem International GmbH as PUREM AAPICO Co., Ltd.
- In April, August, and November 2022, opened three car dealerships, Mitsubishi Chaengwattana, Ford Lamlukka, and MG Sukhapiban 3 respectively.
- In October 2022, opened new Proton showroom in Chan Sow Lin, Kuala Lumpur, Malaysia.

Awards and Recognition received in 2022 :

- 1) AAPICO Hitech PLC received Regional Supplier Quality Award Finalist from Nissan Motor Thailand.
- 2) AAPICO Hitech PLC received Thailand Supplier Appreciation 2022 from BMW.
- 3) AAPICO Precision Co., Ltd., the Company's subsidiaries, received Outstanding service provider and supporting the delivery of Ford Thailand's products from Ford International Markets Group.
- 4) AAPICO Hitech PLC received Top Supplier Award 2022 from Auto Alliance (Thailand) Co., Ltd.
- 5) Tenaga Setia Resources Sdn. Bhd., the Company's subsidiaries in Malaysia, received the CEO Award 2022 – Elite Dealer and Top Sales 2022 from Honda (Malaysia).
- 6) Able Motors Co., Ltd. (Lat Kra Bang-King Kaew), the Company's subsidiaries in Thailand, received Rookie Award 2021 from Mitsubishi Motors. (Received in Q1 2022, following Japanese Fiscal Year).
- 7) MG Able Motors Co., Ltd., the Company's subsidiaries in Thailand, received 3rd Best Sales Performance Award and 3rd Best Accessory Performance 2022 from SAIC Motor - CP Co., Ltd.
- 8) AAPICO Motors Sdn. Bhd., the Company's subsidiaries in Malaysia, received 2022 Dealer Recognition Awards - Top 3 Marketing Excellence, Grand award (Gold) and Top 5 Sale Growth.

- 9) AAPICO Motors (Temerloh) Sdn., Bhd., the Company's subsidiaries in Malaysia, received Top 3 Marketing Excellence from Proton Edar.
- 10) AAPICO Hitech PLC was recognized in an "Outstanding Category" of the "Sustainability Model Organization in the Thai Capital Market for Supporting Persons with Disabilities" of the year 2022 from the Security and Exchange Commission.
- 11) AAPICO Hitech PLC achieved 5-star rating or "Excellent" score on Corporate Governance from Thai Institute of Directors (IOD) in collaboration with the Stock Exchange of Thailand (SET).
- 12) AAPICO Hitech PLC was selected to be in ESG100 list in 2022 from Thaipat Institute.
- 13) AAPICO Hitech PLC received Thailand Sustainability Investment (THSI) 2022 award from the Stock Exchange of Thailand (SET) and listed in the THSI index. This confirms the Company's business operations, which take into account environment, society and corporate governance in all parts of the organization for three consecutive years.



Top Supplier Award 2022



Regional Supplier Quality Award

Investment in Sakthi Group between 2017 and March 2023

• 2017: Start Investing in Sakthi

Sakthi Group ("Sakthi") is one of the world's leaders in manufacturing powertrain safety critical components e.g., steering knuckle, brake disc, brake drum, etc., including Iron & aluminum castings with their production line based in USA, China, Europe, and India. Their major customers include General Motors, Ford Motors, Volkswagen, Suzuki, Hyundai, Toyota, Nissan, Geely, Volvo, Chang-an, SAIC, Chery, BYD, etc. AAPICO Hitech PLC ("Company"), hence, see this as a potential business opportunity to enhance the Company's manufacturing capacity of Iron & Aluminum Castings and becoming a major player towards a global scale.

With such opportunity, in May 2017, the Company together with AAPICO Investment Pte., Ltd. ("AIPL"), the Company's wholly owned affiliate in Singapore, decided to make an investment in Sakthi Global Auto Holdings Limited ("SGAH"), a company incorporated in the United Kingdom (UK) by Sakthi as a Holding Company. After restructuring process, SGAH became the holder of shares, whether directly or indirectly, in many different automotive parts manufacturing companies in India, Portugal, USA and China. The aggregate investment amount is USD 100 million, equivalent of approximately Baht 3,522 million ("Investment No. 1"). The Investment No. 1 can be divided into 2 parts:

- (1) Subscribing 25.10% of newly issued SGAH ordinary shares having a total investing amount of USD 50 million, equivalent of approximately Baht 1,761 million.
- (2) Providing USD 50 million Loan to SGAH (through AIPL) under the loan agreement, equivalent of approximately Baht 1,761 million with an annual interest rate of 20% ("2017 Loan")

After the Investment No. 1, the Company and AIPL jointly hold the SGAH shares of 25.10% and ABT Auto Investments Limited ("**ABT Auto**") hold the remaining SGAH shares of 74.90%.

- **2018: Increasing Investment in Sakthi**

During the 3rd quarter of 2018, the Company increased its investment in SGAH by additionally investing the total amount of USD 65 million into SGAH, equivalent of Baht 2,138 million ("**Investment No. 2**") of which can be divided into 2 parts:

- (1) Subscribing 24.89% of newly issued SGAH ordinary shares having a total investing amount of USD 25 million, equivalent of approximately Baht 827 million.
- (2) Providing USD 40 million Loan to SGAH under another loan agreement, equivalent of Baht 1,311 million with an annual interest rate of 10% ("**2018 Loan**").

After the Investment No. 2, the Company and AIPL additionally hold the SGAH shares to 49.99% with ABT Auto hold the remaining SGAH shares of 50.01%.

In this regard, both 2017 Loan and 2018 Loan have been secured by the following security:

- (1) Personal guarantee by 2 authorized directors of SGAH (at the time being) and corporate guarantee by ABT Auto.
- (2) Pledge of 50.01% ABT Auto shares in SGAH under the Share Charge Agreement.
- (3) Pledge of 100% Sakthi Automotive Group USA Inc. ("**SAGUSA**") shares.

- **2019: Proceeding on taking control of Sakthi due to its default under 2017 and 2018 Loan.**

1. Appropriation of SGAH shares and taking control of its management

During the 1st quarter of 2019, SGAH failed to make interest payments due under the 2017

Loan and failed to make principal repayment with interest due under the 2018 Loan. The Company, therefore, served default notices and demand letters to SGAH and ABT Auto (as the corporate guarantor) between April and August of 2019, requiring immediate repayment of all outstanding amounts under both the 2017 and 2018 Loans during the period.

However, SGAH failed to pay the outstanding amounts and ABT Auto also failed to pay the same. As a result, the security over the remaining 50.01% shares of SGAH owned by ABT Auto, created under the Share Charge Agreement became enforceable. In August 2019, the Company exercised its rights as secured lender to start proceeding with the appropriation of the remaining 50.01% shareholding held by ABT Auto in SGAH until completion in October 2019, resulting in an increase in the Company's shareholding in SGAH from 49.99% to 100%.

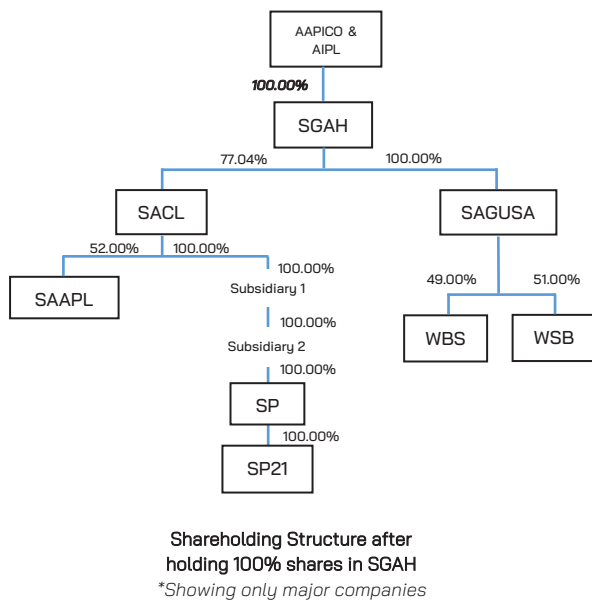
All Sakthi directors in SGAH board were removed, and new directors were appointed by the Company. In addition, the Company also demanded payment under Personal Guarantees by 2 former SGAH directors.

2. Management of Operating Companies under SGAH

As the Company increased its shareholding in SGAH to 100%, this also made the Company an indirect shareholder of SGAH group companies. The list of major companies in SGAH group are as follows:

No.	Company	Country
1	Sakthi Auto Component Limited (" SACL ")	India
1.1	Sakthi Auto Ancillary Private Limited (" SAAPL ")	India

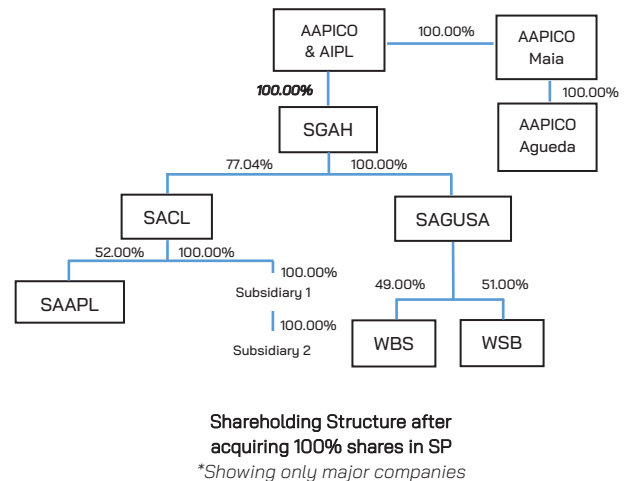
1.2	Sakthi Portugal S.A. ("SP")	Portugal
1.3	Sakthi Portugal SP 21 S.A. ("SP21")	Portugal
2	Sakthi Automotive Group USA Inc. ("SAGUSA")	USA
2.1	Weihai Bethel Sakthi Automotive Safety System. Co., Ltd. ("WBS"), and Weihai Sakthi Bethel Automotive Safety System. Co., Ltd. ("WSB") (collectively referred to as "China JV")	China



To further protect the Company's interests, the Company therefore, took the following action:

- (a) Start legal proceeding to appoint Company's directors in SACL (proportionate to the Company's shareholding) among other contractual rights

Despite Company's indirect holding 77.04% SACL shares through SGAH and Company's right under the 2018 shareholders agreement ("SHA") to appoint such number of its directors that is proportionate to its shareholding of 77.04% in SGAH, the SACL board members at the time being (led by Sakthi's directors)



continued to wrongfully retain control of SACL's management and the board of directors contrary to the terms of the SHA. Therefore, the Company took further step by starting legal proceeding against Sakthi in India and invoking arbitration under the SHA (administered by Singapore International Arbitration Centre ("SIAC")). This was to enforce the appointment of Company's directors in SACL as per Company's right under the SHA.

- (b) Acquiring 100% of SP shares

During the 3rd quarter of 2019, Sakthi Services, S.A. ("SS"), an affiliate of SGAH holding 100% shares in SP was in default under the loan agreement with Oxy Capital ("Oxy"). Such loan agreement was secured by all shares in SP. Oxy, therefore, enforced all of such shares.

However, the Company recognized that the potential of SP can be Company's crucial opportunity to diversify its production line and extend its customer base into Europe. The Company, hence, decided to purchase 100% SP shares from Oxy, becoming 100% owner of SP shares, and renamed SP to AAPICO Maia, S.A. ("AMI"). AMI then, became the Company's direct affiliate. This also extend to SP21 (subsequently renamed as AAPICO Agueda,

S.A.). The Company then appointed 3 out of 5 directors into AMI board of directors with 2 existing highly experienced directors from Portugal side.

(c) SAGUSA under the control of Receiver

During the late 2nd quarter of 2019, SAGUSA was placed into Federal receivership when a US Court appointed a Receiver to take control of the affairs of SAGUSA.

In this case, the Receiver was required to maximize the value of the assets of SAGUSA. The Receiver worked to propose a new business plan for SAGUSA and publicly disclosed such plan as part of a sale process. Potential buyers who may be interested in purchasing the assets and business of SAGUSA were requested to submit bidding documents to the Receiver within the period determined by the Receiver under the applicable law. The Company submitted a bid which was ultimately approved by the Court as there were no other bidders.

During the sale process, the business of SAGUSA continued to deteriorate due to liquidity and operating issues. Ultimately, major customer terminated its business with SAGUSA which made the business plan proposed by the Receiver not feasible. As a result, all other customers terminated their business with SAGUSA, and further investment of the Company would be unsound. Therefore, the Company did not exercise its right as the winning bidder to buy SAGUSA business and hence, the Receiver worked to wind down the business of SAGUSA.

Upon the completion of the business wind down, SAGUSA went into a liquidation process in accordance with the applicable law where the Receiver sold its assets to the highest

bidder. Proceeds of the sales were used to pay creditors.

In this regard, SAGUSA's 49% and 51% equity stake in WBS and WSB respectively (the Chinese joint venture companies between SAGUSA and another Chinese automotive parts manufacturing company) were considered parts of SAGUSA's asset to be sold by an auction process conducted by Receiver similarly to the arrangement of its other assets. Because the Company had a lien on the China JV shares (due to Loans made by the Company to SAGUSA), any proceeds from this sale would be paid to the Company.

- **Updated progresses from 2019 onwards**

1. Significant updated progresses of each pending legal cases concerning Sakthi

Since 2019, there are a number legal proceeding started by the Company against Sakthi due to its default of both 2017 and 2018 Loans, as well as the cases where Sakthi counter filing the Company. As of March 31, 2023, there are updates on the significant cases as follows:

- (a) Legal proceeding by ABT Auto against the Company challenging the value of SGAH shares which have been appropriated by the Company as enforcement of security.

ABT Auto has brought a legal case in the English Commercial Court to challenge the valuation of SGAH's shares by the independent appraiser assigned by the Company. The Company is vigorously contesting ABT Auto's claims.

The English Commercial Court issued a final judgement in favor of the Group in November 2022 upholding the valuation of SGAH's shares and the appropriation of such shares. As a result, there is no change

to the Group's current position, where it has applied a value of those SGAH's shares in accordance with a valuation by an independent appraiser.

(b) Legal proceeding by the Company to enforce the payment under personal guarantees

Further to the appropriation of the SGAH's shares, the Company also pursued arbitration proceedings at the Singapore International Arbitration Centre (SIAC) under personal guarantees issued by former directors of SGAH as security for loans from the Company.

On December 21, 2021, the arbitrator issued the Partial Award on the case. The arbitrator decided that the Guarantors are personally liable to pay Company under the guarantees. However, the arbitrator has decided that the amount due by Guarantors can only be determined after the conclusion of the English share charge proceedings.

Given the English share charge proceedings has been concluded in favor of the Group, the Group is currently in the process of seeking a final award from the SIAC with respect to the personal guarantees case.

(c) Legal proceeding by the Company against Sakthi seeking the enforcement of Company's right to appoint its directors in accordance with the shareholders agreement

The dispute regarding the Company's right to appoint its directors into SACL board has been under the arbitration proceeding at SIAC since 2020. In October 2021, the tribunal issued the Final Award of the case. One of the tribunal's significant decisions

is that the Company is entitled to appoint such number of directors on the SACL board that is proportionate to its 77.04% indirect shareholding in SGAH as indicated in the SHA. The result of the Final Award reaffirms the Company's right to appoint its directors as mentioned.

From the result of such Final Award, the Company has filed the application before the High Court in India seeking for the enforcement of the same. The Madras High Court dismissed the Company's petition in February 2023. The Company subsequently filed an appeal against this judgment at the end of February 2023. The result of the appeal is not yet finalized.

Meanwhile, the Company has managed to amend the Articles of Association of SACL through postal ballot system allowed by law, so as to incorporate the terms of the shareholders agreement. This amended Articles of Association have been successfully taken on record by Indian Registrar of Companies.

In addition, the Company also held an Extraordinary General Meeting ("EGM") of SACL in January 2022 and the EGM's resolution to remove Sakthi's nominee directors from SACL has passed. However, Sakthi still refused to comply with the EGM resolutions. The Company, therefore, take further legal actions to legally enforce the EGM resolution which the process still underway.

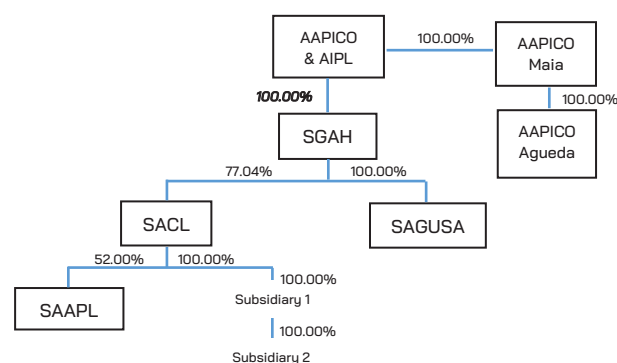
The Company is also currently taking other necessary legal actions to enforce such right of the Company for further having control over SACL.



2. Updated progress on the sale of Company's right to China JV remaining shares

As mentioned earlier, SAGUSA's 49% and 51% equity stake in WBS and WSB respectively were parts of SAGUSA's assets which were put to auction under the US receivership process during the 4th quarter of 2020. The Company submitted a "credit bid" offer in the auction whereby it agreed to exchange USD 20 million of debt SAGUSA owed to the Company for the China JV shares. After the expiration of the auction period, the Company was the sole bidder, and the US Court declared the Company the winning bidder for the China JV shares. Shortly thereafter, the China JV partner exercised a right of first refusal to purchase the shares for USD 20 million. The Receiver

completed a sale of the China JV shares in 2nd quarter of 2021 and USD 20 million was received by the Company as repayment by SAGUSA for loans by the Company.



Shareholding Structure after completing the sales of China JV shares
*Showing only major companies

1.1.3 Funding and Objectives

None

1.1.4 Obligations (if any)

None

1.1.5 Company General Information (As of 31 December 2022)

Company Name (Thai):	บริษัท อابیโก ไฮเทค จำกัด (มหาชน)
Company Name (English):	AAPICO Hitech Public Company Limited
Main Business:	The 3 Core Pillars of AAPICO business, which are I. Manufacture of OEM automotive parts, which include metal forming, chassis & structural, plastics parts, fuel tank & washer system, forging & machining, casting & machining and tooling (jigs and dies) to leading automobile assemblers. II. Car dealerships and service centers III. Internet of Thing (IoT) Connectivity and Mobility business
Year Established:	1996
Listed Date:	17 October 2002
Registered Capital:	Baht 354,842,228.00 (consist of 354,842,228 Ordinary Shares ¹⁾)
Paid-up Capital:	Baht 354,842,012.00 (consist of 354,842,012 Ordinary Shares ¹⁾)
Head Office:	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane, Amphur Bang Pa-In, Ayutthaya Province, 13160, Thailand
Registration Number:	0107545000179
Company Website:	www.aapico.com
Telephone:	+66 (0) 3535 0880
Facsimile:	+66 (0) 3535 0881

Remark: 1) Par Value at Baht 1 per share

1.2 Nature of Business

1.2.1 Revenue Structure of AAPICO Hitech PLC

Revenue Structure of AAPICO Hitech PLC

Business / Product		Company	% of AH Holdings	2020		2021		2022	
				Baht million	%	Baht million	%	Baht million	%
OEM Automotive Parts Manufacturing Business	Metal Forming Parts and Chassis & Structural Parts	ASP	100%	3,906.42	21.9%	4,758.94	22.7%	7,421.36	26.2%
		AA	100%	288.30	1.6%	503.21	2.4%	1,362.83	4.8%
		AH	100%	1,666.97	9.4%	1,998.54	9.5%	2,713.13	9.6%
		AHP	100%	228.87	1.3%	621.18	3.0%	543.55	1.9%
		AMK	51%	475.13	2.7%	392.22	1.9%	331.71	1.2%
		AL	60%	101.59	0.6%	146.60	0.7%	234.34	0.8%
	Forging & Machining Parts	AF&APC	100%	889.72	5.0%	1,269.66	6.1%	1,277.23	4.5%
		KCX	100%	719.87	4.0%	1,110.05	5.3%	1,278.08	4.5%
	Casting and Machining Parts	AMI	100%	3,298.75	18.5%	3,797.57	18.1%	4,145.98	14.6%
	Plastic Parts	AP	Held by AF 100%	845.90	4.8%	978.40	4.7%	1,148.47	4.1%
	Tooling	AH&AHT	100%	27.84	0.2%	2.25	0.0%	6.83	0.0%
		AHA	100%	0.00	0.0%	1.02	0.0%	8.98	0.0%
Car Dealerships and Services Center Business	Thailand	NESC	100%	963.33	5.4%	961.85	4.6%	1,351.56	4.8%
		AM	100%	1,009.67	5.7%	750.49	3.6%	693.16	2.4%
		AMPK	100%	367.13	2.1%	503.59	2.4%	730.37	2.6%
		AMPT	100%	223.00	1.3%	330.34	1.6%	320.13	1.1%
		AMMG	100%	-	0.0%	36.78	0.2%	519.02	1.8%
	Malaysia	NESM	49%	771.40	4.3%	635.71	3.0%	1,000.32	3.5%
		TSR	49%	1,462.15	8.2%	1,250.03	6.0%	1,901.81	6.7%
		AMSB	49%	427.72	2.4%	491.76	2.3%	853.05	3.0%
		AMKM	49%	40.30	0.2%	141.20	0.7%	172.60	0.6%
		AMTM	49%	67.72	0.4%	275.89	1.3%	313.43	1.1%
IoT Connectivity and Mobility Business		AITS	60%	2.55	2.55	8.58	0.0%	18.39	0.1%
Others				13.26	0.1%	1.36	0.0%	1.76	0.0%
Total				17,797.59	100%	20,967.22	100%	28,348.09	100%

1.2.2 Products and Services Specification

(1) Products and Services Specification

The Company's main business is to manufacture and distribute automotive parts to automobile manufacturers in Thailand and overseas and has invested in subsidiaries and joint ventures with automotive-related commercial operations. The products and services of AAPICO Group and its subsidiaries can be categorized by their main business characteristics as follows: 1) OEM Automotive Parts Manufacturing Business, which includes developing, manufacturing, and distributing assembly jigs and stamping dies for automakers and assemblers locally and internationally. 2) Car Dealerships and Services Center Business 3) Internet of Things (IoT) Connectivity and Mobility Business. Further details of the Company's businesses can be seen below.

OEM Automotive Parts Manufacturing Business

The Company has a robust OEM presence in Thailand, China, and Portugal. The Company produces a wide range of automobile's components, for passenger cars, pick-up trucks, agricultural machinery, and the electronics industry, using various techniques and technologies. The Company's products consist of metal forming parts, plastic parts, casting parts, forging and machining parts, and tooling, which consists of assembly jigs and stamping dies.



Metal Forming Parts

Pressed and Stamped Body Parts

AAPICO with plants located in Ayutthaya, Chonburi, and Rayong manufactures high-quality metal stamping body components for passenger and pick-up vehicles. The main products include floor parts, cross members, side sills, brackets, clips, and sub-assembly parts. In 2022, the Company also starts exporting Thrust Panel, Battery Shield, and Body Panel for EV vehicles in Vietnam.



AAPICO designs the dies for each component to ensure that all dimensions of the product quality are perfect before sending them to proceed with their next manufacturing steps. Therefore, this confirms that every of the Company's components are produced with the high production standards. The main customers for these products are Auto Alliance Thailand (AAT), Isuzu, Nissan, and Toyota, etc.



Chassis Frame Components

AAPICO Structural Products Company Limited, which is located in Chonburi, is the sole supplier of chassis frame components to Isuzu for pick-up vehicles. The Company has a fully integrated manufacturing process for metal stamping parts using coils, starting from die design, simulation, and making, through to production of the complete assembly parts.

In this plant, there are over 300 robots deployed on the production lines. The Company has a production capacity of approximately 400,000 frame sets per year. Starting in Q3 2020, the Company ran its production at full capacity with two work shifts of 10 hours each. In order to reach the required numbers, it additionally boosted the capacity of its blanking line and press shop by outsourcing to AAPICO Group enterprises and other third-party companies.

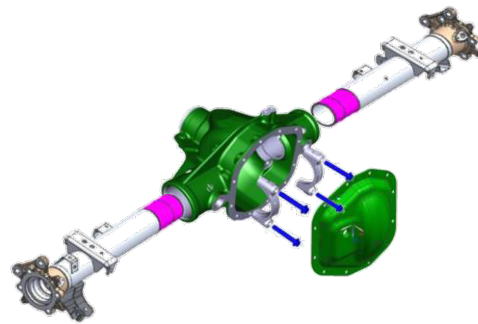
Banjo type Housing Axle

AAPICO Amata Company Limited, located in Chonburi province, began producing housing axles – which are components for rear axle assembly – in 2015. The production process starts from reforming the steel coil and stamping the steel sheet into sub-assembly parts. After that, each component is welded into axle pieces and sent to the customer to complete the rear axle assembly. For housing axles, the Company main customer is American Axle & Manufacturing in Thailand.

AAPICO is the only company in Thailand to produce this 6mm Hi-tensile steel – with all tooling and

stamping being performed in-house. Thus, the Company is confident that no other competitors are able to compete with the Company in the ability to provide products to customers with the same level of Quality, Cost, and Delivery.

AAPICO also produces Tube Assembly products for Salisbury Axle, which are components for rear axle assembly in 2021. The production process starts with reforming the steel coil and stamping the steel sheet into sub-assembly parts. After that, each component is welded into Tube and Bracket and sent to the customer to complete the Tube Assembly for Salisbury Axles. One of the Company's main customers is Dana in Thailand. AAPICO also supply to Dana Global in South Africa and Argentina, with volume approximately 500,000 sets annually.



Plastics

Plastic Parts

AAPICO Plastics Public Company Limited, based in Samutprakarn's Bangplee Industrial Estate, manufactures plastic parts for automobiles, motorbikes, and household appliances.

Plastic parts injection process started from selecting proper resin, putting the selected resin into the Plastic injection machine with suitable heating temperature to make the resin melt and ready to be injected into the mold in order to form up the product designed shape. The next step is to wait for enough cooling time before ejecting the part out from the mold, and then proceed to the final step by cutting the runner to separate the part to be assembled



and/or packed – ready to ship out as finished good part to the customers.

The Company's major customers are Auto Alliance Thailand (AAT), Ford, Honda, Isuzu, Nissan, Yamaha, and others.

The Company has over 42 years of plastic injection experience in automotive, motorcycle, and all other consumer product industries where the Company can provide its one stop service to customers – starting from part design, mold design, plastic injection, sub-assembly, painting process, and all kinds of part testing as per customers' standard requirements. Not only that, but the Company also has the ability to support mold making and maintenance service to satisfy customers. Moreover, the Company possesses the flexibility to produce high volume and/or limited quantity of production to support both OEM and REM businesses.

Plastic Fuel Tank & Windshield Washer System

AAPICO Plastics Public Company Limited, (2nd Factory) situated in Amata City Industrial Estate, Rayong, produces and supplies plastic fuel tanks and windshield washer systems with technological assistance from Kautex Textron, USA.

The Company's H42 blow mold machine was made by Kautex – Pioneer of Plastics Fuel tank maker – completed with full automated blow molding process, water cooling process, and components welding process. All processes functionalities are fully supported by Quality-systems for traceability.

As of now, the main customers for plastic fuel tank and windshield washer system are both OEM and REM, such as Ford, Mazda, and SAIC (MG), etc. In addition, the Company will produce and provide the products to Mitsubishi from this year onward.

AAPICO Plastics Rayong was awarded in Q1/2022, achieved AAT Top supplier from Ford in 2021 and 2022 for 2 consecutive years and was awarded the Grand Prix award in 2015 by A-ABC activity – thus promoting the Company's reputation in the business. The Company's partner, Kautex, has global experience from working with BMW, Ford, Mercedes-Benz, Volkswagen, Chinese OEMs, and Japanese OEMs such as Mazda, Mitsubishi, Nissan, Toyota, etc. Kautex cooperates with AAPICO as a technological assistant company for not only Research and Development (R&D), but also manufacturing. As a result, AAPICO's technology developed on the same level as Kautex's. This granted the Company an undeniable technological advantage over its competitors in the market.



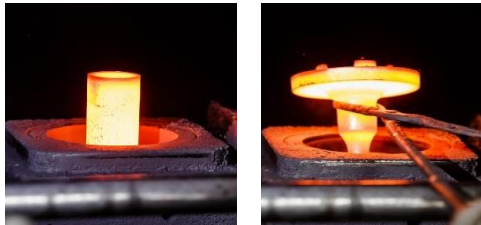
Forging & Machining

Forging Parts and Machining Parts

AAPICO Forging Public Company Limited and AAPICO Precision Company Limited, located in Chonburi Province, are the manufacturers and suppliers of forged and machined automotive parts for automobile and motorcycle assemblers in Thailand and overseas. These products are parts for transmission systems, power train systems, steering and suspension systems, engine parts, shafts, wheel hubs, link shafts, companion flanges, and others.

In addition to the operations in Thailand, AAPICO also has forging and machining facility in China namely Kunshan Chaitai-Xincheng Precision Forging Co., Ltd. (AK), which is located in Jiangsu Province, 30kms from

Shanghai. The main products of AK are connecting rod, pump housing, high pressure common rails, and engine parts. The Company also manufactures other products such as camber link for chassis system of Volvo, braking components for braking system, copper products for Schneider, etc.



AAPICO produces both hot-forged and cold-forged products. Forging is a metal-working process that involves heating steel billets using an induction heater or deforming them at ambient temperature and compressing them under tremendous pressure to form metal into various forms. Forged parts are completed via machining processes using CNC machines for their precision before delivery to customers. Some products may be subjected to a final heat treatment to harden the steel, or they may be surface coated to meet customer specifications.

The companies conduct business with customers from around the world. For Thailand operations, main customers include Auto Alliance Thailand (AAT), American Axle, BorgWarner, Dana Spicer, Ford, GKN Driveline, Mazda, NTPT, and NTN. As for China operations, main customers included Ford, Mazda, Volkswagen, Changan, GAC, SAIC, Chery, SGMW, MACUS, Knorr-Bremse, ZF etc.

AAPICO possesses outstanding capability to provide forging and machining parts for OEMs market. With the ability to design and manufacture forging dies and fixtures in-house, along with the utilization of CAD/CAM/CAE technology to maximize the potential and efficiency of the forging and machining processes.

Casting & Machining

Casting Parts and Machining Parts

AAPICO Maia, S.A. and AAPICO Águeda, S.A., large companies in Portugal, specialize in the production of safety critical components in nodular cast iron, serving primarily the automotive industry in the European market. Over the past years, AAPICO Maia, S.A. and AAPICO Águeda, S.A. have demonstrated technical and environmental excellence, being considered benchmark companies in the foundry industry. These companies are developing and producing lightweight casting solutions, grouped as follows: powertrain (48%), brakes (33%), engine (12%), and suspension (7%). AAPICO Maia, S.A. and AAPICO Águeda, S.A. sell about 26 million components per year.

Foundry process is a millennial process, but always actual. The most common process is the sand mold process. It consists of the usage of pattern plates (tooling) to mold the negative shape of a part to be produced in a sand mold. Liquid melt, obtained in high temperature furnaces, is then poured into the sand mold – filling the entire cavity. After solidification and cooling, the part is removed from the mold, cleaned, and is ready for subsequent operation, such as machining.

AAPICO Maia, S.A. and AAPICO Águeda, S.A. currently supply ductile iron safety critical components to BMW, Daimler Trucks, Ford, Mercedes-Benz, Renault, Stellantis Group, Volkswagen, and as Tier 1 and as Tier 2 to CIE Automotive, Continental, Dana, and Linamar. France, Germany, Hungary, Italy, Slovakia, Spain, and Sweden are among the Company's primary markets in Europe. The Company also exports to worldwide markets including America, Asia, and Africa.

The Diversification Program executed in 2022. This helped enable AAPICO Maia and AAPICO Águeda to develop iron solutions to a new range of industries, where Sport, Railway, Agriculture and Solar Panels can be highlighted. The new AAPICO customers are Décathlon, Pandrol, John Deere and Ojjo.

Foundry process allows a high production rate with lower cost compared to other production processes. Its major applications are transports (cars, trucks, trains, and boats), machines and equipment, infrastructure, and water systems.

Additionally, foundry is an important industrial process in the circular economy, as it uses steel scrap as main raw material and reuses a considerable amount of the molding sand. Although it uses up an intensive amount of electricity, more advanced foundry companies such as AAPICO is able to obtain a significant part of their energy through renewable sources.

AAPICO advantages rely on experienced team – namely at engineering level – in offering new design solutions and efficiently supporting the foundry. The Company can specially highlight the absence of fettling at the finishing line, along with low level of final controls. Also, AAPICO counts on a large data base (more than 5M inputs daily), worked out with artificial intelligence offering a very precise control of the process, granted on the shop floor by the Company's operators.



Tooling

Assembly Jigs

AAPICO facilities in Ayutthaya province are responsible for the manufacturing of assembly jigs for customers. An assembly jig is an integral part in the production and assembly of automobiles. These assembly jigs are the tools that ensure the accuracy, productivity, and efficiency of car body assembly by precisely attaching each panel to be welded before welding. An assembly jig is a made-to-order product for a specific line of production or model of vehicle. AAPICO provides a full service for the design, manufacture, and installation of jigs—from concept to commissioning—including design, simulation, welding, ergonomics, time studies, and manufacture of tooling. Prior to delivery, a team of engineers conducts assembly trials and validation measurements at the try-out facility. In addition, the Company provides on-site service at the clients' assembly locations.

The installation and commissioning team have supported customers with bases around the world, including China, India, South America, Southeast Asia and other countries, with main customers including AAT, Renault, SAIC MG, UD truck, Volvo and Vinfast etc.

With advanced manufacturing process simulation skills and experienced staffs familiar with technical requirements of most OEMs, the Company holds a firm competitive advantage over its competitors in the business of manufacturing and supplying of assembly jigs to customers.

Assembly Jigs Manufacturing Process Diagram

01	02	03	04
WORK PREPARATION	PRODUCE	QUALITY TESTING	DELIVERY
<ul style="list-style-type: none"> Received product information from the customers Designing Materials preparation 	<ul style="list-style-type: none"> Shaping Jigs Assembling 	<ul style="list-style-type: none"> Adjusting to the sample workpiece Trial assembly and quality check 	<ul style="list-style-type: none"> Packing Transportation Install and assemble the parts at customers' factories



Stamping Dies

AAPICO provides a comprehensive range of services, including process stamping design, die design, and production. The Company designs, develops, and manufactures normal stamping dies for sheet metal forming applications. The majority of AAPICO's stamping dies are designed for use in its manufacturing facilities.

The stamping die manufacturing process begins with the creation of a die layout and its simulation in CAE software to form a feasible process and predict potential problems. Then, using CAD computer software, design and sketch the die. For iron casting the die, a foam pattern is made according to the die design drawing, which is then sent to the CNC Machining Center for metal cutting and finishing. Before starting production, the engineering team will perform die trials and improvement as well as quality check.

The Company applies two engineering software programs, namely:

1) Auto Form and 2) Pam Stamp for virtual reality simulation of sheet metal formability and to conduct feasibility studies with customers to ensure products' quality are achievable in accordance with the customer requirements.

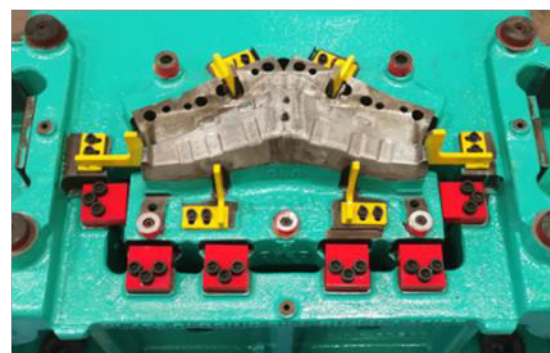
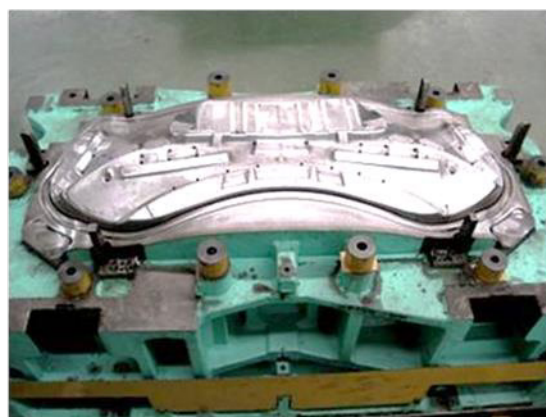
The majority of AAPICO's stamping dies are designed for use in its manufacturing facilities. However, for those that are made for customers, the main customers include Ford, Honda, Isuzu, Mazda, Nissan, Topre, Toyota, and among others.

The Company has a long experience of more than 30 years in stamping tandem die class C and B. It's experience of die-making and die's standard control have been learnt from many World class OEM car manufacturers.

Today, the Company has also acquired additional experience in the transfer of stamping die and ultra-high tensile steel material, along with the acquisition of 3D Laser cut machine which enable the management of turnkey project for the stamping die since the process of prototype sample making up until the mass production stage – all factors of which contributed to the Company's advantage over its competitors.

Stamping Dies Manufacturing Process Diagram

01	02	03	04
ENGINEERING & DESIGN	SHOP MAKING	TRIAL & IMPROVE	DELIVERY & BUY OFF
<ul style="list-style-type: none"> Received product information from customers Design Creating a foam formwork 	<ul style="list-style-type: none"> Iron Founding Shaping dies by using CNC machine Surface finish design Assemble mold parts design 	<ul style="list-style-type: none"> Test Stamping Improve 	<ul style="list-style-type: none"> Delivery Final Test Stamping & Buy off at customers' factory



OEM Business Customers

The Company manufactures and distributes automotive parts to automobile manufacturers. The Company produces and delivers products to all leading car manufacturers domestically and internationally. In 2022, the Company's top three clients were Isuzu, Dana and Auto Alliance Thailand (AAT). The majority of clients in the assembly jigs and stamping dies business are the same as those in the other OEM automotive parts manufacturing companies, which are vehicle manufacturers both domestically and internationally, as well as other AAPICO Group subsidiaries.

Market and Competition for the OEM Automotive Parts Business

AAPICO manufactures and supplies original equipment manufacturer (OEM) automotive parts in Thailand and abroad. Sales from this business contribute around 73% of sales in 2022. As a large Tier-1 auto parts manufacturer in Thailand, AAPICO focuses on high standards of operations (quality-cost-delivery) and high productivity. Strong relationships with customers are key growth drivers that guarantee new automobile models orders from automakers utilizing existing parts and welcoming potential orders of new parts, while also increasing the value per car set for business growth. The Company's long track record of producing high-quality auto parts has ensured its continued growth.

Car Dealership and Service Center Business

AAPICO operates car dealerships in Thailand and Malaysia. Its showrooms and service centers are equipped with modern facilities and provide excellent sales and customer support services.

Ford

New Era Sales Co., Ltd. operates Ford showrooms, service and body repair centers that are located in Ramindra, Samutprakarn and Lamlukka.

The Company has both 3S (Showroom, Service, and Spare Parts) and 4S (Showroom, Service, Spare Parts and Body Paint) dealership, following Ford standards

with 3S in Ramindra and 4S in Samutprakarn and Lamlukka. The Company's Service uses world class equipment to repair and service Ford cars, while also providing warranty for cars that are serviced in its Service Centers. The Company fixes all serviced cars with genuine parts from the OEM, along with providing pick up and drop off services for all customers.



Mitsubishi

Able Motors Co., Ltd. Able Motors Pakkret Co., Ltd. and Able Motors Pathumthani Co., Ltd. operate Mitsubishi showrooms and services at multiple locations. Able Motors Pakkret Co., Ltd. has 3 locations, including Ratchada (1S - Showroom), Pakkret (3S - Showroom, Service, and Spare Parts) and, Chaengwattana (4S Showroom, Service, Spare Parts, and Body and Paint) Able Motors Co., Ltd. and Able Motors Pathumthani Co., Ltd. operates in Lat Krabang and Pathumthani areas (4S Showroom, Service, Spare Parts, and Body and Paint) respectively.

The Company has 1S, 3S and 4S dealerships, following Mitsubishi standards with 5 showrooms to support customers in Bangkok, Pathumthani, and Nonthaburi area. Pick-up and drop-off services are available for all customers, and all cars are repaired with genuine parts from the OEM.



MG

MG Able Motors Co., Ltd. operates MG showroom, service center, and body repair center which is located in Pathumthani while New Era Sales Co., Ltd. operates MG showroom, service center, and body repair center which is located in Sukhapiban 3.

Both of showrooms are 4S dealerships, following MG standards for Showroom, Service, Spare Parts, and Body and Paint – its Service and Body and Paint use world class equipment to repair and service MG cars.



Mazda

Able Motors Co., Ltd. operates the Mazda showroom, service center, and body repair center, which is located in Navanakorn.

The Company is a 4S dealership, following Mazda standards for Showroom, Service, Spare Parts, and Body and Paint – its Service and Body and Paint use world class equipment to repair and service Mazda cars. For example, the Company utilizes the Car-O-Liner, the best collision repair system used for alignment and straightening. The Company also has

pick-up and drop-off service for all customers, and all cars are repaired with genuine parts from the OEM.



Honda

The Company operates two Honda outlets. New Era Sales (M) Sdn. Bhd. operates Honda outlet in Kajang, which is a 3S (Showroom, Services, and Spare Parts). Tenaga Setia Resources Sdn. Bhd. operates Honda outlet in Petaling Jaya, which is a 4S center (including an authorized body and paint shop).

The Company follows Honda standards in all its equipment and services to live up to the customers' expectation – including the process of purchasing new vehicles, maintenance and repair, transaction of car parts, or managing insurance and road tax. Coupled with dedicated and experienced employees, customers are guaranteed to find their satisfaction met when dealing with the Company – thus giving the Company an outstanding presence in the dealership business.



Proton

In April 2019, the Company incorporated a new company called AAPICO Motor (M) Sdn. Bhd., as a 3S (Showroom, Services, and Spare Parts) Proton dealer in Cheras, Kuala Lumpur.

As of 1st October 2020, the Company had taken over 3 Proton outlets in the state of Pahang in Malaysia. AAPICO Motors (Temerloh) Sdn. Bhd. operates one 4S center (Showroom, Service, Spare Parts, and Body and Paint) in Temerloh. AAPICO Motors (Kuantan) Sdn. Bhd. operates one 1S (Showroom) and one 3S (Service, Spare Parts, and Body and Paint) centers as well in Kuantan. In 2022, AAPICO Motors Sdn. Bhd. operated a new 4S showroom (Showroom, Service, Spare Parts and Body and Paint) in Chan Sow Lin.

The Company's Proton showrooms provide one-stop service to all customers – from new car purchase, servicing and maintenance of vehicles, body and paint repair, renewal of insurance and road tax, and sales of genuine parts – all within Proton standards. The Company's biggest strength is employees who are very experienced in the automotive field and are very dedicated to providing the best possible services to all customers, making the Company one of the top competitors in the business.



Car Dealerships and Service Centers Business Customers

Car dealerships and service facilities target general customers who would like to purchase vehicles, whether through sales personnel or direct contact with the Company. Our target clientele for our after-sales

services are consumers who have purchased automobiles from the Company. This also applies to clients who have purchased from other dealers.

Market and Competition of Car Dealerships Business

The car dealerships business contributes 27% of total sales in 2022. The Company focuses on excellent service and customer satisfaction as the key success factors of the business. The Company evaluates its services from surveys of customers visiting its showrooms and service facilities and benchmarks its performance with other dealers. The Company ensures sufficient training and appropriate incentives to employees. All these measures are tools to improve its services to increase customer satisfaction and promote better sales.

Internet of Things (IoT) Connectivity & Mobility Business

AAPICO possesses world-renowned expertise in location-based data, which is demonstrated by our successful partnerships with HERE, TomTom, Grab Thailand, and GH Bank. Additionally, several automotive OEMs, including Mitsubishi, Nissan, MG, and Hyundai, have selected our digital maps to power their in-vehicle navigation systems in Thailand and/or Malaysia. In response to the growing trend of logistics and delivery services, AAPICO has expanded to include web-based mapping services. Thanks to advancements in technology such as the Internet, big data, and the government's push for Thailand 4.0, AAPICO has been able to build upon our core competency in location-based data and digital mapping to expand into areas such as GPS tracking, smart logistics, smart mobility, smart factories, and even smart farm analytics. Starting out as a player in the navigation space, AAPICO has evolved into a IoT & digital service company, focused on driving business digitalization.

AAPICO places a high emphasis on accuracy, completeness, and regular updates, making our products and services comparable to the best in the market. The Company's Thailand digital map offers

comprehensive countrywide coverage of data layers, such as points of interest, road networks, and house addresses in Thai and English, high location accuracy, quality attributes, and a proven track record of regular maintenance for both OEM and after-market customers. The Company's ability to support custom requirements and develop highly competitive products is a key competitive advantage. Competitive pricing and proactive customer service also emphasize AAPICO's strength as a locally based company.



Customer of Internet of Things (IoT) Connectivity & Mobility Business

AAPICO serves a diverse customer base, including both individual and corporate customers as well as government authorities. AAPICO continues to provide map and field data collection services to the Company's regular partners while also offer web-based mapping services to logistics and delivery companies. Additionally, the Company is developing various Smart Factory applications as a part of the Company's goal to become a world-class digital company and to offer these products and services to other automotive manufacturing companies. The Company is also undertaking new projects such as Smart Mobility for electric vehicle taxis and forming strategic partnerships to strengthen our capacity in GIS consulting, Smart Farm projects and highly focus on Fleet Management Solution for both the government and the private sector.

Market and Competition of IoT Connectivity & Mobility Business

AAPICO's Internet of Things (IoT) & Big Data business operate in a niche but rapidly growing market. In 2022, sales from this business contributed less than 1% of the Company's annual revenue. However, AAPICO has expanded the Company's offerings in fleet management, logistics and industrial asset tracking products and services to leverage the Company's reputation and connections in the manufacturing industry and support our core businesses. The digital transformation in Thailand and Southeast Asia has led to an increased demand for the location-based data and presented new opportunities to monetize the digital assets and expertise.

Thailand BOI Incentives and Conditions

The Board of Investment (BOI) has approved investment promotion assistance for the Company's operations and subsidiaries in the AAPICO Group, with the following details:

- Investment promotion in the production of metal stamping components business, category 4.1.3, the manufacturing of metal parts business (in the modification of machinery to increase efficiency in the production of certain metal parts, according to the certificate No.1470(2)/2556 dated September 4, 2003 for AAPICO Hitech Public Company Limited ("AH"), according to Promotion certificate No. 64-1394-1-05-1-0 dated December 17, 2021 (50% Corporate income tax exemption of investment in automation or robotics worth not more than Baht 5,786,500 for a period of three years), which has been exercised since January 7, 2022.
- Investment promotion in the manufacturing of stamping components for automotive company, category 4.8, in the vehicle parts business for AAPICO Hitech Public Company Limited (Rayong) ("AHR"), according to the BOI promoted certificate No. 2175(2)/2551 dated December 15, 2008 (with amendments to the conditions dated September 21, 2016).
- Investment promotion in the production of metal components for cars, category 4.10 in manufacturing of vehicle parts business for AAPICO Hitech Public Company Limited (Rayong) ("AHR"), according to BOI promoted certificate No. 59-0946-0-00-1-0 dated July 26, 2016, which has been exercised since July 1, 2022. The production process has been modified and the amendment of the production process No. NorRor 1309/6820 is approved on June 21, 2022 (100% Corporate income tax exemption not exceeding Baht 77,410,000, for a period of 8 years)
- Investment promotion in the modification of machinery to increase production efficiency of metal stamping part business, category 4.1.3, in manufacturing of metal parts business (certificate No. 5025(2)/2556 dated February 21, 2013) for AAPICO Hi-Tech Parts Company Limited ("AHP"), according to BOI promoted certificate No. 64-1185-1-05-1-0 dated November 8, 2021 (50% Corporate Income Tax Exemption on the investment of automation and industrial robots not exceeding Baht 1.635 million for the period of 3 years).
- Investment promotion in manufacturing metal stamping parts business, category 4.8.17, in manufacturing of other vehicle parts business for AAPICO Hitech Parts Company Limited ("AHP"), according to certificate No. 64-1186-1-00-1-0 dated November 8, 2021 (100% Corporate income tax exemption on investments in automation or robots not exceeding Baht 8,700,000 for the period of 3 years) which has been exercised since January 4, 2022.
- Investment promotion in the metal parts manufacturing industry, category 4.3 in manufacturing of metal goods, including metal components business for AAPICO Lemtech (Thailand) Co., Ltd. ("AL"), according to BOI promoted certificate No. 1779(2)/2557 dated June 26, 2014. Approved for operation already No. 75/KorTorPor. 2/2565 dated January 24, 2022 (100 % corporate income tax exemption, not exceeding 64,489,830.17 baht for a period of 7 years)
- Investment promotion in the automotive components manufacturing business, category 4.10, for AAPICO Precision Company Limited ("APC"), according to BOI promoted certificate No. 60-0947-0-00-1-0 dated August 29, 2017, which has been exercised since September 11, 2018.
- Investment promotion in the vehicle parts manufacturing business, category 4.10 in manufacturing of vehicle parts business of AAPICO Structural Products Company Limited ("ASP"), according to BOI promoted certificate No. 59-0174-0-00-1-0 dated February 3, 2016, which has been exercised since October 1, 2019.

- Investment promotion in the vehicle parts manufacturing business, category 4.10 in manufacturing of vehicle parts business for AAPICO Amata Company Limited ("AA"), according to BOI promoted certificate No. 59-0733-0-00-1-0 dated June 8, 2016), which has been exercised since April 1, 2022.
- Investment promotion in the modification of machinery to boost the production efficiency, category 4.8.17, in manufacturing of vehicle parts business for AAPICO Amata Company Limited ("AA"), according to BOI promoted certificate No. 62-1271-1-05-1-0 dated November 19, 2019, which has been exercised since November 20, 2019.
- Investment promotion in manufacturing metal parts for vehicles business, category 4.8.17, in manufacturing of other vehicle parts business for AAPICO Amata Company Limited ("AA"), according to the BOI promoted certificate No. 64-0726-1-00-1-0 dated July 15, 2021 (not yet exercised).
- Investment promotion in the automotive components manufacturing industry, category 4.10, for AAPICO Plastic Public Company Limited ("AP"), according to BOI promoted certificate No. 60-1443-0-00-1-0 dated December 20, 2017 (not yet exercised).

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
Corporate income tax exemption for net profits derived from the promoted business operation that do not exceed 100% of the investment, excluding the cost of land and working capital, starting from the date of first income (Article 31 (1)). Except for AHT and AHP, not more than 150% of the investment, excluding the cost of land and working capital. (Article 31(2))	–	8 years (Ended May 2019)	8 years (End July 2030)	3 years (End January 2025)	–	7 years (End February 2024)	7 years (End September 2025)	7 years (End September 2026)	7 years (End March 2028)	–	–	3 years (Not yet exercised)
Corporate income tax exemption for net profits from the promoted activity combined not exceeding 50% of the investment in improving production efficiency and automation machines or robots for a period of 3 years starting from the date of first income derived after receiving the certificate (Article 31 (1))	3 years (End January 2025)	5 years (End May 2024)	–	3 years (Not yet exercised)	–	–	–	–	–	3 years (Ended November 2022)	3 years (Not yet exercised)	–
Exemption from corporate income tax for net profits generated from promoted businesses with an investment in automation or robotics of not more than 100% . The period is	–	–	–	–	3 years (End November 2024)	–	–	–	–	–	–	–

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
three years from the date income is derived from the business, excluding the cost of land, and working capital. (Article 31 (1))												
Dividends derived from a promoted activity granted an exemption of corporate income tax from Article 31 shall be exempted from computation of taxable income throughout the period the promoted person receives the exemption of corporate income tax. (Article 34)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Permitted to own land in order to carry on the promoted activity (Article 27)	✓	–	–	–	–	–	–	–	–	–	–	–
Exemption from payment of import duties on machinery as approved by the Board (Article 28).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–
Exemption of import duties on machinery, which has a useful life not over 10 years. The Exemption period shall start from the year of manufacturing to the year of importation, as	–	–	–	–	–	–	–	–	–	–	–	–

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
well as during the duration of the promotion. (Article 28)												
Exemption of import duties on machinery manufactured since 2003 (Article 28).	–	–	–	–	–	✓	–	–	–	–	–	–
50% reduction of the corporate income tax on the net profit derived from the promoted activity for a period of five years commencing from the expiry date of Article 31 (1). (Article 35 (1)).	–	✓	✓	–	–	–	–	–	–	–	–	–
Permission for double deduction of the costs of transportation, electricity and water supply for 10 years commencing from the date of first income derived. (Article 35 (2))	–	✓	✓	–	–	–	–	–	–	–	–	–
Permission to deduct additional 25% of the installation or construction of facilities cost from the net profit. (Article 35 (3))	–	–	✓	–	–	–	–	–	–	–	–	–
Exemption of import duties on the raw and essential materials imported specifically for the purposes of producing, mixing, or assembling products or commodities for export.	1 year	5 years	5 years	Until 23 June 2023	1 year	1 year	1 year	–	–	–	1 year	–

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
(Article 36 (1))												
Exemption of import duties on items which the promoted person imports for re-export. (Article 36 (2))	1 year	5 years	5 years	Until 23 June 2023	1 year	1 year	1 year	–	–	–	1 year	–
Promoted activity whose domicile is outside the Kingdom, shall be granted permission to take out or remit abroad money in foreign currency it represents (Article 37)	✓	–	✓	–	–	✓	✓	✓	✓	–	✓	✓
Provide a system to prevent and control the damage to the quality of the environment.	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	✓	✓
The cessation of operations for a period longer than 2 months must be authorized by the Office.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Machines that have received a reduction in import duty. Must be imported by the following date (Item 1.1 of project specific conditions)	17/12/2024	15/6/2014	26/1/2022	8/11/2024	8/5/2024	26/12/2019	28/2/2023	3/8/2018	8/12/2018	19/11/2022	15/1/2024	20/6/2020
Must have registered and paid-up capital of not less than... (Item 3 of project specific conditions)	Baht 322.583 Million	Baht 282.36 Million	Baht 322.583 Million	Baht 120 Million	Baht 120 Million	Baht 40 Million	Baht 205 Million	Baht 200 Million	Baht 800 Million	Baht 800 Million	Baht 800 Million	Baht 255 Million

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
Production of stamping parts with an annual production capacity of approximately 10,000,000 pieces (Working hours: 24 hours/day: 300 days/year)	✓	–	–	–	–	–	–	–	–	–	–	–
Stamping parts for automotive production with annual production capacity of 20,196,000 pieces or 20,404 tons (Working hours: 24 hours/day: 300 days/year) (Item 5 of project specific conditions)	–	✓	–	–	–	–	–	–	–	–	–	–
Manufacture of metal parts for vehicles. The annual production capacity is approximately 30 million pieces, or approximately 25,000 tons (Working hours: 8 hours/day: 265 days/year). (Item 5 of project specific conditions)	–	–	✓	–	–	–	–	–	–	–	–	–
Metal stamping die production and mold repair that has an annual production capacity of 487 sets of mold parts. It has an annual production capacity of 244 pieces (or 122 tons) producing jigs and repairing jigs. It has a production capacity of 27 sets per year, producing jigs	–	–	–	–	–	–	–	–	–	–	–	–

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
parts. Annual production capacity of 365 pieces (or 548 tons) (Working hours: 24 hours/day: 365 days/year). (Item 5 of project specific conditions)												
Manufacture of metal stamping parts such as vehicle parts and electronic components, etc., with annual production capacity of 103,680,000 pieces or approximately 37,324.80 tons (Working hours: 24 hours/day: 300 days/year) (Item 5 of project specific conditions)	-	-	-	-	-	-	-	-	-	-	-	-
Production of metal stamping parts such as vehicle parts, etc., with an annual production capacity of approximately 4,320,000 pieces. (Working hours: 24 hours/day: 300 days/year)	-	-	-	✓	-	-	-	-	-	-	-	-
Production of metal stamping parts such as vehicle parts, etc., with an annual production capacity of approximately	-	-	-	-	✓	-	-	-	-	-	-	-

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
367,200 pieces. (Working hours: 24 hours/day: 300 days/year)												
Produce metal parts such as BRACKET, GUIDE ARM, PLATE BASE, and PIN FIN, etc. Annual production capacity is approximately 31 million pieces (or 770 tons) (Working hours: 24 hours/day: 300 days/year) (Item 5 of project specific conditions)	–	–	–	–	–	✓	–	–	–	–	–	–
Production of vehicle parts such as INPUT SHAFT and HUB ASSY WHEEL FRONT, etc., annual production capacity of approximately 330,240 pieces or approximately 1,200 tons (Working hours: 24 hours/day: 320 days/year) (Item 5 of project specific conditions)	–	–	–	–	–	–	–	–	–	–	–	–
Production of vehicle parts such as WHEEL HUB, SHAFT, FLANGE, PINION, and PULLY, etc., with annual production capacity of approximately 7,540,000 pieces or approximately 19,400 tons	–	–	–	–	–	–	✓	–	–	–	–	–

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
(Working hours: 16 hours/day: 240 days/year). Effective from September 26, 2022. (Item 5 of project specific conditions)												
Production of vehicle parts such as FRAME ASSY, MBR ASSY and BRKT ASSY, etc., with an annual production capacity of 54 million pieces (Working hours: 8 hours/day: 300 days/year) (Item 5 of project specific conditions) Amended at the opening date, the annual production capacity is approximately 23,883,200 pieces (Working hours: 20 hours/day: 300 days/year) which value 762,543,659.08 baht	-	-	-	-	-	-	-	✓	-	-	-	-
Production of metal parts for vehicles such as SUB-FRAME, etc., annual production of approximately 235,000 pieces or about 710 tons (Working hours: 8 hours/day: 300 days/year)	-	-	-	-	-	-	-	-	✓	-	-	-
Amend the condition of Article 5.2 from the original as follows:	-	-	-	-	-	-	-	-	✓	-	-	-

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
5.2 The size of the business that is producing metal parts for vehicles such as SUB-FRAME, etc. The annual production capacity is approximately 305,500 pieces or approximately 923 tons. (Working hours: 8 hours/day: 300 days/year) 2. To amend the value of income tax exempted under Article 31, paragraph one and paragraph three in Item 8 from the original to a value of not more than 274,890,000 baht.												
Manufacture of metal parts for vehicles such as chassis parts and rear axle, etc., with an annual production capacity of 5,184,000 pieces (Working hours: 24 hours/day: 300 days/year)	–	–	–	–	–	–	–	–	–	✓	–	–
Production of metal parts for vehicles such as differential parts (TUBE REAR AXLE), etc., approximately 455,000 pieces per year (Working hours: 20 hours/day: 300 days/year)	–	–	–	–	–	–	–	–	–	–	✓	–

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
Manufacture of plastic parts for vehicles with annual production capacity of approximately 20,000,000 pieces or approximately 1,520 tons (Working hours: 8 hours/day: 300 days/year) (Item 5 of project specific conditions)	–	–	–	–	–	–	–	–	–	–	–	✓
Investment size required (excluding cost of land and minimum working capital) not less than... (Item 6 of project specific conditions)	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million	Baht 1 Million
Must submit an application for the exercise of rights and benefits for corporate income tax exemption and a report on the performance that has been audited by a certified public accountant approved by the Office within... from the end of the fiscal year. (Item 7 of project specific conditions)	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days	Within 120 Days
Corporate income tax exempted under Articles 31(1) and 31(3) shall not exceed... This will be adjusted according to the	Baht 5.79 Million	Baht 949.53 Million	Baht 37.5 Million	Baht 1.64 Million	Baht 8.7 Million	Baht 86.44 Million	Baht 199.53 Million	Baht 762 Million (change on	Baht 274 Million	Baht 10.05 Million	Baht 98.42 Million	Baht 195.50 Million

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
amount of investment, excluding the actual cost of land and working capital on the commencement date of the promoted project. (Item 8 of project specific conditions)								exercised date)				
A quality certificate in accordance with ISO9000 or ISO14000 or other equivalent international standard must be obtained within... from the date of operation. Failure to do so within the specified time will result in the revoking of the rights and benefits except of corporate income tax exemption for 1 year (Item 9 of project specific conditions)	–	2 years	2 years	–	2 years	2 years	2 years	2 years	2 years	–	2 years	2 years
Must set up a factory in Amata City Chonburi within 15 years from the date of operation	–	–	–	–	–	–	✓	✓	✓	✓	✓	–
Must set up a factory in Ban Wa Industrial Estate (Hi-Tech), Phra Nakhon Si Ayutthaya Province within 15 years from the date of operation	✓	–	–	✓	✓	✓	–	–	–	–	–	–

BOI Benefits	AH	AHR	AHR	AHP	AHP	AL	APC	ASP	AA	AA	AA	AP
	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Forging & Machining Parts	Chassis & Structural Parts	Metal Forming Parts	Metal Forming Parts	Metal Forming Parts	Plastic Parts
Must set up a factory in Amata City Industrial Estate, Rayong Province within 15 years from the date of operation	–	✓	✓	–	–	–	–	–	–	–	–	–
Must set up a factory in Bang Plee Industrial Estate Samut Prakan Province within 15 years from the date of operation	–	–	–	–	–	–	–	–	–	–	–	✓

(2) Market and Competition

Thailand's (showed a slight increase) Manufacturing Production Index (MPI) in year 2022, with the following key supporting factors: (i) The continued recovery of domestic consumption due to improved economic condition and tourism; (ii) Increased farmers' income and (iii) The assistance measures of the Government.

While the Manufacturing Production Index (MPI) for the first ten months of 2022 was at 99.06, an increase of 2.2% compared to the same period last year, there was a decline in the last two months of 2022. As a result, the overall annual increase in the MPI for the year 2022 was less than 2 percent.

In addition, due to the sooner-than-anticipated economic slowdown at the end of the year 2022, industrial output index for the full year of 2022 rose by only 0.6% - lower than the Government's expected rate of 1.9% for the year.

Automotive Sector Overview in 2022

For automotive industry in **Thailand**, according to the Federation of Thai Industries (FTI), Thailand reported an annual increase of 11.7% in car production volume to 1.88 million cars in 2022 and an increase of 4.4% in annual exports volume in 2022 to 1.00 million cars.

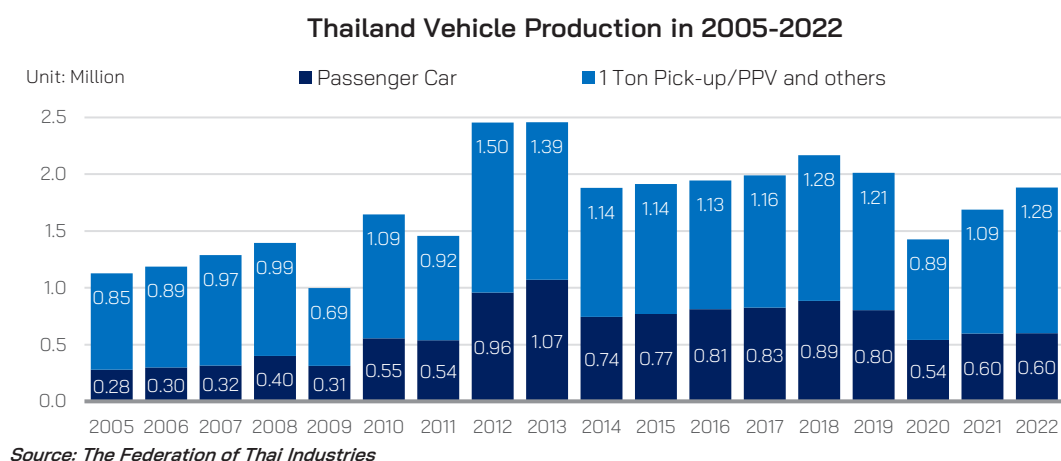
Improved domestic economic conditions contributed to domestic sales volumes increase of 11.9% in 2022 of passenger cars and pickup trucks.

Additionally, the Government initiatives such as investment support, tax exemptions for eco-cars and EVs provided the much-needed impetus for several vehicle manufacturers to step up production in 2022.

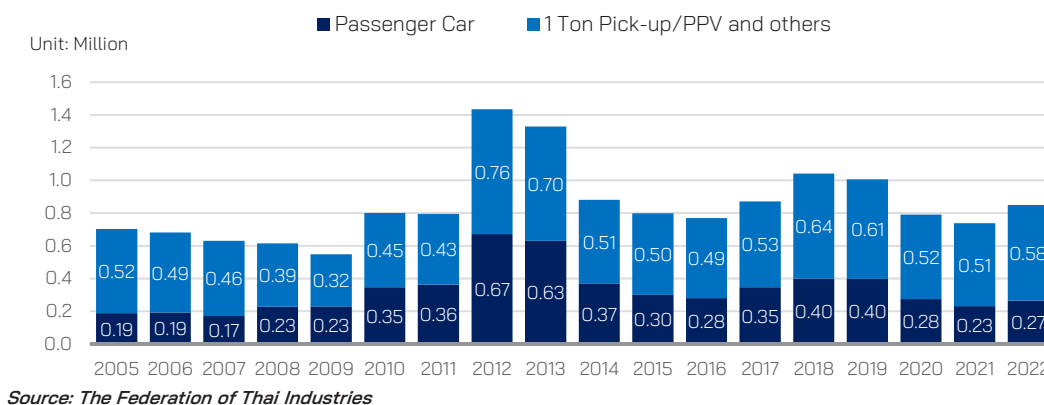
Additionally, demand for EV cars has been increasing rapidly. FTI showed that BEV car registrations increased by 274.6% in 2022. For PHEV and HEV cars, the number increased by 60.5% and 78.9% respectively in 2022.

The FTI has forecasted a 3.7% increase in 2023 vehicle production to 1.95 million units in Thailand, which are divided into 1.05 million cars for export and 0.9 million cars for domestic sale. FTI viewed that Thailand should not be affected much by the prospect of economic slowdown. And with China's reopening its border, Thailand would benefit from an increase in tourism and exports.

European's car market slightly increased by 0.6% to 15.8 million units comparing to 2021 with 15.7 million units due to the energy issue and the microchip shortages. However, in Q4 2022 there are signs of recovery period and is expected to be continued into 2023.



Thailand Total Industry Volume in 2005-2022



Malaysia's total industry volume in 2022 was 720,658 units, a significant increase of 41.6% compared to volume of 508,883 units in 2021. Malaysian Automotive Association (MAA) stated that the total industry volume achieved in 2022 was an all-time high for the country. It was also the very first time the total industry volume surpassed 700,000-unit mark. This increased volume was due to pent-up demand for new vehicles, especially in the first half of 2022. Also the decision from authorities to allow buyers with confirmed booking before June 30, 2022 for tax exemption (and to register their new cars by March 31, 2023) helped contributed to an increase in total industry volume.

In 2022, ranking of top 5 brands on number of units sold was not changed. With Perodua dominating the market as 1st place, Perodua volume was significantly increased by 48.2% to 282,019 units in 2022 compared to 190,291 units in 2021. Another national passenger car brand, Proton, placed 2nd with an increase of 21.8% to 136,026 units in 2022 compared to 111,695 units in 2021. Proton has been in 2nd place for over the past 4 years. Toyota was in 3rd place with a 39.8% increase to 100,041 units in 2022 compared to 71,585 units sold in 2021. Fourth place belonged to Honda with the volume increased by 51.4% to 80,290 units in 2022 compared to 53,031 units in 2021. The 5th place was Mitsubishi with an increase of 37.3% to 24,017 units sold in 2022 compared to 17,489 units sold in 2021.

Malaysia Automotive Association (MAA) has forecasted a 9.8% drop in 2023 for year-on-year sales volume from 720,658 units sold in 2022 to 650,000 units sold in 2023.

China is still ranked 1st place in total automobile production and sales volume for 14 consecutive years. Despite many negative factors such as many COVID-19 outbreaks, microchip shortages, high price of raw material, and local geopolitical issues, automotive industry recovered well with the help from growth and consumption driven policies such as tax reduction.

In 2022, production and sales of automobiles increased by 3.4% and 2.1% year on year to 27.02 million units and 26.86 million units respectively. Comparing to last year, overall production was stable while sales declined 1.7%.

Regardless of microchip shortage and COVID-19 outbreak recurring, the domestic passenger car market sales volume showed a U-shaped recovery with significant increase. This was attributable to purchase tax preference and rapid growth of new energy vehicles (NEV) Production and sales of passenger cars were 23.84 million units and 23.56 million units respectively, growing 11.2% and 9.5% year on year.

For production and sales of commercial vehicles, the number were 3.19 million units and 3.3 million units respectively, declining 31.9% and 31.2% year on year. Although the commercial vehicle market was at a low

level, the overseas market performed 44.9% better than last year with 582,000 units.

With the dual role of policy and market, new energy vehicles (NEV) continued to skyrocket with the production and sales of 7.06 million units and 6.89 million units, up 96.9% and 93.4% respectively year on year. The year-on-year growth rate in April was affected by COVID-19 outbreak, but full-year growth rate was still more than 40%.

With respect to the major markets in which AAPICO operates – Thailand, Europe, Malaysia, and China – most of these markets are performing better in 2022 as the economy improves from government support measures as well as increasing consumer spending ability – but for the European market, the situation with rising energy prices remains challenging.

(3) Procurement of Products and Services

3.1 Operation Capacity

The Company and subsidiaries had operation capacity and utilization rate segmented by each product as follows:

Operation Capacity as of December 31st, 2022

Products	Number of Company	Operation Capacity		Utilization Rate	
		2021	2022	2021	2022
Automotive Components:					
• Frame Products (Sets)	2	406,000	420,000	72%	92%
• Stamping Parts & Assembly Parts (Sets)	3	144,149,825	156,141,883	64%	69%
• Forging and Machining Parts (Pieces)	3	39,024,868	38,880,236	50%	53%
• Plastic Parts (Pieces)	1	55,271,292	55,909,502	49%	53%
• Plastic Fuel Tank (Sets)	1	131,520	181,157	43%	54%
• Casting Parts (Tons)	2	115,000	115,000	56%	55%
• Banjo Casting (Sets)	1	100,000	100,000	64%	71%
• Stamping Dies (Sets)	1	300	300	58%	72%
• Assembly Jigs (Sets)	1	300	300	67%	57%
• Door Check (Sets)	1	5,973,200	5,973,200	68%	76%

Remark: The excess capacity will be outsourced to third-party producers

3.2 Procurement of Raw Materials

OEM Automotive Parts Manufacturing Business

The main raw materials for this business are steel coil, steel plate, iron rod, etc., which contribute roughly 70%-80% of sales. The Company and subsidiaries procured the aforesaid raw materials through suppliers according to customers' requirements, including types, properties, characteristics, and production area, in order to control the quality of the product. The Company largely procured steel from local distributors, namely MC Metal Service Asia Co., Ltd., Toyota Tsusho (Thailand) Co., Ltd., Sumisho Metal (Thailand) Co., Ltd., and Posco (Thailand) Co., Ltd. etc.

Therefore, as the Company has to procure the raw material according to customers' requirements, the Company has made an agreement with the customer to adjust the selling price of the product in line with the current market steel price in order to prevent the Company's operation performance.

In addition, engineers are also playing a crucial role in the production line aside from the raw material. The design process has also been a significant process in producing automotive components, which requires the expertise, skill, and craftsmanship of engineers who obtain a thorough understanding of the entire

manufacturing process, technology proficiency, and have good knowledge of drawing programs.

The Company has recruited and hired experts from various countries, i.e., Japan, Australia, and Germany, to be professional consultants and to provide advice to the Company's personnel.

Car Dealerships and Services Centers Business

This business has to procure pre-assembled vehicles from automobile manufacturers for selling to end-consumers, procuring spare parts and hiring experienced technicians to perform vehicle maintenance services. The Company has a philosophy of managing an adequate volume of cars from the car manufacturers for sale without putting the Company in financial burden. For services centers business, the Company has a spare parts warehouse that can be directly connected to the automaker's central parts, allowing for a quick procurement of spare parts.

IoT Connectivity and Mobility Business

The key procurement unit of this business is the engineer team, which creates and develops software to supply services based on customer requests. The Company has recruited local and overseas partners and experts to provide consultation and cooperation in technology development.

(4) Assets used in operations

(Details of assets used in business appears in Enclosure 4)

(5) Undelivered Work

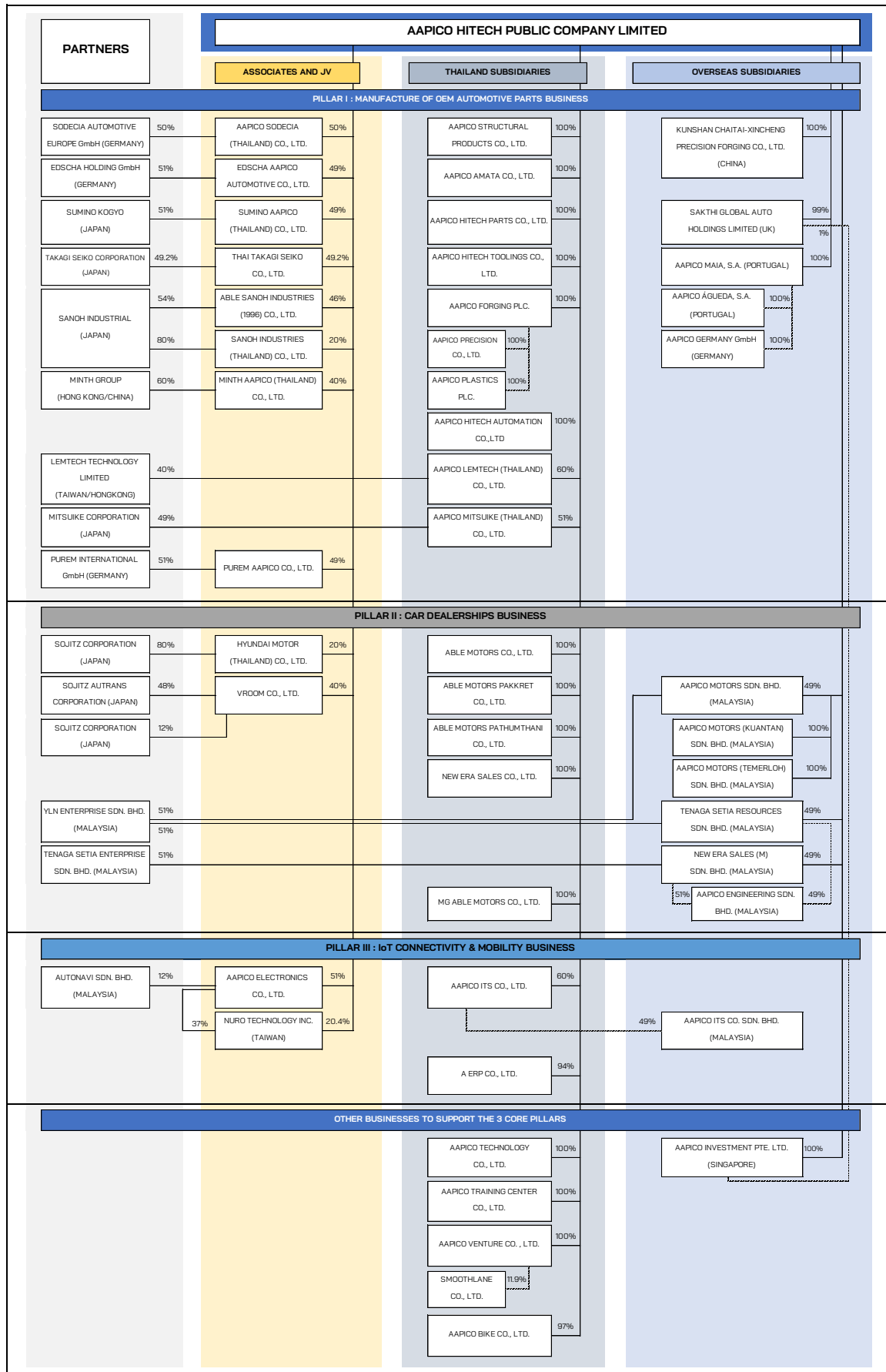
As the OEM automobile parts manufacturing business is a timely production and delivery to customers (Just-in-Time), therefore, the Company has no undelivered work to customers. For car dealerships and services centers business does not possess any undelivered work due to the nature of trading business. However, as of December 31, 2022, the Company's value of work in progress amounted to Baht 1,110 million, accounting for approximately 5 percent of total revenue, the majority of which are still in the process of production

in OEM automotive parts manufacturing business including casting parts, dies and jigs which has a longer production period than other types of products.



1.3 Company Structure

1.3.1 (1) Shareholding Structure of the Company, Subsidiaries, Associated Companies, and Joint Ventures



1.3.1 (2) Company Structure

BUSINESS: OEM AUTOMOTIVE PARTS MANUFACTURING BUSINESS							
THAILAND							
Hitech Industrial Estate – Ayutthaya							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (THB Million)	% Equity
AAPICO Hitech PLC	AH	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881 www.aapico.com	Metal Stamping parts e.g. floor parts, brackets, cross members, pillars	<ul style="list-style-type: none"> • Auto Alliance Thailand • Ford • Isuzu • Nissan • Toyota • Vinfast 	322.58	100
		(Branch Office) Unit No. 100/11, 9th Floor (Low zone), Sathorn Nakorn Tower Building, North Sathorn Road, Silom Subdistrict, Bangrak district, Bangkok Province 10500	Tel: +66 (0) 2613 1504 Fax: +66 (0) 2613 1508				
AAPICO Hitech Parts Co., Ltd.	AHP	99/2 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	Metal Stamping parts e.g. floor parts, brackets, cross members, pillars	<ul style="list-style-type: none"> • Auto Alliance Thailand • Nissan • Toyota 	120	100
AAPICO Hitech Tooling Co., Ltd.	AHT	99/1 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	<ul style="list-style-type: none"> • Assembly Jigs • Stamping Dies 	<ul style="list-style-type: none"> • Auto Alliance Thailand • Mercedes Benz • Ford • Isuzu • Vinfast • Volvo 	65	100
AAPICO Lemtech (Thailand) Co., Ltd.	AL	161 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 741 808 Fax: +66 (0) 35 719 383	• Metal Stamping parts for automotive and electronic components	<ul style="list-style-type: none"> • Edscha AAPICO • Fujikura Electronics 	40	60
AAPICO Mitsuike (Thailand) Co., Ltd.	AMK	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	• Metal Stamping parts	• Nissan	33	51
Able Sanoh Industries (1996) Co., Ltd.	ASICO	98 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	<ul style="list-style-type: none"> • Fuel lines • Brake lines • Engine parts 	<ul style="list-style-type: none"> • Auto Alliance Thailand • Honda • Mitsubishi • Nissan • Toyota 	117.7	46
AAPICO Hitech Automation Co., Ltd.	AHA	99/1 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	• Assembly Jigs	<ul style="list-style-type: none"> • Internal Customers • Trigo Quality • Mine Mobility 	30	100
Edscha AAPICO Automotive Co., Ltd.	EA	99/2 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	<ul style="list-style-type: none"> • Door checks • Door hinges • Parking brake levers 	<ul style="list-style-type: none"> • Auto Alliance Thailand • Ford • Isuzu • Mitsubishi 	52	49

Bangpli Industrial Estate – Samutprakarn							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (THB Million)	% Equity
AAPICO Plastics PLC (Headquarter office)	AP	358-358/1 Moo 17 Bangpli Industrial Estate Thepharak Road Tambol/Ampur Bang Sao Thong Samutprakarn Province 10570	Tel: +66 (0) 2315 3456 Fax: +66 (0) 2315 3334	• Plastic parts for automotive and other components	• Auto Alliance Thailand • Edscha • Honda • Isuzu	255	100 (Held by AF)
Thai Takagi Seiko Co., Ltd.	TTSC	358-358/1 Moo 17 Bangpli Industrial Estate Soi 7/1 Taparak Road Tambol/Ampur Bang Sao Thong Samutprakarn Province 10570	Tel: +66 (0) 2705 8800 Fax: +66 (0) 2705 8808	• Plastic moulding • Plastic parts	• Honda • Kawasaki • Suzuki	101.2	49.2
Amata City Chonburi Industrial Estate – Chonburi							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (THB Million)	% Equity
AAPICO Amata Co., Ltd.	AA	700/483 Moo 2 Amata City Chonburi Industrial Estate Tambol Bankao Ampur PanthongChonburi Province 20160	Tel: +66 (0) 38 712 200 Fax: +66 (0) 38 717 187	• Metal Stamping and Welding e.g. Chassis frame (D-Max), complete axle housing	• American Axle (AAM) • Isuzu	800	100
AAPICO Forging PLC	AF	700/20 Moo 6 Amata City Chonburi Industrial Estate Tambol Nongmaidaeng Ampur Muang-Chonburi Province 20000	Tel: +66 (0) 38 213 355 Fax: +66 (0) 38 213 360	• Forging parts for transmission systems, power train systems, steering & suspension systems, wheel hubs	• Dana Spicer • IT Forging • NTN • NTPT • Siam Compressor Industry • THK Rhythm • Yamaha	500	100
AAPICO Precision Co., Ltd.	APC	700/16 Moo 6 Amata City Chonburi Industrial Estate Tambol Nongmaidaeng Ampur Muang-Chonburi Province 20000	Tel: +66 (0) 38 213 355 Fax: +66 (0) 38 213 360	• Machining parts for transmission systems, power train systems, steering & suspension systems, wheel hubs	• American Axle (AAM) • Auto Alliance Thailand • Dana Spicer • Ford • GKN Driveline	205	100 (Held by AF)
AAPICO Structural Products Co., Ltd.	ASP	700/16 Moo 6 Amata City Chonburi Industrial Estate Tambol Nongmaidaeng Ampur Muang-Chonburi Province 20000	Tel: +66 (0) 38 712 200 Fax: +66 (0) 38 717 187	• Welding and Assembly for Chassis frames (D-Max)	• Isuzu	200	100
AAPICO Sodexia (Thailand) Co., Ltd.	ASD	700/483 Moo 2 Amata City Chonburi Industrial Estate Tambol Bankao Ampur Panthong Chonburi Province 20160	-	• Cradles for passenger cars • Cross car beams and welded assemblies for Body in White (BIW)		300	50
Sumino AAPICO (Thailand) Co., Ltd.	SA	700/706 Moo 3 Amata City Chonburi Industrial Estate Tambol Bankao Ampur Panthong Chonburi Province 20160	Tel: +66 (0) 38 447 628 Fax: +66 (0) 38 447 632	• Metal Stamping and Welding parts for medium and small articles of cars for cars with high durability	• Auto Alliance Thailand • Mazda	350	49

Amata City Rayong Industrial Estate – Rayong							
Company	Abbrev.	ADDRESS	CONTACT	Main Products	Main Customers	Capital (THB Million)	% Equity
AAPICO Hitech PLC (Branch office)	AH	7/289 Moo 6 Amata City Rayong Industrial Estate Tambol Mabyangporn Ampur Pluakdaeng Rayong Province 21140	Tel: +66 (0) 38 650 888 Fax: +66 (0) 38 036 228	• Metal Stamping parts e.g. floor parts, brackets, cross members, pillars	• Auto Alliance Thailand • Ford	-	100
AAPICO Plastics PLC (Branch office)	AP	7/288 Moo 6 Amata City Rayong Industrial Estate Tambol Mabyangporn Ampur Pluakdaeng Rayong Province 21140	Tel: +66 (0) 38 650 888 Fax: +66 (0) 38 650 804	• Plastic fuel tanks	• Auto Alliance Thailand • Ford • Mazda • SAIC	-	100 (Held by AF)
Minth AAPICO (Thailand) Co., Ltd.	MA	7/290 Moo 6 Amata City Rayong Industrial Estate Tambol Mabyangporn Ampur Pluakdaeng Rayong Province 21140	Tel: +66 (0) 38 640 530 Fax: +66 (0) 38 036 864	• Roof ditch moulding • Belt line moulding • Door sashes	• General Motors • Isuzu • Nissan	288.5	40
Sanoh Industries (Thailand) Co., Ltd.	SI	7/209 Moo 6 Amata City Rayong Industrial Estate Tambol Mabyangporn Ampur Pluakdaeng Rayong Province 21140	Tel: +66 (0) 38 956 250 Fax: +66 (0) 38 956 252	• Brazed steel tubings • Fuel lines	• Hitachi • Nissan • Toyota	146.25	20
PUREM AAPICO Co., Ltd.	PA	(Temporary) Unit No. 100/11, 9th Floor (Low zone), Sathorn Nakorn Tower Building, North Sathorn Road, Silom Subdistrict, Bangrak district, Bangkok Province 10500	Tel: +66 (0) 2613 1504 Fax: +66 (0) 2613 1508	• Exhaust systems	• Ford	205	49
CHINA							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (USD Million)	% Equity
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	KCX	Economic and Technological Development Zone 405 Yunque Road Kunshan City Jiangsu Province 215331 China	Tel: +86 (512) 5767 1757 Fax: +86 (512) 5767 0964	• Engine connecting rods • Copper forged parts e.g. electrical switch contactor	• Chery • CME • Guangzhou Automobile Group • SAIC • SAIC-GM-Wuling Automobile • Schneider Electric	\$ 8.1	100
UNITED KINGDOM (UK)							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (USD Million)	% Equity
Sakthi Global Auto Holdings Limited - UK (Holding headquarters) - India	SGAH	100 New Bridge Street, London, EC4V 6JA	-	• Aluminum casting and machining • Safety critical components e.g. steering knuckles, brake discs, brake drums, etc.	• Ford • General Motors • Hyundai • Suzuki • Volkswagen	\$ 90	100 (held by AH and AIPL)

PORTUGAL							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (Euro Million)	% Equity
AAPICO Maia, S.A.	AMI	Rua Jorge Ferreira, nº 679, 4470-314, Maia	Tel: +351 229 430 200 Fax: +351 229 487 169	• Iron casting and machining	• BMW • Citroën • CIE Automotive • Continental • Dana Spicer • Linamar • Peugeot • PTR • Volkswagen	€ 6	100
AAPICO Águeda, S.A.	AAG	Avenida das 2 Rodas, nº 1091, Parque Empresarial do Casarão, 3750-860 Águeda	Tel: +351 234 243 400 Fax: +351 229 487 169	• Iron casting and machining	• Citroën • Ford • Mercedes • Peugeot • Volkswagen	€ 8	100 (held by AMI)
GERMANY							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (Euro Million)	% Equity
AAPICO GERMANY GmbH	AGG	Merianstrasse 27, D-66424 Homburg/Saar	Tel: +49 684197299820	• After sales and technical support for AMI Group	• All customers of AMI group	€ 0.03	100 (held by AMI)

BUSINESS: CAR DEALERSHIP BUSINESS							
THAILAND							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (THB Million)	% Equity
Able Motors Co., Ltd.	AM	Mitsubishi Showroom: 888, Moo 14, Kingkaew Road, Rachathewa Subdistrict, Bangplee District, Samutprakarn Province 10540	Tel : +66 (0) 88 095 8909	• Showroom, Body & Paint and Service centre for Mitsubishi	• Consumers	20	100
		Mazda Showroom: 14/9, Moo 14, Phaholyothin Road, Tambol Klong Nueng, Ampur Klong Luang, Pathumthani Province 12120	Tel: +66 (0) 2105 4359 Fax: +66 (0) 2908 6009	• Showroom, Body & Paint and Service centre for Mazda	• Consumers		
Able Motors Pakkret Co., Ltd.	AMPK	38/83, Moo 5, Tiwanon Road, Tambol Pak Kret, Ampur Pak Kret, Nonthaburi Province 11120	Tel: +66 (0) 2 582 2800 Fax: +66 (0) 2 582 2809	• Showroom and Service centre for Mitsubishi vehicles	• Consumers	15	100
		34/111, Moo 1, Chaengwattana road, Tambol Klongkluea, Ampur Pak Kret, Nonthaburi Province 11120	Tel:+66 (0) 61 263 6699	• Showroom, Body & Paint and Service centre for Mitsubishi vehicles	• Consumers		
Able Motors Pathumthani Co., Ltd.	AMPT	88 Moo 5 Bang Bua Thong - Bang Phun Road (Som Sang) Tambol Bang Phun Ampur Muang Pathum Thani Pathum Thani Province 12000	Tel: +66 (0) 2 958 8970 Fax:+66 (0) 2 958 8988	• Showroom, Body & Paint and Service centre for Mitsubishi vehicles	• Consumers	15	100
MG Able Motors Co., Ltd.	AMMG	88, Moo 5, Bang Bua Thong - Bang Phun Road (Som Sang), Tambol Bang Phun, Ampur Muang Pathum Thani, Pathum Thani Province 12000	Tel: +66 (0) 2908 6001-7 Fax: +66 (0) 2908 6009	• Showroom and Service centre for MG vehicles	• Consumers	15	100
New Era Sales Co., Ltd.	NESC	97 Ramintra Road Kweang Ramintra Khet Kannayao Bangkok 10230	Tel: +66 (0) 2519 5800-4 Fax: +66 (0) 2946 5107	• Showroom and Service centre for Ford vehicles	• Consumers	20	100
		89/89 Moo 5 Srinakarin Road Tambol Bangmuang Ampur Bang Sao Thong Samutprakarn Province 10270	Tel: +66 (0) 703 1080				
		8/9 Moo 7 Tombol Latsawai, Ampur Lamlukka, Pathumthani Province 12150	Tel: +66 (0)6 2265 9782				
		396/2 Ramkamhaeng Road, Kweang Sapansung, Khet Sapansung, Bangkok 10250	-	• Showroom and Service center for MG vehicles			
Hyundai Motor (Thailand) Co., Ltd.	HM	92 Vibhavadi Rangsit Road Kweang Talad Bangkok Khet Lak Si Bangkok 10210	Tel: +66 (0) 2089 1888 Fax: +66 (0) 2089 1877 www.hyundai-motor.co.th	• Distributor of Hyundai vehicles	• Car dealers	550	20
Vroom Co., Ltd.	VROOM	2418-2420 Lad Phrao Road Kweang/ Khet Wang Thong Lang Bangkok 10310	Tel: +66 (0) 2123 3888	• Importer and distributor of Bajaj, Husqvarna and KTM motorcycles	• Consumers & motorcycle dealers	100	40

MALAYSIA							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (RM Million)	% Equity
AAPICO Motors Sdn. Bhd	AMSB	Lot 4523(D), Batu ½, Jalan Cheras 56100 Kuala Lumpur	Tel: +60 (3) 9134 7211 Fax: +60 (3) 9134 8411	• Showroom and Service center for Proton vehicles	• Consumers	RM 2	49
		Chan Sow Lin No.188, Jalan Sungai Besi, Chan Sow Lin, 57100 Kuala Lumpur	Tel: +60 (3) 9226 2508	• Showroom, Body & Paint and Service center for Proton vehicles			
AAPICO Motors (Kuantan) Sdn. Bhd.	AMKSB	Showroom: No. B-4342 - B4344, Jalan Beserah, 25300, Kuantan, Pahang, 25300 Kuantan	Tel: +60 (9) 566 5154 Fax: +60 (9) 566 5196	• Showroom, Body & Paint and Service center for Proton vehicles	• Consumers	RM 2	100 (held by AMM)
		Workshop & Body paint: PT 7138 Semambu Industrial Estate, Kuantan 25350 Pahang	Tel: +60 (9) 566 1612 Fax: +60 (9) 566 1413				
AAPICO Motors (Temerloh) Sdn. Bhd.	AMTSB	Lot 339, Jalan Tengku Ismail, 28000, Temerloh, Pahang	Tel: +60 (9) 296 1166	• Showroom, Body & Paint and Service center for Proton vehicles	• Consumers	RM 2	100 (held by AMM)
New Era Sales (M) Sdn. Bhd.	NESM	No. 39821 Jalan Semenyih 43000 Kajang , Selangor	Tel: +60 (3) 8737 0403 Fax: +60 (3) 8737 7406	• Showroom and Service center for Honda vehicles	• Consumers	RM 1.5	49
Tenaga Setia Resources Sdn. Bhd.	TSR	Lot 56, No. 10 Jalan 51/217 Seksyen 51 46050 Petaling Jaya, Selangor	Tel: +60 (3) 7784 8411 Fax: +60 (3) 7784 7411	• Showroom, Body & Paint and Service center for Honda vehicles	• Consumers	RM 6	49

BUSINESS: IoT CONNECTIVITY AND MOBILITY BUSINESS							
THAILAND							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (THB Million)	% Equity
AAPICO Electronics Co., Ltd.	AEC	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	• GoTrec dash camera and other car electronic products	• IMUKI international • MG Sales • TUNG THIH Electronic	25	51
A ERP Co., Ltd.	AERP	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	• Service and support of ORACLE	• Internal customers	5	94
AAPICO ITS Co., Ltd.	AITS	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	• Digital Mapping • Routing & Navigation software solutions • Geographic Information Systems consultancy services • Location-Based Big Data • Industrial Big Data • Fleet Management • Asset Tracking	• GHB • Grab Taxi • Nakburin • Namo Logistics • Premier Inter Leasing • Sino-Thai Engineering • Tomtom	100	60
MALAYSIA							
Company	Abbrev.	ADDRESS	CONTACT	Main Products	Main Customers	Capital (RM Million)	% Equity
AAPICO ITS Sdn. Bhd	AITS(M)	Lot 56, No. 10 Jalan 51/127 Seksyen 51 46050 Petaling Jaya, Selangor	Tel: +60 (3) 7785 5158 Fax: +60 (3) 7781 6158	-	-	RM 0.5	49 (held by AITS)
TAIWAN							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (TWD Million)	% Equity
Nuro Technology Incorporated	NURO	4th Floor, No 28, Chenggong Road 12, Jupei City Hsinchu County, 302 Taiwan	Tel: +(886 3) 658 8233 Fax: +(886 3) 658 8232	• Provider of electronic information services	• Consumers	TWD 200	20.36

BUSINESS: OTHER SUPPORTING ACTIVITIES OF THE 3 PILLARS							
THAILAND							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (THB Million)	% Equity
AAPICO Technology Co., Ltd.	AT	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	-	-	1	100
AAPICO Training Center Co., Ltd.	ATC	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	• Organize and manage training activities for AAPICO Group	• Internal customers	3	100
AAPICO Venture Co., Ltd.	AV	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160	Tel: +66 (0) 35 350 880 Fax: +66 (0) 35 350 881	• Manage investments in start-up companies	-	20	100
Smoothlane Co., Ltd.	SML	518/5 Maneeya Center 9th Floor, Ploen Chit Road, Lumpini, Pathumwan, Bangkok 10330	Tel: +66 (0) 2254 8166	• Autostation.com consumer automotive news & reviews portal • Digital banner advertising • Advertorial • Content creation • Photo and video production • Social media and online media management service • Web site development service	• Accessories companies • Car companies • Media Agencies • Motorcycle companies • Related business companies	7	11.9 (held by AV)
AAPICO BIKE Co., Ltd.	AB	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane Ampur Bang Pa-in Ayutthaya Province 13160		• Importer and distributor of motorcycles	-	100	97
MALAYSIA							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (RM Million)	% Equity
AAPICO Engineering Sdn. Bhd.	AEM	Lot 56, No. 10 Jalan 51/127 Seksyen 5146050 Petaling Jaya, Selangor	Tel: +60 (3) 7784 8411 Fax: +60 (3) 7784 7411	• Land rental business for Honda dealership's showroom	• Tenaga Setia Resources Sdn. Bhd.	RM 2	100 (held by NESM and TSR)
SINGAPORE							
Company	Abbrev.	Address	Contact	Main Products	Main Customers	Capital (SGD Million)	% Equity
AAPICO Investment Pte. Ltd.	AIPL	745 Lorong 5 Toa Payoh The Actuary #03-01319455	Tel: +65 (-) 6836 1919	• Manage business investments and M&A transactions	-	SGD 6.97	100

1.3.2 Reasons of person who may have conflict of interest holding >10% in subsidiaries and affiliates

Ms. Yeap Xin Rhu, Chief Financial Officer of AAPICO Hitech Public Company Limited ("The Company" or "AH") (appointed in 2018), owns more than 10% of AAPICO ITS Co., Ltd. ("AITS"), with the following rationale: (1) AITS is a technology-based company. This entity's potential and growth opportunities were foreseen by the corporation. However, because of the time that the Company initially invested in AITS, the new business division, the Company's management decided to only hold partial shares in AITS. (2) Since AITS is a technology company, there is a plan to give shares to employees. However, the transaction of share transfer from AH, which is a jurisprudential transaction, to employees will be more complicated compared to an individual transaction. Ms. Yeap Xin Rhu's share distribution plan, which is worth more than 10%, will be distributed to employees over the following 3-5 years.

The Company has duly considered that this way can create the best interests for the Company. Furthermore, since August 2021, this matter has been cleared with the Securities and Exchange Commission (SEC) in a conference call, and there have been no further remarks on the aforementioned issue.

1.3.3 Relationship with major shareholders' business

None

1.3.4 Major Shareholders

List of Top 10 Shareholders as of March 15, 2023

Shareholders		No. of Shares	%Holding
1	Mr. Yeap Swee Chuan Group	83,527,530	23.54%
	- Mr. Yeap Swee Chuan	48,535,050	13.68%
	- Mrs. Teo Lee Ngo	34,992,480	9.86%
2	Thai NVDR Company Limited	48,705,582	13.73%
3	Ms. Yeap Xin Rhu	28,034,036	7.90%
4	Ms. Yeap Xin Yi	27,566,595	7.77%
5	BNP Paribas Singapore Branch	22,800,000	6.43%
6	Mr. Kiattisak Tritruengtassana	6,838,942	1.93%
7	Mr. Sompong Phaoenchoke	5,943,534	1.67%
8	Allianz Ayudhya Insurance PCL	4,600,000	1.30%
9	Mr. Viroj Patcharawattanakul	4,233,860	1.19%
10	Mr. Vallop Rungkijvorasathien	4,130,000	1.16%
	Others	118,461,933	33.38%
Total		354,842,012	

Remarks:

- 1) Source from TSD
- 2) Mr. Yeap Swee Chuan and Mrs. Teo Lee Ngo are considered acting in concert group according to SEC definition.
- 3) The Company's major shareholders are Mr. Yeap Swee Chuan and Mrs. Teo Lee Ngo, who are also the Company's authorized directors.
- 4) The Company does not have any shareholders' agreement among major shareholders, which might affect its management or the issuance and offering of securities.

Limitation of Foreign Shareholders

The Company has the threshold limit of foreign holding at 49% of total shares as required by law. As of March 15, 2023, the Company had the foreign holding of its shares at 48.91%

1.4 Registered Capital and Paid-Up Capital

1.4.1 Registered Share:

Baht 354,842,228 Divided into 354,842,228 shares at par value of Baht 1 per share

Paid-up Capital:

Baht 354,842,012 Divided into 354,842,012 shares at par value of Baht 1 per share

Note: Information as of 31 December 2022

1.4.2 Other Types of Shares

None

1.4.3 Thai Trust Fund

None

1.5 Others Securities Issuance

1.5.1 Convertible Securities

None

1.5.2 Debentures

The Company has issued Name-registered, unsubordinated, and unsecured debentures without a debentureholders' representative and offer to institutional investors and/or private placement to not more than 10 investors.

As of 31 December 2022, the Company has 2 bonds remaining with total amount of Baht 1,100 million which registered and can be traded in Thai Bond Market Association or Thai BMA, with details as follows:

Bond Symbol	Bond value (THB Million)	Interest rate (%)	Payment Frequency	Tenor	Maturity Date
AH237A	300	3.50%	Quarterly	5 years	26 July 2023
AH246A	800	4.10%	Biannual	5 years	28 June 2024
Total	1,100				

1) Bond of AAPICO Hitech Public Company Limited 1/2018 Maturity B.C. 2023

Bond Type	Name-registered, unsubordinated, and unsecured debentures without a debenture holders' representative
Tenor	5 years after issue date
Total issue size (Units)	300,000 Units
Total issue size (Baht)	300,000,000 Baht
Face value per unit	1,000 Baht
Offer price per unit	1,000 Baht
Issue date	26 July 2018
Maturity date	26 July 2023
Interest rate and repayment schedule	Interest Rate: 3.50 % p.a. Semiannually interest payment on 26 January and 26 July of every year throughout the terms of the bond
Registrar	Bangkok Bank Public Company Limited
Total outstanding (Units)	300,000 Units (Data as of 31 December 2021)
Total outstanding (Baht)	300,000,000 Baht (Data as of 31 December 2021)

2) Bond of AAPICO Hitech Public Company Limited 2/2019 Maturity B.C. 2024

Bond Type	Name-registered, unsubordinated, and unsecured debentures without a debentureholders' representative
Tenor	5 years after issue date
Total issue size (Units)	800,000 Units
Total issue size (Baht)	800,000,000 Baht
Face value per unit	1,000 Baht
Offer price per unit	1,000 Baht
Issue date	28 June 2019
Maturity date	28 June 2024
Interest rate and repayment schedule	Interest Rate: 4.10 % p.a. Semiannually interest payment on 28 June and 28 December of every year throughout the terms of the bond
Registrar	Bangkok Bank Public Company Limited
Total outstanding (Units)	800,000 Units (Data as of 31 December 2021)
Total outstanding (Baht)	800,000,000 Baht (Data as of 31 December 2021)

Company Credit Rating ("BBB+" / "Stable")

TRIS Rating affirms the Company rating on AAPICO Hitech PLC (AH) at "BBB+". The rating continues to reflect AH's strong competitive position as a Tier-1 automotive parts manufacturer in Thailand, solid core operations, and efficient control of costs. These strengths are offset by rather thin profit margins, customer concentration risk, and the cyclical nature of the automotive industry. The rating also takes into consideration increasing exposure to overseas operation which could pose significant challenges while presenting opportunities to broaden market coverage.

At the same time, TRIS Rating revise the outlook to "Stable" from "Negative". The change in the rating outlook reflects an expected recovery in the Company's operating performance, and improvement in will improve its earnings and financial leverage.

1.6 Dividend Policy

1.6.1 Dividend Policy

AAPICO has a policy to pay dividend to its shareholders at the rate of not less than 10% of net profit after taxes. However, the decision for dividend payment is subjected to future investment plans and other necessities as the Company deems appropriate. The Company must also fully allocate its retained earnings up to 10% of registered capital for legal reserves in compliance with the Public Limited Company Act.

Dividend payment must be approved by the shareholders' meeting. An exception is for interim dividend payment, for which the Board of Directors can approve such payment and report to the next shareholders' meeting.

1.6.2 Historical Dividend

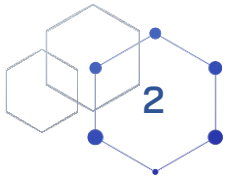
Over the past 5 years, the Company has announced a dividend payment to shareholders. The dividend payout ratio was in range between 30% to 50% as shown in the table below.

Historical Dividend Payment in the Past 5 Years

Unit: In Baht or %	2018	2019	2020	2021	2022
Earnings per share (EPS)	4.10	-0.56	0.46	2.89	5.14
Dividend per share (DPS)	1.30	0.36	0.25	0.94	1.54
Dividend Payout Ratio (%)	31.7%	N/A	54.6%	32.6%	30.0%

1.6.3 Dividend Policy of Subsidiaries

In case of subsidiaries that the Company exercises its control, the dividend payment is to be considered based on their operating profit, capital structure, liquidity, and financial position in consideration with future investment plan and other necessities of their business, given that the Company have fully allocated its retained earnings up to 10% of registered capital for legal reserve. The Company has no policy of transferring the interests that may contravene with good corporate governance in any way.



2.1 Risk Policy and Risk Management Plan

AAPICO Hitech Public Company Limited ("The Company") considers its risk management and risk assessment processes as a crucial part of our mission to drive sustainable growth of the organization. The Board of Directors has, therefore, formed the Board of Risk Management Committee to establish, supervise, and oversee the policy, and ensure that the Company's internal control processes are in line with the quality management standards. The Board is responsible for determining the Company's risk strategy and direction of the Company's risk management system, as well as the Company's risk appetite and risk tolerance level. Moreover, the Risk Management Committee also evaluates and identifies the Company's potential risk factors and assesses the likelihood of occurrence and financial impact of each risk category and determined an appropriate internal control to mitigate such risks to an acceptable level, in light of recent developments and changes in the business environment. The Risk Management policy may be found under the Investor Relations Section > Corporate Governance sub-section of the Company's website.

2.2 Risk Factors

The Company has assessed and identified the key risks to mitigate any impact and/or minimize likelihood, despite the nature of some risks that are beyond our control and could materially impact the Company's operation, financial

position, or reputation. The risk matrix shows year 2022's overview of key risk factors, several of which remained unchanged from the previous year, while some have been recently added.

SYMBOL	RISK FACTORS
▲	-Automotive Industry Competition -Global Pandemic -Overseas Investment
✦	-Customer Concentration -Climate Change
★	-Product Quality -Cybersecurity Threat -Geopolitical -Corruption
■	
◆	-Automotive Industry Trend -Raw Material Price -Labor Shortage -Foreign Exchange -Health, Safety, Environment, Social and Community -Disruption in supply chain -Government Policy
⬢	

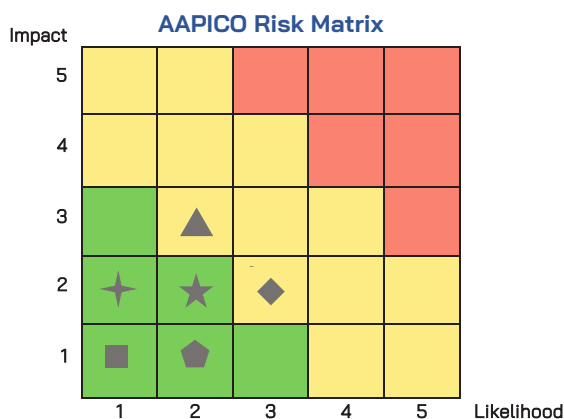
2.2.1 Operational Risks

1) Strategic Risks

Government Policy

Government Policy is a crucial risk factor that plays a part in either increasing or decreasing the Company's revenue- both directly and indirectly. In the event that the Government implements policies that support investment for car manufacturers or increase spending within the country, the total orders for the Company's automotive parts may rise as a result. On the other hand, if the Government does not have any supportive policies or introduce policies that affect the demand for automobiles inside and outside the country, the total orders for the Company's automotive parts may reduce, and subsequently reduce the Company's revenue as a result.

In any case, Government Policy undeniably has a hand in causing the demand for automotive parts to fluctuate. Therefore, the Company preemptively plans its production – including materials and manpower – to match market demand in each period, and to supply enough products as demanded by the market.



Overseas Investment

Given the Company's strategic goal of becoming a global company, the Company must evaluate the risks arising from business ventures with partners and investments in other countries – as conflicts with business partners; including the possible deviation from the management plan by the Company's overseas subsidiaries, associated companies, and joint ventures; may affect the Company's operations and profits, including the Company's investment values and reputation with its customers and business partners. The formation of joint business ventures and business operations in foreign countries may pose risks from political uncertainties and policies that may affect business operations and profits.

The Board of Directors has defined criteria and guidelines for the management to perform a feasibility study for each project to ensure that the management evaluate new investments carefully. The agreements with business partners must be clear and agreed upon by the management, including the roles and responsibilities of each party in the joint venture.

New investments that are significant in value or are considered an important part of the organization must be considered and approved by the Board of Directors, according to the values set out in the notice from the Stock Exchange of Thailand. Subsequently, the management should engage in the performance review process; with the managers of overseas subsidiaries and joint ventures responsible for reporting monthly operation results and proposing annual operation plans to the management, while also reporting business progress and results to the Company's Board of Directors every 6 months. Additionally, they are also responsible for conducting and reporting risk evaluation on overseas investment to the risk committee every 6 months, while also

providing the necessary support and ensuring that the operations are carried out smoothly and are generating the appropriate returns to shareholders.

2) Business Risks

Automotive Industry Competition

Competition in the automotive parts industry runs relatively high during the change of car models. Automotive part suppliers compete to win orders from OEM automakers in order to secure the guaranteed income from the production cycle of a car model. Therefore, the Company is exposed to the risk of losing customer orders to other automotive parts suppliers. This could have a significant impact on the Company's operations and its reputation in the market.

Nevertheless, being a large Tier 1 automotive part supplier in Thailand, with high standards of operations and commitment to its stakeholders; the chances of the Company losing orders is very slim. However, the Company still ensures that it manages good relationships with customers and maintains high standards of operations, good product quality, competitive price, and punctual delivery to build up the customers' confidence, trust, and ensure the continuation of orders for future models. Awards and achievements from customers over the years are proof of the Company's excellent performance.

Customer Concentration

The Company is inevitably exposed to the risk of customer concentration due to a relatively limited number of major automakers in Thailand. Although the Company supplies automotive parts to various automakers, the majority of its revenue came from the contributions of three major customers: Isuzu, Dana and Auto Alliance Thailand (AAT); each of whom contributed to 39%, 7%, and 5% of the Company's sales, respectively. This implies that the Company's performance is largely dependent on the performance and market share of these major customers, and to

lose orders from any of these customers could significantly impact the Company's profit.

The ongoing COVID-19 pandemic has disrupted the entire automotive industry until nowadays, the Company evaluated that the chances of losing orders and the impact of this risk were intermediate. However, in response to this risk, the Company has set up plans to increase financial performance from every product line and diversely expand the customer base. This expansion could enlarge Company's portfolio in both domestic and international markets. In addition, this diversification could mitigate the risk of relying on only a few customers and, subsequently, create a long-term growth for the Company.

Automotive Industry Trend

The Company always pays close attention to the impact of changing trends within the automotive industry in order to determine the appropriate strategy for driving the continuous growth of the business. These trends include the development and production of electric vehicles, an industry which has received investment promotion support from the government; advances in material science technology geared towards producing pliable, lightweight products that can still meet tensile strength safety standards; the development of new digital technology such as on-demand mobility applications; the increasing connectedness of cars; autonomous vehicles, and changing consumer mobility behavior with less demand for car ownership. All these trends and developments pose risks that may impact the Company's operations.

The Company has assessed that these disruptive trends will not significantly impact the Company's operations in the short term, as these technological changes are still in the early stages of development, and it will take time before they will be commercially available at scale. As for electrical vehicles, the

increasing demand for new energy vehicles will not have a significant impact on the business either because the demand for the Company's automotive products, which are mainly body stamping and frame components, will endure regardless of changes in demand for any particular vehicle powertrain e.g., electrical vehicles, hybrid electrical, or traditional internal combustion engine vehicles.

In any case, the Company is fully aware of the risk to its competitiveness in the long run. Therefore, it has established a Research and Development function within the organization to assess the impact of these changing trends in order to support the growth of the core businesses in the OEM automotive part and the car dealership sectors. The Company has also set up the "Internet-of-Things (IoT) Connectivity & Mobility" business as its third core business pillar to ensure that it is able to follow the industry's changing trends going forward.

Supply Chain Disruption

Due to Covid-19 outbreak, governments in various countries imposed lockdown restrictions and closed borders to control the spread of the virus. As a result, many manufacturers had to halt their production. Domestic and international transportation also tightened its restrictions in accordance with disease control policies, making transportation even more difficult. The closure of ports caused a shortage of containers, leading to increased production and transportation costs. The shortage of some parts also disrupted global supply chain. Due to dependencies on other parts, both domestically and internationally, complete production could not be resumed. Along with rising energy costs from the Russian-Ukraine conflict, all the factors above severely affected supply chain of the entire manufacturing industry.

In the automotive industry, semiconductors are one of the many important parts for car production.



Semiconductors are not only used in the automotive industry, but also in the electronics sector. With the severe outbreak of COVID-19 in manufacturing areas, semiconductor production was impacted. Additionally, many factories in Taiwan and China were affected by natural disasters, which exacerbated the semiconductor shortage. This impacted the supply chain of many products.

The Company has assessed the severity and duration of the supply chain disruption and set an action plan to manage risks and reduce any potential damage to the Company through stakeholder meetings. In addition to the action plan, there is strategic adaptation, efficiency improvement, and product management, including the use of raw materials domestically instead of importing them or getting them from many different suppliers. This also includes carefully controlling raw material supply level. Supply chain disruption is slowly easing due to relaxation of disease control measures, improved immunity across all geographical regions, and improved learning curve on how to deal with supply chain disruption.

However, the Company is still closely observing the situation and is ready to adapt to the situation properly.

3) Operational Risks

Raw Material Price Fluctuation

The Company is exposed to the risk of fluctuation in steel prices for its automotive part business. As the primary raw material, accounting for approximately 70-80 % of the product costs, the volatility of steel prices can have a significant impact on the Company's profitability. The Company has therefore taken actions to mitigate this risk by adopting a centralized purchasing policy. Under this policy, the Company has negotiated with its customers to purchase steel from approved suppliers at a mutually agreed price. When the steel prices change, the part

price paid by customers will then be adjusted according to the change in price of the raw material. The Company therefore passes on this risk to car automakers and reduces its potential impact on profitability of the Company to a low level.

Labor Shortage

The Company has assessed the risk of labor issues due to the shortage of skilled labor and issues with the Labor Unions, which can have a significant impact on production and the delivery of products to customers – hence damaging the Company's reputation and credibility and disrupting automotive production supply chain. The Company places great importance on its employees and values them as an important foundation of the Company. From striving to foster the quality of life for employees via remuneration, welfare, and training, the Company is also careful in its management of issues relating to the Labor Unions in order to be fair and prevent conflict. Thanks to the Management's care and good relations with the employees, the risk of labor conflict and its impact on business operations is currently at a low level. In addition, the Company plans to utilize automation and artificial intelligence in the production process in order to replace and reduce its dependency on its labor workforce, while also increasing long-term production efficiency.

Product Quality

The Company places great importance on maintaining an excellent standard in producing and delivering quality products to its customers. The Company has been certified and operates in accordance with the quality management standard IATF16949. The Company has set a target of zero-defect delivery to its customers and has motivated and encouraged employees regarding quality awareness, which ensures that risks relating to product quality are well managed and controlled. Furthermore, the Company also provides a warranty for defective parts and product liability insurance

coverage to mitigate any related financial risk to the Company.

Cybersecurity Threat

Nowadays, the world is heading into the digitization era. Many businesses are gradually converting non-digital information into digital format; thereby hoping to eliminate transcription errors, reduce the chances of losing data, and allow for an easier and simultaneous access of a digital file. However, conversely, this improvement in work efficiencies also leads to a surge of threats. These threats can come in various formats – distributed denial-of-service (DDoS) attack, Phishing and Malware etc.

The Company has been closely monitoring these cyber threats by introducing plan and implementing the IT policies framework and strictly enforcing its compliance on every director, manager, and employee. These policies include the protection of intellectual property whereby personnel are not allowed to duplicate, modify, or do anything without permission from the Company, as well as enforcing the creation of safe passwords in order to avert unauthorized access in the organization. In addition, the Company has trained employees on cyber-danger awareness, while also continuously increasing security measures by utilizing passwords and two-factor identification system to protect users' accounts.

Global Pandemic

In December 2019, the first Coronavirus Disease 2019 (COVID-19) case was reported in Wuhan, China. Thereafter, this communicable disease has swiftly and widely spread across the country and extensively infected people around the world until the recent days. Thai government has implemented measures in response to COVID-19; such as commencing the self-isolation, providing various economic stimulus measures etc. Although these measures have alleviated the rise of confirmed cases, they inevitably disrupted various business operations in the

country, one of which was the automotive industry which is the Company's core business.

Fortunately, the Company had foreseen the severity and duration of the pandemic circumstance. The Company placed utmost importance on employees' health and sanitation by initiating a number of strategies, as well as implementing health & safety-related practices. These strategies and practices include health temperature check before entering the workplace, encouraging the use of masks, providing hand sanitizer in communal area, complying social distancing measure, cleaning equipment, supplies, workplace and employee shuttle, and conducting health and safety training. In addition, in case that an employee has to travel to other provinces that has potential risk in connecting with the pandemic, the employee must inform their supervisor and get the permission from the Personnel Department before travelling. After returning, the employees must quarantine at home for 14 days and report their location and health condition to the supervisor daily.

4) Financial Risks

Foreign Exchange

The Company is exposed to the risk of fluctuation in foreign currency exchange rates due to revenues from its export business being in foreign currencies. For its normal operations, this risk is considered insignificant, despite the high volatility of currency movements during the year, considering the affected revenues are less than 5% of the total revenue.

However, the Company is still impacted by foreign exchange volatility from its US Dollar loan to Sakthi Global Auto Holdings (SGAH) and its subsidiaries, due to the inability to match income and expense in the same currency through natural hedge which amounted to approximately 50 million USD. Therefore, the Company still has to recognize through



profit (loss) from exchange rates according to the Thai Accounting Standard.

Besides, the Company considers using forward or option contracts to mitigate the risk, in the case that said instruments are in line with the corporate strategies and are able to mitigate the currency exchange risk without affecting other aspects of the Company. However, the Company does not have a policy of trading in derivative financial instruments for speculative purposes.

5) Compliance Risks

Health, Safety and Social Community

The Company is aware of the issues concerning safety, the environment, and the surrounding community and has established policies and procedures to ensure good management of employees' health and safety, and compliance with environmental laws and regulations.

The Company has promoted safety awareness to all employees and has initiated activities and campaigns related to health and safety throughout the organization. These activities include Safety Week, the Completely Check Completely Find out (CCCF) initiative to search for and eliminate harmful activities, the 5S initiative to create a safe, clean, easy, and environmental friendly workplace, the white factory campaign for a drug-free workplace, the equipment maintenance schedule, and an annual health checks for all employees. The Company has initiated kaizen activities and projects to reduce waste and energy consumption. These projects include the study of solar power usage and the use of LEDs in all factories to reduce electricity consumption.

The Company's ISO14001 certification and safety requirements are both a testament to its commitment

and credibility on its safety and environmental management.

Corruption

The Company is well aware of risks related to bribery and corruption arising from a lack of transparency, which can significantly and negatively impact the Company's operations and result in unnecessary costs to the organization.

The Company is committed to conducting business with integrity, honesty and fairness, and has expressed its intention to fight corruption. The Company has issued an anti-corruption policy as a guideline for operational transactions across the organization including sales, services, purchasing, recruitment, donations, support services and the offer & acceptance of hospitality events, entertainments, and gifts. The Company has reviewed its activities in compliance with working procedures and audits them on an annual basis. The Company also encourages employees and third-party stakeholders to report their suspicions of wrong doings or inappropriate actions directly to the Audit Committee via the Whistle Blowing Policy.

6) Environmental Risk

Climate Change

The change of global climate in the recent years has led to various aggravated weather events, Natural calamities and shortages of resources which are associated with climate change - including floods, hurricanes, water shortages, droughts, and acidification - could affect the Company's operation and raw material supply. The Company has poised for risk mitigation by analyzing the potential impacts on the business and subsequently developing a business continuity plan to ensure the operation continues during such inevitable circumstances, as well as preparing countless initiatives related to climate change. One of these key initiatives is water management. The Company has put in place procedures to track the water level as well as water

management plan and the weather daily in order to reduce the risk of floods caused by the changing climate.

7) Emerging Risk

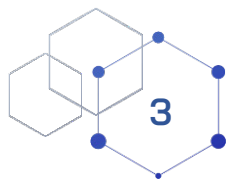
Geopolitical Risk

Politics and international relations are important factors for investment because they are driving factors for investment, economic growth, business performance, market fluctuation, and cost of production. Geopolitical conflicts can lead to changes in policy, terrorist attacks, theft, war, etc. hence increased the risks of rising costs, supply chain disruption, as well as possible delayed investment decisions. In the past year, we have seen the Russian-Ukrainian conflicts leading to a number of issues from rising energy costs to supply chain disruptions, which significantly affected global economy.

The Company closely and regularly observes global geopolitical situations, particularly developments and policies that could affect its business both domestically and internationally.

With presence across many countries in Europe and Asia, the Company follows geopolitical situation close by through biweekly meetings in which each country representative is to update on important events and developments, as well as an action plan to deal with the situation to mitigate risks associated with these developments.





Driving Business towards the Sustainable Development Goals

3.1. Policy and Goal of Sustainability Management

Although the COVID-19 crisis in the year 2022 continues to persist and remain severe, with risks and severity exacerbated by natural disasters and climate change, as well as various conflicting situations impacting the country and the world, the Company remains resilient, vigilant, and adaptable to various challenges, while staying committed to its vision and sustainable business strategy. This is to ensure the continuity and stability of the Company's operations while mitigating the negative external factors.

The Company recognizes that conducting business in a sustainable way, as well as being accountable to stakeholders and the impact on the environment, is extremely crucial in today's marketplace. Not only must the Company focus on economic growth, but it must also consider cost-effective and efficient social and environmental management. This includes creating benefits and obligations for the community and related stakeholders. The Company has set goals, frameworks, missions, and strategies for sustainable development, as well as project planning strategies to achieve the goals outlined in the "3E" approach: 1.) Enhance Economic Value 2.) Eco-Efficiency 3.) Enhance Quality of Life. The Company has a sustainability management approach that is in line with the United Nations Sustainable Development Goals (UN SDGs) by concentrating on achieving the ten objectives.

3.1.1. Sustainable Development Policy

The OEM Auto Parts Manufacturing Business is a critical sector for driving the industrial growth of the country. Due to the large number of related businesses in the supply chain, such as raw materials,

equipment, machinery, parts manufacturers, and transportation, the business activities have both positive and negative impacts on the economy, society, and environment. To achieve sustainable development and growth in the organization, the following sustainable business development policy has been developed, taking into account economic, social, and environmental factors.

1. Conducting business according to both short-term and long-term plans, while also considering both internal and external risk factors.
2. Conducting business with transparency and good governance.
3. Conducting business with consideration to the stakeholders and the environment.
4. Conducting business by increasing values with innovation.

Sustainability Committee Structure

The Company's board of directors and sustainability task force have been one of the major driving force in the sustainability of the Company. Top management of the Company serves as the chair of the task force, and representatives from all departments are appointed as members of the sustainability task force. The scope, responsibilities, and accountabilities of the task force are defined in line with the policies and plans, guiding and driving participation in various sustainability projects. The task force collaborates with internal and external organizations to communicate and raise awareness among the Company's employees and stakeholders about the importance of conducting responsible business practices that take into account social and environmental responsibilities. The Sustainability Committee meets

regularly to review the results of various initiatives, share ideas, and ensure that initiatives proceed as planned and accomplish their targets. Furthermore, an annual meeting is conducted with top management for the task force to present the updated status of all projects and future's targets and objectives. In addition, the Sustainability Committee will review at least once a year the sustainability policies, strategies, targets, stakeholder engagement, and sustainable management framework. This is to ensure that the sustainability policies and framework are in line with the Company strategy and the global current affairs.

The Company also prepare a report on sustainability performance to be submitted to the Board of Directors and made available to the public through the Annual Report 56-1 One Report and the Sustainability Report in accordance with the GRI Standards (Global Reporting Initiative) to communicate the Company's sustainability performance to the stakeholders on 3 subjects, including environment, social and governance, as well as a complete set of reported data, stakeholder engagement and a business materiality matrix. It will be able to provide the stakeholders with the necessary information to understand the nature of the Company's operations, and its management of sustainability issues in accordance with the United Nations Sustainable Development Goals – including the Company's performance and its related positive and negative impacts.

Furthermore, the information in this report was reviewed by the Company's management prior to the publication to ensure accuracy and completeness. For more details about Sustainability performance and result, they could be found in the Sustainability report via AAPICO's website or scan the QR code.



In 2022, the Company set the ultimate goal of sustainability management **to achieve Carbon Neutrality by 2048**, with a commitment to being a low-carbon organization as part of social and environmental responsibility, including reducing the impact of climate change or global disturbances. The Company has implemented sustainability operations according to strategies, conceptual frameworks, and operational plans in various projects, for which the Sustainability Committee has set guidelines during the year 2021 to achieve both short-term and long-term sustainability goals in line with the vision and mission of the Company.



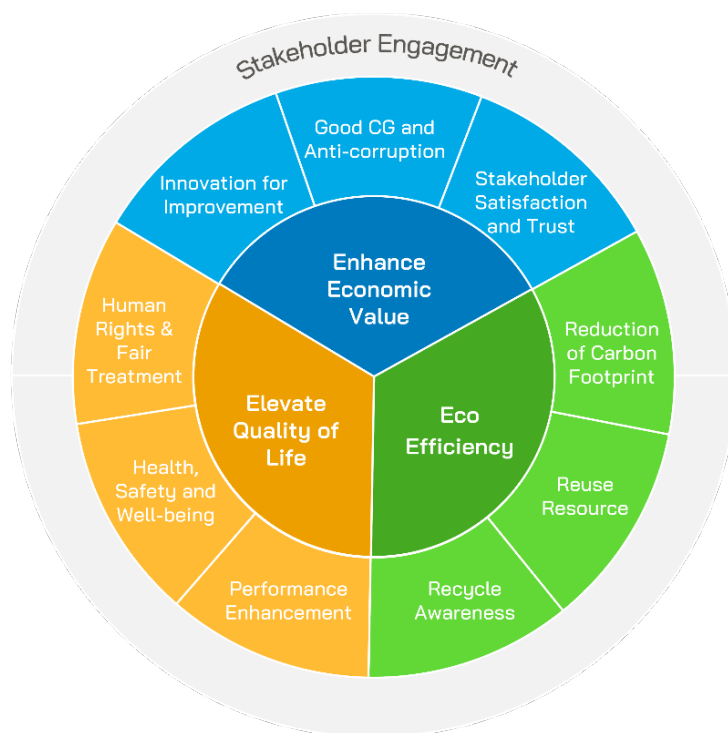
3.1.2. Sustainable Operations Framework, Strategy and Targets

With the Company's intention of becoming the world's leading OEM automotive parts manufacturer, car dealership, and IoT connectivity & mobility company, AAPICO places great importance on innovation and the environment. This is reflected in the organization's sustainable management pledge, which is **"Creating innovative value for driving a better way of life."**, We aim to ensure business long-term viability and integrity by balancing three dimensions: environmental, social, and governance through the delivery of quality products and services that are environmentally friendly, using precise and diverse technological innovations in product production and service delivery. Moreover, the impact on the environment and society is minimized as much as possible. All operations are conducted in accordance with good business governance and the development of positive relationships with stakeholders.







Sustainability Framework

AAPICO has considered the pursuit of sustainable operations aimed at delivering innovative value to drive the improvement of societal quality of life. To establish a strong foundation for long-term development in line with our vision and mission, we have developed a framework for sustainable operations based on the "3E" concept. This approach promotes collaboration within the organization and a balanced perspective across three dimensions.







Sustainability Targets and Performance in 2022

Economic/Governance: Enhance Economic Value





Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets	Performance in 2022
<p>The Company is committed to conduct our business responsibly and with integrity, honesty, transparency, and fairness. AAPICO's business principles are defined by its ethical framework and continuous improvement in response to changes in the economy, society, environment, and corporate governance circumstances.</p>	 	Customers' trust and satisfaction in our high-quality goods and services through our efficient and innovative manufacturing and operations	Achieve average of 95% of customer satisfaction by 2026	Achieve average of 92% customer satisfaction in 2022	Average customer satisfaction in 2022 was 90.24%, which did not achieve the short-term target
	 	Create confidence and attract the interest of shareholders and investors through conducting business with integrity, transparency, and demonstrating accountability to all stakeholders based on good corporate governance practices	The frequency of meetings and activities organized by the Investor Relations department to disclose information transparently and increase opportunities for shareholders and investors to access company information will increase by 15% by the year 2026.	<ul style="list-style-type: none"> ■ Increase the volume of traffic in the Company's online media with efficient and attractive information such as factsheets, analyst coverage reports, and newsletters by 5% YOY in 2022 ■ The number of shareholders increases by 5% in 2022 	<ul style="list-style-type: none"> ■ Achieve a 19% increase in the number of shareholders in 2022 ■ Achieve Excellent Level (5 stars) in Corporate Governance Report of Thai Listed Company by Thai Institute of Directors (IOD) ■ Revise and improve communication channel and content



Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets	Performance in 2022
<p>The Company is committed to conduct our business responsibly and with integrity, honesty, transparency, and fairness. AAPICO's business principles are defined by its ethical framework and continuous improvement in response to changes in the economy, society, environment, and corporate governance circumstances.</p>	  	<p>Managing supply chains with good corporate governance, integrity, and transparency.</p> <p>Sourcing will not only based on best cost but will also take into account the impact on the environment and society.</p> <p>The Company aims to raise awareness of the development of sustainable businesses and provide local communities business opportunities for economic growth.</p>	<ul style="list-style-type: none"> ■ Achieve 80% 1st tier critical direct suppliers pass ESG assessments by 2025. ■ 2 direct suppliers will have been evaluated on ESG by a third party by 2026 	<p>100% of suppliers acknowledge and comply with the Company's supplier code of conduct and anti-corruption policy in 2022</p>	<ul style="list-style-type: none"> ■ Achieved 93% of suppliers were evaluated as Grade A being marked as having satisfactory performance both in quality, logistics, price, safety and environmental management. ■ 100% of the Company's suppliers must be present to acknowledge the anti-corruption policy and the supplier code of conduct. However, there has been no action to comply in writing as a result of the annual supplier meeting being canceled owing to COVID-19 preventative measures, but there is an emphasis on the anti-corruption policy and the code of conduct through the supplier assessment process online.



Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets	Performance in 2022
OEM car parts production contributes considerably to greenhouse gas emissions and a large amount of waste, both of which have severe negative effects for the environment and surrounding communities. The Company has taken steps to implement an environmental policy and raise resource efficiency awareness by applying innovation and the 3R principles (Reduce, Reuse, and Recycle) to our operations in order to improve resource management and reduce our carbon footprint, with the goal of becoming a 100% zero waste operation.	   	Reduction of carbon footprint emission through operations innovations efficiency, and minimize negative environmental impacts	Reduce GHG Emission Per Production Unit of Scope 1 GHG emission (from manufacturing process) by 3% in 2024 in comparison to the baseline year of 2019	<ul style="list-style-type: none"> Reduce GHG Emission Per Production Unit of Scope 1 GHG emission (from manufacturing process) by 0.60% per year Reduce GHG Emission Per Production Unit of Scope 2 GHG emission (from electricity consumption) by 4% in 2022 in comparison to 2021 Reduce GHG Emission Per Production Unit of Scope 3 GHG emission (from fuel and paper) by 6.50% in 2022 in comparison to 2021 	<ul style="list-style-type: none"> Scope 1 GHG emission was 0.007 tCO₂eq per total production¹ Scope 2 GHG emission was 0.078 tCO₂eq per total production¹ Scope 3 GHG emission was 0.436 tCO₂eq per total production¹ Carbon Intensity (Scope 1+2) was 0.085 tCO₂eq per total production¹ Carbon Intensity (Scope 1+2+3) was 0.521 tCO₂eq per total production¹

¹ Total production means a product volume of 1,000 units or a thousand pieces of products

Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets	Performance in 2022
<p>OEM car parts production contributes considerably to greenhouse gas emissions and a large amount of waste, both of which have severe negative effects for the environment and surrounding communities. The Company has taken steps to implement an environmental policy and raise resource efficiency awareness by applying innovation and the 3R principles (Reduce, Reuse, and Recycle) to our operations in order to improve resource management and reduce our carbon footprint, with the goal of becoming a 100% zero waste operation.</p>		<p>Awareness on the enhancement of water conservation and efficient consumption</p>	-	<p>Reduce Water Usage by 3% in 2022 compared to 2021</p>	<p>Water usage increased by 11.63% but decreased by 43.07% when calculating the water usage data with the production volume (per a thousand pieces of products) compared to 2021²</p>
	  	<p>Enhancing resource recycling and waste management awareness in order to increase efficiency and achieve zero waste operations</p>	<p>Reduce waste generated per production unit by 5% in 2026 in comparison to the baseline year of 2021</p>	<p>Reduce waste generated per production unit by 1% per year</p>	<p>Waste generated excluding industrial waste, increased from 2021 by 28.62%, but decreased by 34.40% when calculating the waste data with the production volume (per a thousand pieces of products) compared to 2021³</p>

² Water consumption in the area of AAPICO Hitech Public Company Limited (AH) including the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

³ Waste refers to general waste, solid waste, and hazardous waste, excluding industrial waste, in the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets	Performance in 2022
OEM car parts production contributes considerably to greenhouse gas emissions and a large amount of waste, both of which have severe negative effects for the environment and surrounding communities. The Company has taken steps to implement an environmental policy and raise resource efficiency awareness by applying innovation and the 3R principles (Reduce, Reuse, and Recycle) to our operations in order to improve resource management and reduce our carbon footprint, with the goal of becoming a 100% zero waste operation.	 	Strict compliance with environmental laws and regulation	The volume of air pollution is within the permissible range of environmental laws and regulations	-	The volume of air pollution is within the permissible range of environmental laws and regulations ⁴

⁴ Air pollution in the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

Social: Elevate Quality of Life

Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets	Performance in 2022
The Company respects human rights and fair labor treatment of laborers by promoting workplace ergonomics, suitable benefits, employees' safety as well as skills development, especially on innovation and creativity for all management and employees. The company do care about the community. It intends to extend sustainability to nearby communities through organizing social events, supporting education for schools in the area, assisting in community development, and conserving the environment.	   	<p>Promoting employee well-being and quality of life in a variety of areas;</p> <ul style="list-style-type: none"> Fair salary and benefits, as well as a willingness to listen to employees' opinions, are all important factors in increasing employee engagement and loyalty. Innovative creations are applied at all levels of operations to improve employees' safety, occupational health, and productivity. Promoting employees' skills development especially on innovation and creativity 	<ul style="list-style-type: none"> Creating 3 innovation training courses for employees' skill enhancement by 2026 100% of employees trained on Code of Conduct and Anti-corruption policy by 2023 0% level of IFR (Injury Frequency Rate) and LTIFR (Lost Time Injury Frequency Rate) 	<ul style="list-style-type: none"> Achieve at least 89% of satisfaction and loyalty level by 2022 100% of employees will have access to their welfare and training courses through a variety of platforms especially online provided by the Company by 2022 Creating 1 innovation training course for employees' skill enhancement by 2022 IFR rate of employees not more than 5 LTIFR rate of employees is 0 	<ul style="list-style-type: none"> The average of employees' satisfaction and loyalty level was 85.47%, but did not achieve the short term target 3 innovation training course for employees' skill enhancement The average of training hour for employees was 7.38 hours/person/year The average IFR rate in 2022 was 6.02 times per million working hours, which was better than the target provided⁵ In 2022, the average LTIFR rate was 1.72 times per million working hours, which the Company continues to strive to improve to meet the goals set⁵

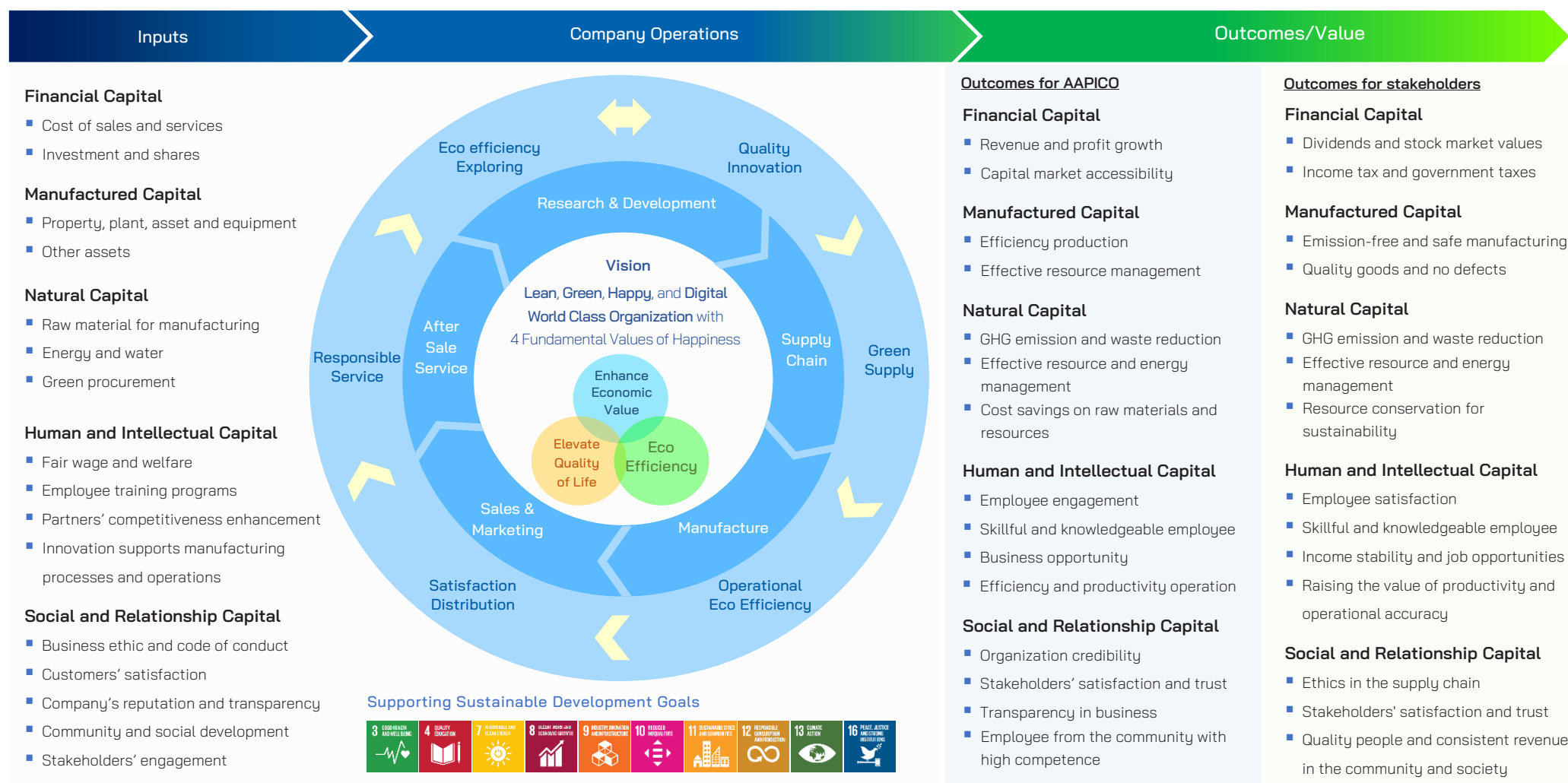
⁵ Injury Frequency Rate (IFR) and Lost Time Injury Frequency Rate (LTIFR) in AAPICO Hitech Public Company Limited (AH) only

Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets	Performance in 2022
<p>The Company respects human rights and fair labor treatment of laborers by promoting workplace ergonomics, suitable benefits, employees' safety as well as skills development, especially on innovation and creativity for all management and employees. The Company do care about the community. It intends to extend sustainability to nearby communities through organizing social events, supporting education for schools in the area, assisting in community development, and conserving the environment.</p>		Fair labor treatment, good human resource management in terms of employees' diversity, and human rights promotion	<ul style="list-style-type: none"> 0 case of Fair Treatment and human rights violation issue 	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> 0 case of Fair Treatment and human rights violation issue
	    	<p>Taking responsibility for society through the impact of the Company's operations, including community development in terms of overall environmental care and promoting educational opportunities for young people.</p>	<ul style="list-style-type: none"> 0 complaint from the community on environmental and social issues 0 complaint on human rights violation and other social issues from the community Achieve 89% of average community satisfaction score by 2022 	<ul style="list-style-type: none"> Achieve 50% of average community satisfaction score by 2022 	<ul style="list-style-type: none"> 0 complaint from the community on environmental and social issues 0 complaint on human rights violation and other social issues from the community More than 900 households and foundations in the community were supported by enhancing the quality of life and educational opportunities

3.2. Impact Management to Stakeholders in the Business Value Chain

3.2.1. Business Value Chain

With the Company's commitment to deliver innovative products and services through environmentally-conscious production and service methods, while taking into account the needs and impacts on stakeholders, the Company has integrated the organizational vision, code of conduct, and sustainability framework under the "3E" concept, into the value chain. This involves linking and analyzing stakeholders' needs and expectations, leading to the creation of a 6-step strategy for sustainable operations throughout the value chain.





3.2.2 Stakeholder Engagement in the Business Value Chain



AAPICO Hitech recognizes the importance of stakeholders in driving the business and aligns with the Company's vision that focuses on sustainable happiness in four areas. Therefore, the Company places great importance on stakeholder management and participation from all groups of stakeholders. To this end, an analysis of stakeholders is conducted, ranking the impact of stakeholders on the Company, considering various issues that affect stakeholders and the business operations of the Company. This is to achieve important expectations in sustainable management. The Company emphasizes responding to the needs of stakeholders and fostering good relationships with them through various channels.

Factors that the Stakeholders are Interested in and Communication Channels

Stakeholder	Expectations	Treatment of Stakeholders	Communication Channels	Sustainability issue
Customer 	Safety Working Conditions, Quality Products, Competitive Price, On time Delivery, , Good Engineering, Transparent and Professional Management, Environmental Management	1) Safety operation 2) 0 PPM 3) Improving Operational Efficiency in the Effort to Achieve Zero Defect 4) Effective cost management 5) On-time delivery 6) Managing good relations with customers 7) Compliance with customer policies and business ethics 8) Customer data protection 9) Following international standards in operation in terms of quality and environmental management	<ul style="list-style-type: none"> ▪ Annual customer policy acknowledgment / customer meeting ▪ Reports ▪ Annual Report / Sustainability Report ▪ Relationship-building activities ▪ Annual customer satisfaction and expectations survey ▪ Company website ▪ Complaint channels ▪ Attend customer's conference 	<ul style="list-style-type: none"> ▪ Managing good relations ▪ Improving products quality ▪ Implementing innovations in the Company's operations ▪ Efficient cost management ▪ Environmental Management ▪ Customer privacy and data security ▪ Business ethics

Stakeholder	Expectations	Treatment of Stakeholders	Communication Channels	Sustainability issue
Employee 	Good pay and welfare, Fairness, Loyalty and Engagement, Human Rights, Safety, Good quality of life, Self-improvement, Advancement in job position	1) Managing good compensation and welfare 2) Managing work environment and safety 3) Developing employees' skills to fit the Companies' growth 4) Improving the employees' quality of life 5) Fair treatment and respect in human rights 6) Personal data Protection 7) Performance Evaluation 8) Equitable pay and benefits for employees	<ul style="list-style-type: none"> ▪ Weekly conference ▪ Intranet ▪ Email ▪ Employees' training ▪ Employees' relation activities ▪ Whistleblower ▪ Annual employee satisfaction and expectation survey ▪ Welfare meeting 	<ul style="list-style-type: none"> ▪ Safe working conditions ▪ Personnel development ▪ Human rights ▪ Loyalty to the Company ▪ Business ethics ▪ Fair treatment of labors ▪ Stable income and welfare ▪ Privacy and personal data protection ▪ Essential knowledge and skills advancement
Shareholder 	Remunerations, Transparency in management, Future investment plans and Competitiveness, Business' sustainability, Organization risk management, Good corporate governance and financial strength	1) Building up the investors' confidence 2) Disclosure of traceable factual information 3) Reporting corporate social responsibilities 4) Risk Assessment and Management 5) Appropriate dividend payment 6) Annual credit rating	<ul style="list-style-type: none"> ▪ Shareholders' meeting ▪ Annual Report / Sustainability Report ▪ Annual report ▪ Investor relation activities ▪ Company website ▪ Company visits ▪ Whistleblower ▪ Analyst meetings ▪ Disclosure of information and participation in activities to meet investors organized by the Thai Stock Exchange (SET) 	<ul style="list-style-type: none"> ▪ Good corporate governance ▪ Business ethics ▪ Risk management ▪ Stable and sustainable performance ▪ Transparent and traceable operations ▪ Anti-corruption policy



Stakeholder	Expectations	Treatment of Stakeholders	Communication Channels	Sustainability issue
Supplier 	Profits, Business stability, On-time payment, Transparent business conduct, Fair and clear business contracts, Improving along with the suppliers	1) Managing the Company's credibility and the business partners' confidence 2) Improving business partners' capabilities by increasing competitiveness 3) Communicating anti-corruption policy and CSR policy as well as exchange information and opinions 4) Improving relations with win-win strategy 5) Transparent, fair, and verifiable procurement	<ul style="list-style-type: none"> ▪ Annual conference ▪ Visiting the suppliers' company ▪ Meetings ▪ Arranging social activities with business partners ▪ Training / Seminar ▪ Suppliers' evaluation ▪ Policies and regulations in procurement 	<ul style="list-style-type: none"> ▪ Supplier management ▪ Fair and transparent purchasing ▪ Joint sustainable growth ▪ Anti-corruption policy
Community/ Society 	Health safety, No pollution to the community, Community engagement and development, career opportunity for community	1) Complaint management and proper community remedies 2) Arranging community activities for engagement contribution 3) Building good relations between the factories and the surrounding communities 4) Career opportunity for community 5) Efficient resource management to reduce environmental impact	<ul style="list-style-type: none"> ▪ Community visit ▪ Accepting complaints ▪ Activities' support ▪ Providing assistance 	<ul style="list-style-type: none"> ▪ Community development ▪ Encouraging community activities ▪ Taking care of the community's environment ▪ Improving and supporting economic growth within the community / society ▪ Climate actions

Stakeholder	Expectations	Treatment of Stakeholders	Communication Channels	Sustainability issue
Government 	Fully abiding by the law, Paying taxes, Giving cooperation, Managing complaints with the community	1) Following the government's regulations 2) Cooperate with the government	<ul style="list-style-type: none"> ▪ Joining seminar conference ▪ Visiting in important occasions ▪ Company Website 	<ul style="list-style-type: none"> ▪ Coming up with and enforcing regulations for clean factories ▪ Encouraging recycling for zero waste ▪ Operate in compliance with laws and regulations
Competitor 	Fair competitions	1) Transparent and fair business operations	<ul style="list-style-type: none"> ▪ Becoming a member of an association ▪ Meetings and sharing experience 	<ul style="list-style-type: none"> ▪ Corporate governance ▪ Code of conducts

3.3. Environmental Sustainability Management

3.3.1. Environmental Policy and Guidelines

One of AAPICO's main businesses is the manufacturing of automotive parts, car assembly jigs and stamping dies. This means that during the production process, the Company unavoidably will produce scraps, waste materials and CO₂ emissions. However, the Company is aware of the importance of the environment, so it has established an environmental management system and announced an environmental policy every year, as a guide for continuous efforts to maintain and improve the environment. The Company's executives and all employees are committed to implementing this policy as follows:

1. The Company shall comply with laws and regulations relating to the environment and establish minimum standards for its operations by adopting various criteria.
2. The Company shall improve its environmental management system, production processes, services, and products in accordance with the requirements of ISO 14001 standards.
3. The Company shall conserve natural resources, including various form of energy, by utilizing them efficiently and ensuring that their benefits are maximized while minimizing their impact on the environment.
4. The Company shall protect the environment by creating awareness of the environment quality and emphasizing the importance of communication with the local community to encourage cooperation in environmental conservation activities.
5. The Company shall prevent pollution by focusing on reducing its impact on the environment, particularly in the management of water and industrial waste materials. The objectives and targets shall be established for this purpose, with continuous review

and improvement, in order to minimize environmental pollution.

Beyond the goal of preserving the environment within the workplace and surrounding areas, in accordance with environmental policies and ISO 14001 standards, the Company is committed to managing and addressing climate change. Therefore, the Company conducts measurements, collects data, and prepares report on greenhouse gas (GHG) emissions within the Company and its subsidiaries every year, in the hope that this information will be useful for the Company in planning to reduce GHG emissions and achieve Carbon Neutrality. The Company will disclose abbreviated information on GHG emissions in this performance report, with the full version being made available in the Company's 2022 Sustainability Report.

In 2022, the Company has restructured the sustainability working group by adding the transportation management system in order to ensure more comprehensive and internationally standardized environmental data collection. Furthermore, sustainable activities in the transportation sector have been initiated to improve the environmental and social impacts of this area. These efforts aim to enhance the operations of the transportation system, with a great focus on environmental and social responsibility, and to minimize the various impacts as much as possible.



3.3.2. Environmental Management Guidelines and Performance in 2022

■ The Company regularly collects data of energy and water consumption, waste generation and carbon footprint emissions. In 2022, the Company has expanded the scope of data collection to cover all area of AAPICO's facilities in Ayutthaya province¹. However, this year's data cannot be compared with the previous years' data. The Company compares only the data of AAPICO Hitech Public company Limited (AH) to show the Company's performance trends.

1) Energy Consumption

Management Guidelines

■ The management has encouraged all its facilities to implement energy saving project and the following projects are implemented.

1.1. Solar Rooftop

➤ The Company has implemented Solar Rooftop panels in the workplace at AAPICO's facilities in Rayong² since 2021 and has recorded the amount of electricity and cost savings achieved.

1.2. Solar Street Light

➤ The Company has also initiated a Solar Street Light Project by replacing conventional electricity with solar power for the parking lot that are in AAPICO's facilities in Ayutthaya Province¹. This initiative is aimed at efficient and cost-effective use of energy and was completed in May 2022. The Company has been recording the monthly electricity savings and will report the annual reduction in electricity consumption next year.

1.3. LED High Bay Light

➤ The Company has replaced T5 High Bay light bulb with LED High Bay light bulb in AH, AHT, AHA. The project was completed in October 2022 and the Company has been monitoring the monthly electricity savings and will report the annual reduction in electricity consumption next year.

1.4. EV Vehicle

➤ The Company utilizes energy in the form of gasoline and diesel in transportation and production processes. The Company has a plan to reduce the amount of gasoline usage for travel by increasing the proportion of electric vehicles. The Company is currently in the process of studying and planning its operations, which is expected to be implemented and reported in the following year.

Performance in 2022

■ In 2022, AAPICO Hitech Public Company Limited, Rayong Branch (AHR) and its subsidiary, AAPICO Plastic Company Limited, Rayong Branch (APR), were able to cut energy expenditures by 1.85 million Baht or 8.5%, resulting in energy savings of 1,064.11 megawatts (MWh) and around 848,741 Baht or 6.0%, resulting in energy savings of 499.74 megawatts (MWh), respectively, by installing solar cell systems.

■ The Company was able to reduce electricity usage by 1.32 MWh per month or by 100% through the implementation of the Solar Street Light Project in the parking lot area in Ayutthaya Province¹.

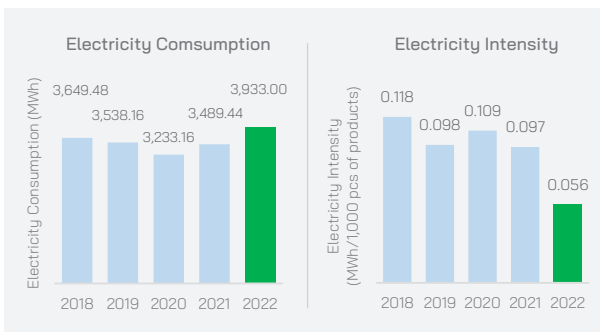
¹ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

² In the area, AAPICO Hitech Public Company Limited, Rayong Branch (AHR) and its subsidiary, namely AAPICO Plastic Company Limited, Rayong Branch (APR)

- The Company was able to reduce electricity consumption by replacing T5 High Bay lamps to LED High Bay lamps in AH, AHT and AHA factories, resulting in a reduction of 13.61 MWh per month or by 9.09%.

- AAPICO's facilities in Ayutthaya Province³ consumed 10,970.01 MWh of power in 2022.

Considering only AAPICO Hitech Public Company Limited (AH), there is an electricity consumption of 3,933 MWh, an increase of about 12.71% from the year 2021. However, when comparing the electricity consumption to the production volume in that year, it was discovered that the electricity consumption in 2022 was approximately 0.056 MWh per total production⁴ which has reduced power usage by 42.53% from 2021. That is because the Company's operations returning to normal, couple with the increased production volume and implementation of sustainable development projects.

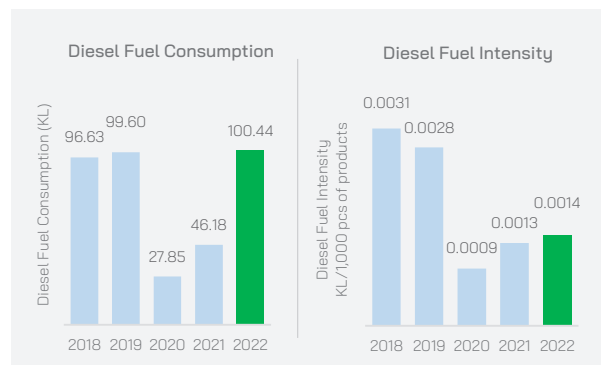


- The Company collected data on the amount of gasoline and LPG used in addition to the Company's diesel fuel usage to calculate the operation's GHG emissions in Scope 1. As a result, the Company presents data on the total amount of fuel consumption covering the area of AAPICO's facilities in Ayutthaya Province³ to demonstrate the actual fuel consumption and compare specifically the amount of

diesel fuel used, which is the major fuel. This helps to show the trend in the Company's performance.

- AAPICO's facilities in Ayutthaya Province³ have a total fuel consumption including gasoline, diesel, and LPG in the cafeteria at 128.97 kiloliters (KL).

Considering only diesel fuel consumption compared to previous years, it is observed that the Company had a volume of diesel fuel consumption in the year 2022 totaling 100.44 KL. However, when comparing the amount of diesel fuel consumption with the production volume in that year, it can be seen that the diesel consumption in 2022 is at 0.0014 KL per total production⁴, which has a much higher oil consumption than in 2020 and 2021 because the COVID-19 situation easing in 2022 and the Company operating normally as in 2019 before the outbreak of COVID-19, as well as the increasing number of orders, resulting in the transportation of goods to customers can be carried out as usual. Therefore, the data cannot be compared with 2021 data, but if compared with the data in 2019 with regular operations, it can be observed that the Company has increased production volume and better management in the transportation sector, resulting in a higher percentage of diesel fuel consumption by 0.84%, but a lower consumption of diesel fuel per total production by 49.21% compared to the volume of diesel consumption in 2019.



³ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

⁴ Total production means a product volume of 1,000 units or a thousand pieces of products

2) Water Usage

Management Guidelines

- In 2022, the Company implemented a project for water leakage reduction as the following detail.

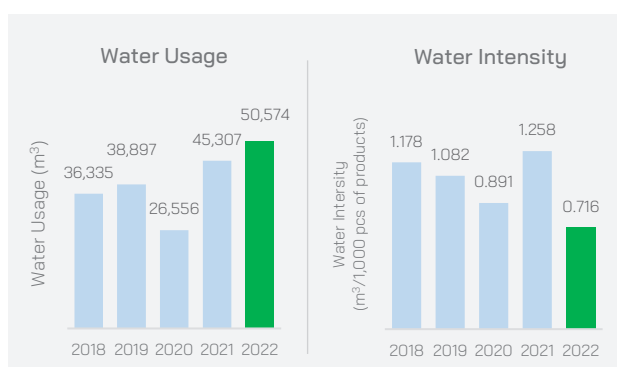
2.1. Restoration of pipe

➤ AAPICO Hitech Parts Co., Ltd. (AHP), one of AAPICO's subsidiaries, has undertaken a project to replace galvanized steel pipes to polyethylene plastic pipes (PE Pipes) for the water system within its factory in order to reduce water leakage. The project was completed in December 2022, and there was no water leakage. The result of this project is reported in the 2022 Sustainability Report by comparing water leakage records from 2021 and 2022.

Performance in 2022

- The Company has set target to reduce water use by 3%. In the year 2022, the total water usage of the Companies in Ayutthaya Province⁵ was 50,574 cubic meters (m³), an increase of approximately 11.63% from 2021.

When calculating the amount of water used to the production volume in that year, it was found that the amount of water usage in 2022 decreased by 43.07% from the previous year and greatly exceeding the target set. This was due to the replacement of water pipes to reduce water leakage in the factory and a cost-effective water usage campaign.



⁵ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

3) Waste Management

Management Guidelines

- The Company engages in collecting and disclosing data on the amount of waste and discarded materials to demonstrate trends in waste generation and its impact on operational efficiency in production and resource utilization for minimal waste generation. In 2022, the Company improved its data collection efforts to comply with ISO 14064-1 standards for accurately calculating GHG emissions from waste data. The Company combines industrial waste data with waste generated by organizations in AAPICO's facilities in Ayutthaya Province⁵ for comprehensive waste and discarded materials data. However, the data from this year cannot be compared with previous years since the Company did not include industrial waste data in its calculations. The Company compares waste and discarded materials data without industrial waste to demonstrate trend in its operations.

- In 2022, the Company implemented various projects to manage and reduce waste generated from defective production parts before forwarding to subsequent processes or customers in alignment with the sustainable development strategy. The following details the Company's project initiatives.

3.1. Welding Manager

- The Welding Manager for the Poka-Yoke Assy Part Project has been installed at the AH factory's assembly lines. The machine is responsible for inspecting workpieces prior to assembly welding, to determine whether there are any issues or incompleteness.

3.2. Ultrasonic Thickness device

➤ The Ultrasonic Thickness project is to utilize an Ultrasonic thickness device replacing the Micro Meter equipment in order to measure the correctness of thickness. That is because we used the Micro Meter in the past by randomly selecting one piece in its corresponding batch and trim some parts of that product to check the thickness. This makes the cut-out items unusable and turns them into scraps, raising the cost and producing waste.

We now use the Ultrasonic Thickness tool. So, we avoid having to trim some pieces, saving money and reducing the quantity of waste generated.

3.3. Gabari Special Control

➤ The Gabari Special Control for Manual Assembly Project. Gabari is a template used to control errors made by employees when spot positioning for inserting nuts and screws in workpieces. This is because if employees spot in the wrong position, the workpiece will be immediately damaged and become defective.

3.4. Camera Check

➤ Camera Check Collar for Assy IMV Line project aims to use cameras to detect any errors in the assembly of parts prior they are sent to the next process or to the customers.

3.5. Tatters Project

➤ Controlling the use of tatters project. The project is designed to control and reduce the amount of tatters usage for cleaning product parts. A set of best practices has been developed to train employees to use the tatters more efficiently and to reduce the amount of waste generated from their use.

3.6. Quality Mind Project

➤ The Quality Mind project aims to express appreciation and motivation to employees in production lines to detect any defective parts before they are sent to the further processes or the QA&QC department. This activity is designed to inspire employees to work with precision and attention to detail, and to consistently check the quality of the parts before sending to the next process.

Furthermore, the Company discloses the details of various innovations as well as the progress of each project in the 2022 Sustainability Report.

Performance in 2022

■ In 2022, the Company generated a total of 18,713.22 tons of waste including general waste, hazardous waste, solid waste, industrial waste and others in AAPICO's facilities in Ayutthaya Province⁶.

By comparing the data with previous years, it is found that the Company generated waste excluding industrial waste, totaling 9,817.53 tons, with the amount of waste increasing from 2021 by 28.62%. When calculating the waste data with the production volume in that year, it was found that there was an amount of waste excluding industrial waste of about 0.139 tons per total production⁷ in 2022, which decreased by 34.40% from 2021. This is considered good resource and waste management because the Company follows the 3R principle, which consisting of reduce, reuse, and recycle, in its operations.

Additionally, the Company raises employees' awareness to use resource responsibly and to sort waste for the highest resource circulation and reuse. Furthermore, the Company continues to emphasize the great importance of environmental management throughout the supply chain by selecting partners who

⁶ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

⁷ Total production means a product volume of 1,000 units or a thousand pieces of products



care about and take responsibility for the environment on a regular basis.



4) Greenhouse Gas (GHG) Emission

Management Guidelines

■ In 2022, the Company implemented improvement in data collection and reporting on GHG emissions resulting from both direct and indirect operations. This covers all 3 scopes and includes data collection throughout the value chain from raw materials acquisition, design and production, transportation, office operations, and employees' commuting. The Company has expanded its storage space for data and ensured accurate and complete information in all 3 scopes in accordance with ISO 14064-1 standards. This year, the GHG emissions data, disclosed by the Company, was collected and calculated by Advance Energy Plus Co., Ltd. as a consultant of the Company and has already been externally verified by Bureau Veritas Certification (Thailand) Co., Ltd as an external independent auditor. The GHG emission data certification will be disclosed in the Company's 2022 Sustainability Report.

As the above mentioned, this year's GHG emissions data cannot be compared to the previous years. However, all 3 scopes of GHG emissions data

were collected and disclosed in compliance with the GHG Protocol Corporate Standard, as follows:

Scope1: Direct GHG emissions from industrial processes

Scope2: Indirect GHG emissions from energy consumption

Scope3: Other indirect GHG emissions. The details of data used for consideration within this scope are as follows:

- 1) Purchasing raw materials
- 2) Energy consumption in the organization
- 3) Raw material transportation from suppliers
- 4) Waste from activities in the organization
- 5) Corporate business-related trips
- 6) Employees' commuting
- 7) Logistics and distribution

Performance in 2022

Scope 1

■ In 2022, the Company reported direct GHG emissions from the production process (Scope 1) in AAPICO's facilities in Ayutthaya Province⁸, totaling 497 ton of carbon dioxide equivalent (tCO₂eq).

When comparing the amount of direct GHG emissions (Scope 1) to the production volume in that year, it was found that the amount of GHG emissions Scope 1 was 0.007 tCO₂eq per total production⁹ in 2022.

Scope 2

■ In 2022, the Company reported indirect GHG emissions from its used of electricity (Scope 2) in AAPICO's facilities in Ayutthaya Province⁸, totaling 5,484 tCO₂eq.

When calculating the amount of indirect GHG emissions (Scope 2) to the production volume in that

⁸ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

⁹ Total production means a product volume of 1,000 units or a thousand pieces of products

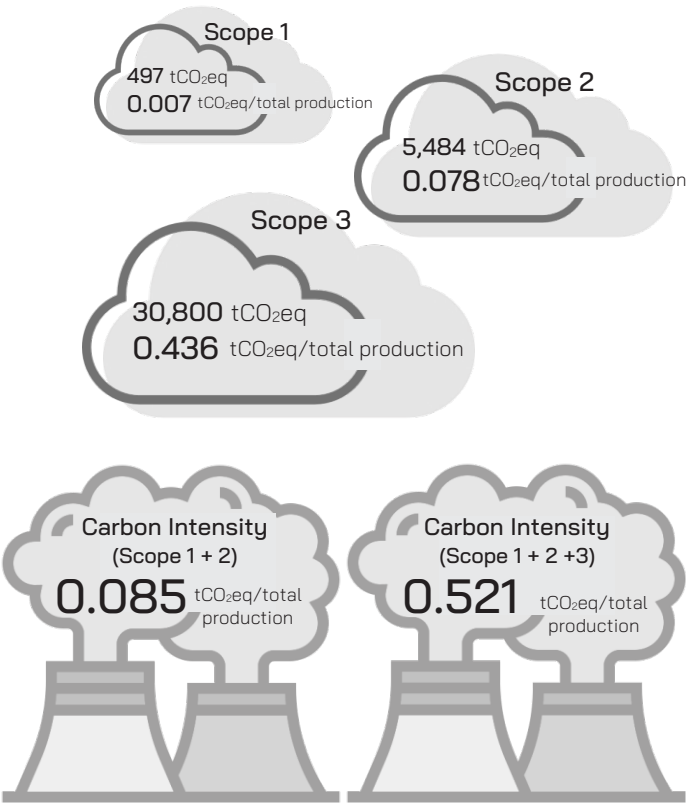
year, it was found that the amount of GHG emissions Scope 2 was 0.078 tCO₂eq per total production¹⁰ in 2022.

Scope 3

■ In 2022, the Company reported other indirect GHG emissions (Scope 3) from various sources in AAPICO's facilities in Ayutthaya Province¹¹, totaling 30,800 tCO₂eq.

When calculating the amount of other indirect GHG emissions (Scope 3) to the annual production volume, it was found that the amount of GHG emissions Scope 3 was 0.436 tCO₂eq per total production¹⁰ in 2022.

However, the Company has written up the Company's 2022 Sustainability Report, with further detailing on policies, guidelines, and performances of the Environment sustainability dimension including the activities relating to said guidelines and performances. More details are available by directly accessing the Company's website, or by scanning the following QR Code to access the Sustainability page of the Company's website.



¹⁰ Total production means a product volume of 1,000 units or a thousand pieces of products

¹¹ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

3.4. Social Sustainability Management

3.4.1. Social Policy and Guidelines

The Company places great importance and care in both internal and external human resources, with considerations to various factors – whether it be employment and fair treatment of labors, employees’ diversity, respecting human rights, personnel development and educational opportunities for the community, building workplace with good safety and occupational health, or providing assistance to the community and showing corporate social responsibilities. The Company regards human resources as highly precious and as an important factor in driving business and social sustainability growth and success, which is reflected in the Company’s vision and mission of “Happy Employees and Happy Public”.

The Company follows the laws and regulations of labor laws as per the Thai Labor Standards (TLS 8001-2010): Thai Corporate Social Responsibility on the subjects of forced labor, work remuneration, working hour, equal treatment, discipline and punishment, child and female labor, freedom to negotiate, safety and occupational health, work environment, and welfare. The Company has announced policies to maintain a good quality of life for the employees and people in the community in the form of Fair and Equal Employment Policy, Fair Remuneration Policy, and Human Rights Policy. In addition, the Company wrote up the Code of Conduct to serve as operational guidelines for the employees, while also preparing the preventive Safety and Occupational Health planning in order to educate and increase the employees’ awareness on the topic of safety.

3.4.2. Social Management Guidelines and Performance in 2022

The Company conducts a continuous review and revision of various social policies every year to ensure that regulations, rules, and practices align with the current business environment and trends. In 2022, the Company revised and announced new social policies, along with social initiatives addressing various issues.

1) Safety and occupational health

Management guidelines

- Although the COVID-19 crisis was expected to ease in 2022, the severity of the situation continued to fluctuate. Therefore, the Company has reviewed its policies and measures for COVID-19 prevention in the past year. The Company has revised its policies and announced flexible measures, including adjustment to COVID-19 prevention practices and quarantine criteria for employees. Furthermore, certain regulations have been abolished for the convenience and flexibility of the Company’s operations.

Despite the situation, the Company continues to operate as usual, with strict measures such as routine antigen testing, mandatory mask-wearing, and social distancing to ensure the safety of all employees. These precautions allow the Company to operate smoothly and manage risks effectively.

- Due to the government’s policy on legalizing marijuana and decriminalizing kratom, and no longer considering them as illegal drugs, the Company has concerned about the health and safety of all employees. Therefore, the Company has announced a policy to control and prevent the impact of marijuana and kratom use in the workplace. This is to ensure appropriate use of marijuana and kratom in accordance with the law and to prevent potential dangers that may arise during work. Additionally, it

aims to prevent incidents that could disrupt other employees due to the use of marijuana or kratom.

- The Company conducts an annual review and appointment of the 5S standard committee, whose responsibility is to monitor, and verify the implement of activities, and make decisions on the 5S scores in order to ensure that the organization is well-organized and to enhance efficiency in production, quality, cost, delivery, safety, and environmental aspects.

- A review has been conducted of occupational health, safety, and environmental policies which covers all relevant personnel involved in complying with regulations and policies regarding safety, as well as promoting the identification of hazardous points or risk assessment both within and beyond the production area. Furthermore, the Company is committed in preventing occupational diseases and promoting a good quality of life for its employees.

- The Company places great importance on workplace safety to prevent losses due to accidents and occupational illness. In this regards, the Company has established a committee for safety, occupational health, and environmental affairs to formulate policies, and plans for preventive measures, provide knowledge and support employees awareness in safe work practices. The ultimate goal is to reduce the rate of work-related losses and injuries, and to cultivate a culture of workplace safety for continuous improvement.

The Company annually provides basic safety training for all employees, such as training on criteria and methods for working safely to increase awareness of the risks surrounding the operating area, preventing various accidents training, Kiken Yochi Training (KYT), training on safety in the operation of various types of machinery, basic firefighting training, and fire

evacuation exercises. Furthermore, the Company organizes a Safety Week exhibition to create awareness and understanding of how to operate properly, information and techniques for COVID-19 prevention and treatment, and safe driving guidance, including environmental preservation and energy conservation. These activities seek to encourage employees to participate in safety concerns in the operational environment.

- In 2022, the Company broadened the scope of data collection on occupational injuries by covering the data of facilities in Ayutthaya province to include records from AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Lemtech Co., Ltd. (AL), and Edcha AAPICO Co., Ltd. (EA), in addition to AAPICO Hitech Public Company Limited (AH).

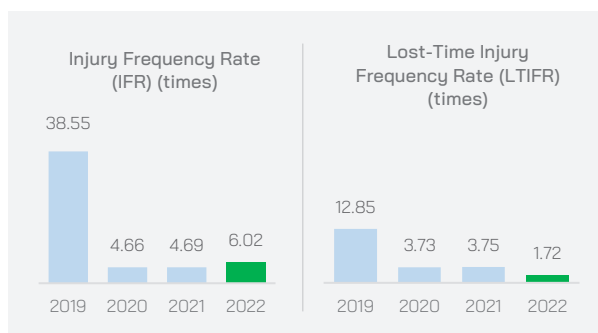
Performance in 2022

- In accordance with our commitment to zero accidents, in the year 2022, the Company achieved an Injury Frequency Rate (IFR) and a Lost-Time Injury Frequency Rate (LTIFR) of 9.43 times and 4.72 times, respectively, per 1 million of working hours in the facilities in Ayutthaya province¹.

When comparing the data from AAPICO Hitech Public Company Limited (AH) facility with previous years, it can be observed that the Company has an average occupational injury frequency rate (IFR) of 6.02 times and an average lost time injury frequency rate (LTIFR) of 1 day or more at 1.72 times per 1 million working hours. Although, these figures have decreased compared to the previous year, they still fall short of the Company's target. Nonetheless, the Company remains committed to promoting safety awareness among the employees, as well as identifying and

¹ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Lemtech Co., Ltd. (AL), and Edcha AAPICO Co., Ltd. (EA)

analyzing potential risks to reduce and prevent accidents.



2) Human Rights Protection

Management guidelines

- The Company places importance and respects for the personal rights of employees and stakeholders who have been affected, and pledges to comply with the 2019 Personal Data Protection Act. In 2022, the Company announced a privacy policy for employees and job applicants to inform them of the types of personal data that the Company collects, as well as the purposes for processing such data, the duration of data retention, the data processing method, the rights of employees and job applicants in relation to their data, and the exercise of such rights. This is to assure employees and job applicants that the Company will not violate their personal rights and will process their data in accordance with the announced policy.
- The Company respects the human rights of its employees and therefore has announced its labor corporate social responsibility policy. The Company will not engage in any form of forced labor, will not employ illegal or underage labor, and will promote their fair labor practices in accordance with international standards. The Company has measures in place to prevent and address issues related to violence, harassment, and sexual abuse, as well as to ensure the safety of employees in accordance with the law. The Company allows employees who have children to take breaks for milk storage in the appropriate space that

the Company provided. Additionally, the Company will not terminate employment, reduce positions, or decrease rights due to pregnancy. Furthermore, the Company respects employees' rights to form their own associations and will not interfere with them in any way, in accordance with the law.

In addition, the Company has announced the appointment of the Thai Labor Standards Committee to act as coordinators, communicate and perform various actions relating to Thai labor standards compliance.

Internal communication within an organization is crucial and highly necessary. The Company has developed an application that allows employees to access the Company information in terms of policy, regulations, and various practices, and employee benefits. The application also provides training courses for knowledge and skill advancement, as well as employee information such as daily attendance, number of annual leaves, course completed, and course details necessary for promotion. Creating this application benefits employees in accessing and receiving information more conveniently and quickly.

Performance in 2022

- The Company treats its employees in accordance with the policies and regulations in the Company's Code of Conduct and Thai Labor Standards and provides an accessible whistleblowing channel for every employee to report any evidence or complaints of inequality and violation of rights. In 2022, the Company and the Audit Committee received no complaint or report regarding said issues from both internal and external stakeholders.

Topic of complaints	Target	2020	2021	2022
Human Rights Violation	0	0	0	0
Conducts of Inequality	0	0	0	0

3) Personnel Development

Management guidelines

■ The Company continues to prioritize equal human resource development at all levels in order to create good and talented people for society. Following the easing of the COVID-19 outbreak, the Company group adjusted its training program to include physical training allowing all courses to be fully conducted both in theory and practice in 2022.

This year, the group of companies was emphasizing the development of knowledge and skills of employees in the area of technology and innovation. This includes keeping up-to-date with technology and ensuring its secure use, increasing proficiency in computer programs to facilitate work and increase productivity, as well as learning Robotic Process Automation (RPA) technology to program robots to work automatically, providing convenience to employees for non-essential work, allowing them to work efficiently on other tasks.

■ The Company has announced guidelines for employee position promotion for the year 2022 by specifying various operation procedure and indicating the evaluation period to be consistent. This is to ensure that the evaluation guidelines within the Company group are in the same direction and carried out efficiently and fairly.

Performance in 2022

In 2022, the companies within the group continued to provide online training and skills development due to the severity of the COVID-19 pandemic. However, as the situation improved in the latter half of the year, physical training was reintroduced along with online training with an increased proportion of physical courses. Despite this, the Company remains committed to developing the capabilities of its

employees amidst the ongoing situation. In 2022, the group's companies² organized 21,923 hours of training for all employees, with each employee receiving 7.38 hours of training on average per year, an increase of 45 minutes from 2021.

Personnel Development	2020	2021	2022
Total of training hour (Hours)	11,206	10,632	21,923
The number of employees (person)	1,768	1,545	2,971
The average of training hour of employees per year (Hour/Person/Year)	6.34	6.88	7.38

4) Employee Engagement

Management guidelines

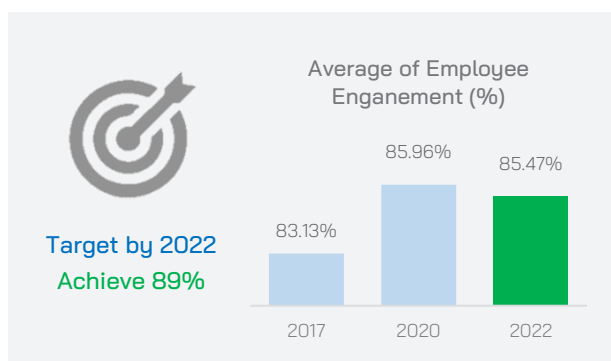
■ The Company recognized that the value and abilities of all employees are crucial in driving sustainable growth of the organization. The Company places importance on employee involvement and engagement in the organization, which leads to improve teamwork. This is achieved by providing opportunities for employees to express their opinions and creativity, enhancing their knowledge and skills for career growth, appropriate reward and recognition, and providing adequate compensation and benefits. The Company conducts regular reviews of its operations and organizes town hall meeting to foster employee relationships and commitment. It also conducts surveys to measure employee satisfaction and engagement every two years.

Performance in 2022

■ In the year 2022, the Company conducted an employee engagement surveys for the facilities in

² In the area of AAPICO Hitech Public Company Limited (AH) and branch in Rayong (AHR), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Lamech co., Ltd. (AL), Edscha AAPICO co., Ltd. (EA), AAPICO Hitech Automation Co., Ltd. (AHA), Able Sanoh Industries Co., Ltd. (ASICO), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC. (AF), AAPICO Precision Co., Ltd. (APC), AAPICO Plastic PLC. (AP) and branch in Rayong (APR)

Ayutthaya and Rayong province³. The Company aimed to increase employee engagement and satisfaction to 89% within the year 2022. According to the survey results, employees' engagement and satisfaction is at an average of 85.47% in 2022.



5) Social Responsibilities and community Development

Management guidelines

■ The Company is dedicated to conduct business in conjunction with social responsibility by promoting a good quality of life and creating learning opportunities for the surrounding community, in order to lead sustainable lives and grow within the society. Year 2022 was another challenging year, with the continued COVID-19 pandemic and flood effecting the surrounding communities of the Company. The Company is committed to assist in alleviating suffering, creating joy and providing encouragement to the effected individuals, so that they may have the strength to fight against these unfortunate situations and return to normal life as soon as possible.

Performance in 2022

■ According to the Company's commitment, AAPICO sponsored several CSR projects in 2022 and helped more than 900 households, organizations, and

foundations in the community. The main projects are as following:

5.1. COVID-19 Relief Project

➤ The employees in the Company are key drivers in propelling the business's development and growth. Therefore, it is important for the Company to provide assistance and support to employees who are experiencing difficulties. The Company continues to provide COVID-19 relief to impacted individuals, through the continuous distribution of essential items such as livelihood kits, necessary goods, and medication to employees and their families, as part of the Company's commitment to support their fight against the pandemic.

5.2. Academic Scholarships to Employees' Children Project

➤ The Company values employees' families and is committed to provide educational opportunities for their children. Therefore, the Company annually awards educational scholarships to the employees' children who demonstrate academic excellence, from elementary school to university level. In 2022, the Company in Thailand awarded a total of 36 scholarships.

5.3. Flood Relief Project

➤ During the recent flood in the Ayutthaya province, AAPICO distributed 413 survival bags including necessary supplies, food, medicines and other essential to households and families of employees residing in the affected community. In addition, the Company also provides aids such as construction material for employees whose houses are severely affected by the flood.

³ In the area of AAPICO Hitech Public Company Limited (AH) and branch in Rayong (AHR), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Lamech co., Ltd. (AL), Edscha AAPICO co., Ltd. (EA), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO ITS Co., Ltd. (AITS), A ERP Co., Ltd. (AERP)

5.4. Community Leadership Program with Mitsubishi

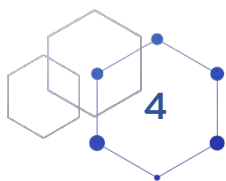
➤ Able Motors Co., Ltd., one of its subsidiaries and a Mitsubishi Motors distributor, took part in the "Community Leadership Meeting" campaign organized by Mitsubishi Motors (Thailand). This program includes meeting and discussion with the community leaders and donating necessary goods such as drinking water and food to various foundations in Pak Kret, King Kaew-Lat Krabang, and Pathum Thani communities on a monthly basis. This is done with the hope of delivering a better quality of life to the people in the community.

5.5. Blood Donation Project

➤ Due to the COVID-19 pandemic, many hospitals across the country have faced a shortage of blood storage due to a decrease in the number of donors. The Company was aware of the severeness of this issue and encouraged all its employees to donate blood for the Thai Red Cross society. AAPICO Forging Co., Ltd. (AF) and AAPICO Structural Products Co., Ltd. (ASP), in collaboration with Amata City Industrial Estate in Chonburi province, where both companies located, have joined the "100 million cc Amata Blood for the Thai Red Cross Society" project by donating blood to provide opportunities for those in need.

The Company has written up the Company's 2022 Sustainability Development Report, with further details on policies, guidelines, and performances of the social sustainability dimension – including the activities relating to said guidelines and performances. More details are available by directly accessing the Company's website, or by scanning the following QR Code to access the Sustainability page of the Company's website.

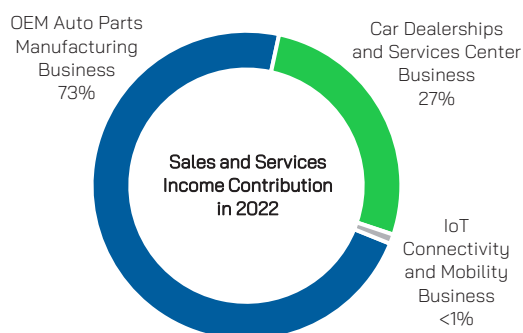




4.1 Performance & Financial Status Analysis Major Changes

AAPICO Business in 2022

AAPICO Group (“The Company”) businesses are primarily engaged in the automotive industry. Its three core pillars of businesses are OEM Auto Parts Manufacturing business, Car Dealerships and Services Center business, and the IoT Connectivity and Mobility business. AAPICO’s main operations and facilities are located in four countries, namely Thailand, Malaysia, China, and Portugal. The Company also has an operation in India through Sakthi Global Auto Holdings Limited (SGAH), a Holding Company in UK.



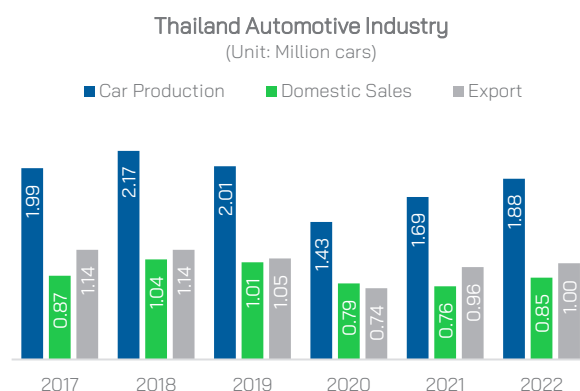
AAPICO’s sales and services income are mainly contributed from two core businesses, which are the OEM Auto Parts Manufacturing business and Car Dealerships and Services Center business, with the income contribution in 2022 of 73% and 27% respectively. Sales of the technology sector in 2022 was still nominal at approximately 0.07% of total sales and services income.

The OEM auto parts manufacturing business comprises of metal forming parts, plastic parts, forging and machining parts, casting parts, and toolings (Assembly Jigs and Stamping Dies). Thailand operations are focused on most of automobile component except casting parts. China operation is manufacturing forging and machining parts

and Portugal operation is producing casting and machining parts.

The Company operates car dealerships and service center for Ford, Mitsubishi, Mazda and MG vehicles in Thailand and Honda and Proton vehicles in Malaysia.

Industry and Market in 2022



Thailand: The car production in Thailand increased by 11.7% to 1.88 million cars in 2022. Export showed an improvement by 4.3% which amounted to 1.00 million cars. Domestic volume increased by 11.9% to 0.85 million cars, due to economic recovery, relaxation of COVID-19 restriction, and easing of the microchip shortage.

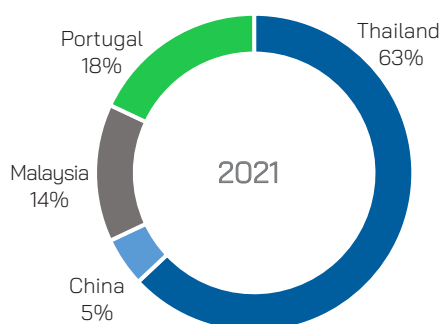
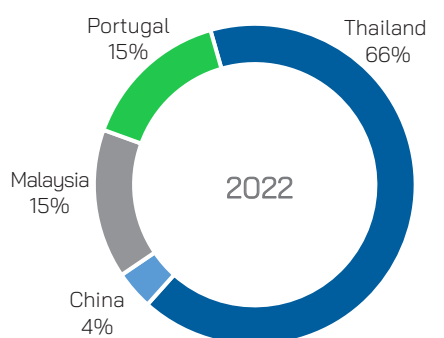
Malaysia: Total Industry Volume (TIV) of new car sales for 2022 increased significantly by 41.6% to 720,658 cars. Malaysia achieved an all-time high for Total Industry Volume in 2022. Perodua, a national car, ranked first in terms of units sold; at 282,019 cars, which increased 48.2% YoY. Proton, a national car, ranked second at 136,026 cars, which increased 21.8% YoY. Toyota, which is a non-national car, was ranked third with a growth of 39.8% YoY to 100,041 cars. Honda was fourth at 80,290 cars which increased significantly by 51.4% YoY.

Portugal: In 2022, total car production in Europe increased slightly by 0.6% YoY to 15.8 million cars. Due to the microchip shortage and high energy cost during 2H2022, the production volume dropped in Q3

2022. However, the production volume started to recover in Q4 2022.

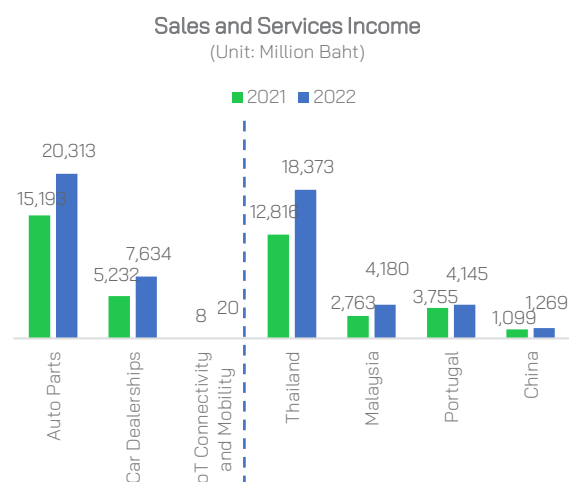
China: Total car production in 2022 increased by 3.6% to 27.0 million cars. Domestic car sales increased by 2.3% to 26.9 million cars. Car production is mainly for domestic market. In 2022, the New-Energy Vehicle (NEV) production in China was 7.0 million units and sales volumes of 6.9 million units. Even though, China market was impacted by COVID-19 outbreak during April, the demand recovered significantly in Q3 2022 due to government policy such as halve the purchase tax on vehicles which accelerated the consumer's demand. However, relaxation of Zero COVID policy caused another outbreak which impacted China market in December 2022.

Profit and Loss Analysis



Sales and services income

Sales and services income increased by 36.9% YoY from Baht 20,433 million in 2020 to Baht 27,967 million in 2022, driven by higher sales from automotive parts and car dealership segment which increased by 33.7% YoY and 45.9% YoY respectively. Increase in total revenues were attributable to an increase in customer orders from existing clients, new car model launch, new product launch and new order from overseas customer. Dealership businesses contributed higher growth in 2022 due to opening of the Mazda and MG showroom in Q4 2021 and opening of Mitsubishi and Ford showroom in April 2022 and August 2022 in Thailand and partly driven by the end of Sales and Service Tax (SST) exemption in June 2022 in Malaysia, which created accelerated buying decisions.



Thailand contributed the highest revenue in 2022 at 65.7%, followed by Malaysia at 14.9%, Portugal at 14.8% and China at 4.5%. In 2022, sales in Thailand increased by 43.4% YoY largely from the growth in OEM auto parts manufacturing business. For China, sales increased by 15.4% YoY due to government policies and cooperations from the whole industry. Portugal sales rose by 10.4% YoY from slow recovery in 2H2022. For car dealerships in Malaysia, sales growth increased strongly by 51.3% YoY due to government allowing buyers with confirmed booking within June 2022 to receive Sales and Service Tax (SST) exemption. However, the car must be registered before March 2023 to claim this support.

Profit and Loss Statement (Unit: Million Baht)	2021	2022	Change	%
Sales and service income	20,433	27,967	7,534	36.9%
Other income (Include other irregular items)	534	381	(153)	(28.7%)
Total Revenues	20,967	28,348	7,381	35.2%
<u>Less</u> Cost of Sales and services	18,225	24,777	6,552	36.0%
Gross Profit	2,208	3,191	983	44.5%
Gross Profit Margin (%)	10.8%	11.4%	0.6%	-
Total expenses	19,754	26,443	6,689	33.9%
Profit from operating activities	1,213	1,905	692	57.1%
Share of profit from associates and JVs	281	452	171	61.0%
Finance income	3	9	6	170.0%
<u>Less</u> Finance cost and Tax expenses	459	519	60	13.0%
<u>Less</u> Non-controlling interests	13	23	10	73.2%
Net Profit attributable to equity holders	1,024	1,824	800	78.1%
Net Profit Margin (%)	4.9%	6.4%	1.5%	-
Earnings per shares	2.89	5.14	2.25	78.1%

Other income

Other income, mainly comprised of technical fees, promotional fees from car sales and gain on exchange rate. In 2022, gain on exchange rate was at Baht 63 million compared to gain on exchange rate of Baht 222 million in 2021. Gain on exchange rate was caused by depreciation of Thai Baht at end of 2022 vs. year-end 2021. Gain on exchange rate was non-cash and mainly associated with the USD loan related to the SGAH transaction.

Unit: Million Baht	2021	2022	Change	%
Other income	312	318	6	1.7%
Gain on exchange rate	222	63	(158)	(71.5%)
Other income - Total	534	381	153	(28.7%)

Total Revenues

Total consolidated revenues increased by 35.2% YoY from Baht 20,967 million in 2021 to Baht 28,348 million in 2022.

Gross Profit

Gross profit increased from Baht 2,208 million to Baht 3,191 million in 2022. In 2H2022, revenues increased significantly from new product, new car model launch, and new EV orders from oversea customer, which resulted in higher gross profit margin. Additionally, price adjustment of Portugal operation started to reflect since Q3 2022 onward. Gross profit margin for the full year 2022 was higher than gross profit margin in 2021.

Unit: Million Baht	2021	2022	Change	%
Sales and service income	20,433	27,967	7,534	17.3%
Cost of sales and services	18,225	24,777	6,552	36.0%
Gross Profit	2,208	3,191	983	44.5%
Gross Profit Margin (%)	10.8%	11.4%	0.6%	

Selling and Administrative Expenses

Selling and administrative expenses increased from Baht 1,529 million to Baht 1,666 million in 2022 in line with the revenue growth. However, if we added back the reimbursement of legal fee received in Q4 2022 from Sakthi Group, following the court's decision in favor of the Company under the English Commercial Court's hearing to SG&A expenses, the SG&A expenses would be Baht 1,723 million, an increase of 12.7% from the previous year while our total revenue increased 35.2%. SG&A in terms of % to revenue improved from 7.3% in 2021 to 6.1% in 2022.

Unit: Million Baht	2021	2022	Change	%
Selling and distribution expenses	333	382	49	14.9%
Administrative expenses	1,197	1,284	87	7.3%
Total SG&A expenses	1,529	1,666	137	8.9%

Interest and Tax Expenses

Interest expense decreased slightly from Baht 346 million in 2021 to Baht 342 million in 2022 as the interest-bearing debt was gradually reduced. Tax expenses increased from Baht 113 million in 2021 to Baht 177 million in 2022 due to the fact that BOI certificates of the Company and some subsidiaries had expired.

Unit: Million Baht	2021	2022	Change	%
Finance cost	346	342	(4)	(1.2%)
Corporate tax expense (income)	113	177	64	56.1%
Finance cost and Corporate Tax expense	459	519	60	13.0%

Share of profit (loss) from Equity Investments

In 2022, most of associates and joint ventures companies performed better as illustrated by increase in share of profit (loss) from associates and joint ventures to Baht 452 million, compared to Baht 281

million in 2021. Sakthi Auto Component Limited has increased in profit sharing from Baht 16 million in 2021 to Baht 159 million in 2022, representing an increase by 913.8% due to significantly improved in revenue and Indian market grew significantly. *Sumino AAPICO (Thailand) Co., Ltd. and Edsha AAPICO Automotive Co., Ltd. have also improved in profit sharing due to higher revenue. Thai Takagi Seiko Co., Ltd. have also improved in profit sharing due to product mix, resulting in a higher margin. However, Hyundai contributed lower profit sharing mainly due to loss on exchange rate.

Share of profit (loss) from Equity Investments Unit: Million Baht	2021	2022	Change	%
Hyundai Motor (Thailand) Company Limited	121	112	(9)	(7.9%)
Able Sanoh Industries (1996) Company Limited	139	146	7	4.8%
Sumino AAPICO (Thailand) Company Limited	7	20	13	167.2%
Edscha AAPICO Automotive Company Limited	17	21	4	24.9%
Thai Takagi Seiko Company Limited	4	15	11	282.4%
Sakthi Auto Component Limited	16	159	143	913.8%
Other companies	(23)	(21)	2	(12.4%)
Profit Sharing from Investments	281	452	171	60.9%

Balance Sheet Unit: Million Baht	2021	2022	Change	%
Cash and cash equivalents	690	767	77	11.1%
Trade and other receivables	2,237	4,330	2,093	93.6%
Inventories	3,031	3,784	754	24.9%
Investments in associates, joint ventures and others	4,150	4,199	49	1.2%
Long-term loans to related parties	96	122	26	27.1%
Property, Plant, and Equipment	8,222	7,913	(309)	(3.8%)
Goodwill	1,118	1,088	(30)	(2.7%)
Other Intangible Assets	1,599	1,523	(76)	(4.8%)
Right-of-use assets	600	737	137	22.8%
Other Assets	979	1,006	27	2.8%
Total Assets	22,722	25,469	2,747	12.1%
Trade and other payables	4,884	7,010	2,127	43.5%
Short-term loans from banks	1,710	1,929	218	12.8%
Current portion of long-term loans and debentures	1,941	1,810	(131)	(6.7%)
Long-term loans	3,138	2,959	(179)	(5.7%)
Long-term debentures	1,099	800	(300)	(27.3%)
Advances received from customers	157	191	34	21.5%
Other Liabilities	978	842	(136)	(13.9%)
Total Liabilities	13,908	15,540	1,632	11.7%
Total Shareholders' Equity	8,815	9,929	1,115	12.6%

Financial Position Analysis

Assets

Total assets increased by Baht 2,747 million to Baht 25,469 million in 2022 largely attributable to the increase of trade and other receivables and inventories, in line with higher sale and also increase of right of uses.

Trade and other receivables increased from Baht 2,237 million to Baht 4,330 million in 2022 in line with higher sale and in 2022, the Company didn't enter into a factoring agreement with financial institution on its accounts receivable which led to the higher accounts receivable level, compared to 2021 which the Company entered into factoring agreement. Most of trade receivables were classified into not yet due and past due not over 3 months. For trade receivables which past due more than 3 months, the Company provided appropriate provisions, followed the Company's policy. In addition, most of trade receivables over 12 months were related company trade receivable which was associated with Sakthi Automotive Group USA Inc. (SAGUSA) which are on the process of

liquidation. However, the Company already provided full amount of provision. The Company also provided appropriate allowance for other receivables.

Right-of-use assets increased from Baht 600 million to Baht 737 million in 2022, mainly due to the rental of new showrooms.

Liabilities

Total liabilities increased by Baht 1,632 million to Baht 15,540 million, largely attributable to increase of trade and other payable.

Interest Bearing Debt decreased from Baht 7,889 million to Baht 7,497 million, mainly from the repayment of long-term loans and debentures.

Other liabilities decreased by Baht 136 million, mainly due to the reclassification of accrued expenses of overseas subsidiaries from other current liabilities to other payables.

Shareholders' Equity

Total shareholders' equity increased by Baht 1,115 million to Baht 9,929 million in 2022 driven by an increase of profits during the period.

Key Financial Performance

Unit: In % or times	2021	2022
Gross Profit Margin (%)	10.8%	11.4%
Net Profit Margin (%)	4.9%	6.4%
Return on Assets (%)	4.6%	7.7%
Return on Equity (%)	12.8%	20.1%
Average Sales Period (Days)	55.6	49.5
Average Collection Period (Days)	43.8	42.3
Average Payment Period (Days)	90.9	87.8
Cash Conversion Cycle (Days)	8.6	3.9
Current Ratio (Times)	0.69	0.82
Quick Ratio (Times)	0.36	0.48
Interest bearing Debt to Equity Ratio (Times)	0.89	0.76
Net Debt to Equity Ratio (Times)	1.50	1.49
Interest Coverage Ratio (Times)	4.32	6.89

Gross Profit Margin (%) slightly increased from 10.8% in 2021 to 11.4% in 2022 due to new product, new car model launch, new EV orders from oversea customer and also price adjustments of Portugal operation has started to record in Q3 2022 leading to improved Gross profit margin from Q3 2022 onwards.

Net Profit Margin (%) increased from 4.9% to 6.4% in 2022 due to the following reasons:

- 1) Strong performance of our automotive parts business in Thailand and China. Portugal also returned to profitability in 2022.
- 2) Strong performance of dealership business in Malaysia and improved performance of dealership business in Thailand.
- 3) The increase in profit sharing from associates and joint ventures from Baht 281 million in 2021 to Baht 452 million in 2022.
- 4) Improved of SG&A in terms of % to total revenue.

Return on Assets (ROA) and Return on Equity (ROE) improved to 7.7% and 20.1% respectively. The Company's profitability indicators were significantly higher than 2021 as the profit continues to improve.

Average Sales Period (days) and Average Payment Period (days) slightly decreased from 56 days to 50 days and 91 days to 88 days respectively, mainly from the lower inventory of automotive parts business. The cost of sales in 2022 was significantly increased from 2021, in line with sale increased. Meanwhile, the increase in inventories and accounts payable level in 2022 was less than the increase in cost of goods sold.

Average Collection Period decreased from 44 days to 42 days in 2022, mainly from higher sale contribution of dealership business which has lower collection period.

Current Ratio increased from 0.69 to 0.82 times and **Quick Ratio** increased from 0.36 times to 0.48 times in

2022. The increase in current assets in a proportion greater than current liabilities partially was due to the Company entered into factoring agreement in 2021, but not entered into the aforesaid agreement in 2022. Although the abovementioned ratios were lower than 1 time, the Company believes that its liquidity risk is low, thanks to positive cash flow from operations; strong balance sheet and continued strong support from its lenders.

Interest-Bearing Debt to Equity and Net Debt to Equity Ratios improved to 0.76x and 1.49x respectively in 2022 due to the decrease in interest-bearing debt. The ratios were still in compliance with financial covenants imposed in its bank loan agreements and debentures at below 1.75x and 2.00x respectively.

Interest Coverage Ratio increased from 4.32x to 6.89x in 2022, as the Company's profit was improved.

In terms of the off-balance sheet obligations, the Company guaranteed bank credit facilities of local associates amounting to Baht 100 million, compared to RMB 10 million and Baht 100 million guaranteed bank credit facilities of foreign subsidiary and local associate in 2021 respectively. Consideration of such guaranteed obligations are within the scope of manageable. Furthermore, the company has no policy to guarantee loans for additional companies in the group in 2022.

However, the credit risk of foreign subsidiaries and domestic associated companies is low.

Cash Flow Analysis

Net cash flows from operations in 2022 was Baht 2,047 million compared to Baht 3,271 million in 2021, the decrease was mainly due to use of cash for core operation and partially factoring of accounts receivable at year-end 2021 but not in 2022. Net cash flows used in investing activities amounted to Baht 773 million, was largely due to investment in machinery and equipment amounted to Baht 958 million for the new projects and new showrooms as well as maintenance

capital expenditures. There were cash dividend received from subsidiaries and associates of Baht 238 million, and an increase of loan repayment from related parties of Baht 26 million.

Net cash flows used in financing activities was Baht 1,143 million, mainly from a drawdown of new credit facilities from financial institution. However, the increase was partially off-set by long-term loan and debenture repayments. In 2022, total net cash increased to Baht 77 million compared to net cash increased of Baht 39 million in 2021. Cash and cash equivalents at the end of the year 2022 stood at Baht 767 million, compared to Baht 690 million in 2021.

Cash flow statement (Unit: Million Baht)	2021	2022	Change	%
Net cash flows from operating activities	3,271	2,047	(1,224)	(37.4%)
Capital expenditures	(1,300)	(958)	(342)	(26.3%)
Net cash flows from (used in) investing activities	(763)	(773)	10	1.3%
Net cash flows from (used in) financing activities	(2,277)	(1,143)	1,134	(49.8%)
Net cash increase (decrease)	39	77	38	97.4%
End of Year Cash and Cash equivalents	690	767	77	11.2%
Major cash transactions:				
Investments in associates and joint ventures	(2)	(25)	(23)	1,150.0%
Loans to related parties decrease (increase)	558	(26)	(584)	(104.7%)
Interest received	1	8	7	700.0%
Dividend received from subsidiaries and associates	108	238	130	120.4%

4.2 Factors or Events that can Significantly Affect Performance and Financial Status in the Future

AAPICO's main businesses are in the automotive industry. The Company's performance therefore is related to the automotive demands and markets in Thailand, Malaysia, Europe and China. For the year 2023, the Federation of Thai Industries (FTI) expects a stable automotive production volume of approximately 1.95 million cars which will increase by 3.7% YoY, of which 1.05 million cars for export and 0.90 million cars for domestic car sales. The Malaysian Automotive Association (MAA) has predicted a decrease of 9.8% YoY in total industry volume for 2023 to 650,000 units, compared to 720,658 units in 2022 which was attributed to pent-up demand for new vehicles in 2022, especially in the first half with Sale and Service Tax Exemption. Vehicles booked before the end of June are eligible for tax exemption if registered before the end of March 2023 which created accelerated buying decisions. European car production volume is expected to grow 4.8% YoY to 16.6 million cars. Chinese automotive market is expected to grow around 3.0% YoY in 2023.

The Company estimates that sales growth will be in tandem with the automotive industry with additional sales from new car model launches and new product launches started in 2nd half of 2022 together with increase of EV related products. The demand for automotive parts remains robust. Most of the company's plants in Thailand and overseas are currently operating in two shifts.

With the continual TURBO action and ESG programs, the Company will continue its focus on improving efficiency, controlling its activities and cost reduction, as well as looking for opportunities and new markets to expand its business into the global arena. The Company is gearing toward sustainability with emphasis on quality, cost, delivery, management, and engineering innovation to maintain operational standards and to continually develop throughout the AAPICO Group organization.

4.3 Financial Highlights and Ratios for the Past 3 years

Statement of Financial Position	Consolidated Financial Statements					
	2020		2021		2022	
	'000 Baht	%	'000 Baht	%	'000 Baht	%
Assets						
Cash and Cash Equivalents	651,781	2.92%	690,391	3.04%	767,259	3.01%
Current Investment	-	0.00%	-	0.00%	-	0.00%
Trade and Other Receivables	2,846,045	12.74%	2,236,600	9.84%	4,330,055	17.00%
Inventories	2,595,736	11.62%	3,030,653	13.34%	3,784,348	14.86%
Long-term Loans to Related Parties	637,152	2.85%	95,804	0.42%	121,794	0.48%
Investment in Associates and Joint Ventures	3,716,279	16.63%	4,150,377	18.27%	4,199,303	16.49%
Goodwill	1,094,249	4.90%	1,117,992	4.92%	1,087,945	4.27%
Property, Plant and Equipment	7,773,139	34.79%	8,221,984	36.18%	7,912,616	31.07%
Other Assets	3,031,673	13.57%	3,178,694	13.99%	3,265,714	12.82%
Total Assets	22,346,054	100.00%	22,722,495	100.00%	25,469,034	100.00%
Liabilities						
Short-term Loans from Banks	1,918,214	8.58%	1,710,423	7.53%	1,928,514	7.57%
Trade and Other Payables	4,118,763	18.43%	5,080,829	22.36%	7,010,446	27.53%
Current Portion of Long-term Loans and Debentures	1,900,656	8.51%	1,940,997	8.54%	1,810,075	7.11%
Short-term Loans from Related Parties	33,119	0.15%	35,696	0.16%	32,261	0.13%
Long-term Loans	3,997,519	17.89%	3,138,251	13.81%	2,959,053	11.62%
Long-term Debentures	1,599,079	7.16%	1,099,486	4.84%	799,773	3.14%
Other Liabilities	1,037,417	4.64%	902,013	3.97%	999,421	3.92%
Total Liabilities	14,604,766	65.36%	13,907,695	61.21%	15,539,543	61.01%
Shareholders' equity						
Registered Capital	322,649	1.44%	354,842	1.56%	354,842	1.39%
Issued and Paid-up Capital	322,584	1.44%	354,842	1.56%	354,842	1.39%
Premium on Ordinary Shares	2,164,354	9.69%	2,164,354	9.53%	2,164,354	8.50%
Premium on Treasury Shares	33,580	0.15%	33,580	0.15%	33,580	0.13%
Deficit from the change in interests in a subsidiary	-	0.00%	(1,533)	(0.01%)	(1,533)	(0.01%)
Retained Earnings - Appropriated	219,135	0.98%	219,135	0.96%	219,135	0.86%
- Unappropriated	4,761,037	21.31%	5,537,584	24.37%	7,027,181	27.59%
Other Components of Shareholders' Equity	(27,548)	(0.12%)	205,042	0.90%	(186,520)	(0.73%)
Non-Controlling Interests of the Subsidiaries	268,146	1.20%	301,796	1.33%	318,452	1.25%
Total Shareholders' Equity	7,741,288	34.64%	8,814,799	38.79%	9,929,491	38.99%
Total Liabilities and Shareholders' Equity	22,346,054	100.00%	22,722,495	100.00%	25,469,034	100.00%

Remark: 1) Percent of Total Assets or Total Liabilities and Equities

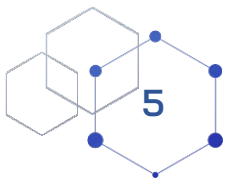
Income Statement and Cash Flow Statement	Consolidated Financial Statement					
	2020		2021		2022	
	'000 Baht	%	'000 Baht	%	'000 Baht	%
Income Statement						
Total Revenues	17,797,594	100.00%	20,967,227	100.00%	28,348,097	100.00%
Revenue from Contracts with Customers	17,418,930	97.87%	20,433,153	97.45%	27,967,194	98.66%
Other Income	378,665	2.13%	534,074	2.55%	380,903	1.34%
Cost of Sales and Services	16,054,462	90.21%	18,224,762	86.92%	24,776,635	87.40%
Selling and Administrative Expenses	1,332,705	7.49%	1,529,924	7.30%	1,666,113	5.88%
Loss on Exchange Rate	13,289	0.07%	-	0.00%	-	0.00%
Expected Credit Losses (Reversal)	(15,145)	(0.09%)	-	0.00%	-	0.00%
Share of Profit from Investment in Associates and Joint Ventures	101,363	0.57%	280,513	1.34%	451,527	1.59%
Finance Income	34,507	0.19%	3,352	0.02%	9,049	0.03%
Finance Cost	(372,917)	(2.10%)	(345,995)	(1.65%)	(341,888)	(1.21%)
Tax Income (Expenses)	(12,153)	(0.07%)	(113,407)	(0.54%)	(177,073)	(0.62%)
Profit (Loss) Attributable to Equity Holders of the Company	147,764	0.83%	1,023,968	4.88%	1,823,648	6.43%
Profit (Loss) Attributable to Non-Controlling Interests of the Subsidiaries	15,318	0.09%	13,466	0.06%	23,317	0.08%
Profit (Loss) for the year	163,082	0.92%	1,037,434	4.95%	1,846,964	6.52%
Basic Earnings (Loss) per share (Par Value of Baht 1 per share)	0.46		2.89		5.14	
Cash Flow Statement						
Net Cash Flow from Operating Activities	316,195		3,270,898		2,047,350	
Net Cash Flows from (used in) Investing Activities	(408,107)		(763,221)		(772,800)	
Net Cash Flows from (used in) Financing Activities	280,745		(2,277,160)		(1,142,981)	
Increase (decrease) in Translation Adjustments	(74,859)		(191,907)		(54,701)	
Net increase (decrease) in Cash and Cash Equivalents	113,973		38,611		76,868	

Remarks: 1) Percent of Total Revenue
2) Scrap Income has been reclassified from other income to sales and services income started from Q1'2021

Financial Ratio	Consolidated Financial Statements		
	2020	2021	2022
<u>Liquidity Ratio</u>			
Current Ratio (Times)	0.78	0.69	0.82
Quick Ratio (Times)	0.47	0.36	0.48
Cash Flow Ratio (Times)	0.04	0.37	0.20
Account Receivable Turnover Ratio (Times)	7.81	8.20	8.52
Average Collection Period (Days)	46.09	43.88	42.26
Inventory Turnover Ratio (Times)	5.83	6.48	7.27
Average Sales Period (Days)	61.72	55.57	49.51
Account Payable Turnover Ratio (Times)	3.77	3.96	4.10
Average Payment Period (Days)	95.48	90.86	87.84
Cash Conversion Cycle (Days)	12.33	8.59	3.93
<u>Profitability Ratio</u>			
Gross Profit Margin (%)	7.83%	10.81%	11.41%
Operating Profit Margin (%)	2.32%	5.79%	6.72%
Profit margin from investments in associates (%)	0.57%	1.34%	1.59%
Cash to Income Ratio (%)	76.69%	269.66%	107.45%
Net Profit Margin (%)	0.83%	4.88%	6.43%
Return on Equity (%)	2.01%	12.81%	20.12%
<u>Operating Efficiency Ratio</u>			
Return on Assets (%)	0.59%	4.60%	7.67%
Return on Fixed Assets (%)	14.34%	25.86%	37.20%
Asset Turnover Ratio (Times)	0.82	0.93	1.18
<u>Financial Policy Ratio</u>			
Debt to Equity Ratio (Times)	1.89	1.58	1.56
Net Debt to Equity Ratio (Times) ²	1.80	1.50	1.49
Interest bearing Debt to Equity Ratio (Times)	1.22	0.89	0.76
Interest Coverage Ratio (Times)	1.38	4.32	6.89
Dividend Payout Ratio (%)	54.60%	32.57%	30.00%

Remarks:

- 1) Financial Ratios are calculated according to SEC
- 2) Adjusted Debt calculated from Debt less Cash and Cash Equivalents
- 3) Scrap Income has been reclassified from other income to sales and service income started from Q1'2021



Company General Information

5.1 Company General Information

Company General Information

AAPICO Hitech Public Company Limited	
Head Office:	99 Moo 1 Hitech Industrial Estate Tambol Ban Lane, Amphur Bang Pa-In, Ayutthaya Province, 13160, Thailand
Branch Office:	Unit No. 100/11, 9th Floor (Low Zone), Sathorn Nakorn Tower Building, North Sathorn Road, Silom Subdistrict, Bangrak District, Bangkok, 10500, Thailand
Telephone:	+66 (0) 3535 0880
Facsimile:	+66 (0) 3535 0881

Reference Entities General Information

Security Deposit Registrar	
Address:	Thailand Securities Depository Company Limited, The Stock Exchange of Thailand, 93 Ratchadapisek Road, Dindaeng, Bangkok, 10400, Thailand
Telephone:	+66 (0) 2009 0900 +66 (0) 2009 9999
Facsimile:	+66 (0) 2009 9991
Debenture Representative	
Address:	Bangkok Bank Public Company Limited 333 Silom Road, Bangrak, Bangkok, 10500, Thailand
Telephone:	+66 (0) 2626 3568
Facsimile:	+66 (0) 2626 4545-6
Debenture Registrar	
Address:	Bangkok Bank Public Company Limited 333 Silom Road, Bangrak, Bangkok, 10500, Thailand
Telephone:	+66 (0) 2626 3568
Facsimile:	+66 (0) 2626 4545-6
Auditor	
Address:	EY Office Limited Lake Rajada Office Complex, Floor 33rd, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok, 10110, Thailand
Telephone:	+66 (0) 2264 0777 +66 (0) 2264 9090
Facsimile:	+66 (0) 2264 0789

5.2 Other Important Information

5.2.1 Other Information which may affect the investors decision

None

5.2.2 Any limitation on the allocation of new ordinary shares in the capital increase to shareholders in foreign countries under the law of other jurisdictions

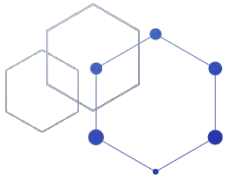
None

5.3 Legal Dispute

None

5.4 Secondary Market

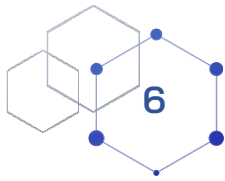
AAPICO Hitech is a listed company in the Stock Exchange of Thailand



Part 2:

Corporate Governance

6. Corporate Governance Policy
7. Corporate Governance Structure, Board of Directors, Committees, Management, Employees and Others
8. Report on Key Performance of Corporate Governance
9. Internal Control and Connected Transaction



Corporate Governance Policy

AAPICO Hitech Public Company Limited (hereinafter referred to as “The Company”) is committed to conduct our business responsibly and with integrity, honesty, transparency, and fairness. AAPICO’s business principles are defined by its ethical framework and continuous improvement in response to changes in the economy, society, environment, and corporate governance circumstances.

6.1 Policy and Corporate Governance Practice

The Company places great importance on operating under good corporate governance and is determined to continuously improve its governance practices and standards across the organization in order to gain and maintain stakeholders’ trust and confidence in its operations. The Board of Directors is responsible for developing the corporate governance policy, overseeing the drafting process thereof, and approving the final version. The Board also ensures that the Company adheres to good corporate governance principles and acts in compliance with its corporate governance policy.

6.1.1 Policy and Guideline: The Board of Directors

The Company has established significant principles and regulations related to the Board of Directors in order to conduct business in a transparent manner. These policies and guidelines cover the nomination and remuneration of directors and executives that are aligned with their duties and responsibilities, the independence of the Board of Directors from management, director development, and performance evaluation, as well as supervision of subsidiaries and associated companies.

6.1.2 Policy and Guideline: Shareholders and Stakeholders

1) Rights of Shareholders

The Company respects the rights of shareholders to help steer the Company’s business directions and

seeks their approval on important matters that may affect the Company’s operations and shareholders’ benefits. Apart from the election of directors to supervise the Company’s operations on their behalf, shareholders are also encouraged to attend shareholders’ meetings to express their opinions, ask questions, and vote on important affairs of the Company.

Scheduling Shareholders’ Meetings

The Company makes efforts to encourage and facilitate shareholders in exercising their rights and emphasizes the best practice and high standards for its shareholders’ meetings. The Company schedules the shareholders’ annual general meeting within 4 months of the annual closing of its accounts. The Company takes the shareholders’ convenience as a main factor in fixing the date and time as well as selecting a meeting venue in areas that are easily accessible by public transport. The Annual General Meeting (AGM) of shareholders for the year 2022 was set at Eastin Grand Hotel Sathorn Bangkok, 11th floor, Surasak Ballroom 2 & 3 on April 20, 2022 at 10:00 A.M. The hotel was located on Sathorn Road, which was easily accessible by public transport (e.g. BTS Skytrain, taxi, bus, boat, rail mass transit, etc.) and had sufficient capacity to accommodate meeting attendees. The Company had also arranged for live broadcast of the 2022 AGM to provide a convenient channel for shareholders who wished to join the meeting via online platform.

Notice of Shareholders' Meeting

The Company disclosed the Board of Directors' decision on the AGM date, the AGM agenda, and the Board's opinions via the Stock Exchange of Thailand (SET) website in order to notify shareholders prior to sending out meeting notices. The Company ensured that the shareholders' meeting notice contained correct and complete information regarding the time, date, venue, and agenda of the meeting, and provided facts and opinions of the Board Meeting for each agenda item. The notice of shareholders' meeting and supporting documents – including the minutes of the previous meeting, the Form 56-1 One Report 2021, and proxy forms with complete instructions – will be made available in both Thai and English on AAPICO's website 30 days prior to the meeting date. The same documents were mailed to shareholders 14 days in advance of the meeting date to allow enough time for shareholders to prepare for the meeting. In addition, the Company also conducted the 2022 AGM via an online platform for shareholders to observe the proceedings using electronic devices.

Appointing Proxies

For shareholders who were unable to attend the meeting in person, the Company provided an option to appoint proxies or delegate their votes to other individuals or to the Company's independent directors. The Company had specified independent directors' names in the proxy forms defined by the Ministry of Commerce. Shareholders could exercise their voting rights without conditions by using Proxy Form B attached to the meeting notice or download other proxy forms – including those proxy forms required for investors who authorize custodians in Thailand – from AAPICO's website. The Company considered and treated proxies as if they were shareholders and had included their votes in the voting system in accordance with their wishes.

At the Meeting

During registration, the Company used technology to facilitate and smoothen the shareholder registration process. The Company provided adequate staffs and facilitated the affixing of stamp duty on proxy forms to assist shareholders at the registration table.

Prior to the meeting, the MC introduced the Board of Directors, Management, and external auditors to the meeting. At the 2022 AGM, every member of the Board of Directors, including the Chairman of every committee, was present.

The MC elaborated on the voting procedure, the vote count, and the announcement of voting results. Votes are to be cast openly by using voting cards bearing a vote and the shareholder's signature. The Company then collects and counts the disapproval and abstention votes and deducts these from the total to conclude the approval votes. After the voting count has been completed, the result is announced for each agenda item. In the event that the counting process might take a long time, the Chairman may proceed to the next agenda item in order to avoid disrupting the Meeting. Voting results shall then be announced upon the counting completion. Shareholders are requested to return their signed voting cards to the Company after the meeting has been adjourned.

The 2022 AGM proceeded according to the agenda published on the meeting notice. There were no changes in the order of the agenda and no request to consider any other matters. For each agenda item, the Chairman ensured that shareholders had adequate time to freely express their opinions and raise questions. The Chairman also welcomed additional comments and inquiries regarding shareholders' interests and arranged for the management to answer all questions clearly and thoroughly.

The policy regarding conflict-of-interest matters is that any director with vested interests or involvement on any agenda item must inform the meeting, recuse

themselves, and abstain from voting on that agenda item. At the 2022 AGM, nominated directors were requested to leave the meeting room for shareholders to duly consider the appointment of directors and vote on individual basis.

The Company honored the right of shareholders to attend and vote at the shareholders' meeting even after the meeting had already commenced. Their attendance constituted part of the quorum, starting from the agenda item for which they were first in attendance and could exercise their rights provided that the resolution in question had yet to be concluded.

After the meeting, the Company disclosed the resolution with the voting results for each agenda item on the SET website at the end of the same day. The meeting minutes were completely and accurately recorded with details of the number of shareholders and proxies in attendance, the voting results, shareholders' comments and questions, as well as the explanations from the directors and the management. The minutes of the 2022 AGM were prepared and submitted to the SET within 14 days after the meeting as per the SET rule, and was made available to the public on AAPICO's website in both Thai and English.

2) Equitable Treatment of Shareholders

The Company treats every shareholder fairly and equally regardless of their shareholding proportions and of their gender, age, race, nationality, religion, beliefs, social status, physical abilities, and political views. Shareholders receive equal voting rights: one share is equal to one vote. No shares have extra privileges over other shares – a shareholder's voting power is equal to the number of shares they hold.

Proposing Agenda Items and Nominating Directors

The Company protects the interests of every shareholder, whether they be major or minor, individual or institutional, and Thai or foreign. All shareholders have equal rights to express their opinions, propose

agenda items, and nominate the Company's directors. The Company defined the criteria and procedures for shareholders to propose agenda items or nominate directors – or both – in advance for the Board of Directors to deliberate and include in the AGM meeting agenda. This information is publicly available on AAPICO's website in both Thai and English and was also announced on the SET website. For the 2022 AGM, the Company invited all eligible shareholders to propose agenda items and/or nominate directors during the period from 1 October to 31 December 2021. However, there were no proposals from shareholders to be considered for the 2022 AGM.

Facilitating Shareholders' Convenience at the Meeting

The Company aims to make it as convenient as possible for every shareholder to attend the shareholders' meeting – be they individuals, juristic persons, or institutional investors.

At the 2022 AGM, the Company arranged for registration to begin at least one hour prior to the scheduled meeting time and to remain open until the last meeting agenda item. The Company used an online tool to support the registration and voting process.

The 2022 AGM was conducted in Thai, as most shareholders are Thai. However, for the benefit of foreign directors and shareholders, the Company had prepared supplementary documents and presentations in English. English-speaking members of the staffs were also on hand to provide any necessary translation during the discussion and question sessions for the convenience of shareholders.

The Company provided disclosures of information in both Thai and English and made this information available to the public via the AAPICO website, the SET website, and other relevant channels to ensure that all shareholders had access to this information in an equitable and timely fashion.

3) Role of Stakeholders

The Company adheres to ethical business practices and conducts its businesses in order to create joint value with its stakeholders for the mutual and sustainable benefit of all parties. The Company recognizes and acknowledges the rights of stakeholders, their interests, and the different needs of each group.

The Company endeavors to protect the basic rights of its stakeholders in accordance with relevant laws and regulations, and has carefully defined the policy, guidelines and practices that appropriately address the needs of each stakeholder. The Company categorizes key stakeholders into 8 groups, as follows:

Shareholders

Shareholders are the owners of AAPICO's business. The Company shall operate its businesses to create long-term corporate sustainability, increase the Company's economic value, and generate good returns to shareholders – with the Board of Directors acting as the shareholders' representative. Directors and executives are to perform their duties with honesty and integrity, to supervise and manage AAPICO's businesses to operate effectively, efficiently, and in a transparent and auditable manner. They shall act in consideration of the best interests of the shareholders and in compliance with good corporate governance principles.

AAPICO arranges activities with shareholders and provides equal access for shareholders to reach out to the Company. Its key activity is the shareholders' factory visit which is arranged on an annual basis. The Company provides an equal opportunity for all shareholders to sign up and participate in this activity. Shareholders can register their names in person at the AGM, by telephone call, or via email. Due to the limited availabilities, the Company selects the participants on a first come first served basis, regardless of the number of shares held. However, due to the ongoing

COVID-19 pandemic situation in 2022 and in an effort to prevent the spread of the disease, the annual factory visit has been put on hold.

AAPICO discloses financial and non-financial information in a factual, complete, adequate, constant, and timely manner. Shareholders, investors, and stakeholders are well informed of financial results and public disclosures via AAPICO's website and the SET website. The Company monitors access to internal information to prevent anyone from using such information for personal gain, which could be damaging to the organization. The Company assigns Investor Relations (IR) to be its primary contact window in communicating business information and clarifying questions and concerns of shareholders and the public, hence reducing the fluctuation of and impact on the Company's share price.

Customers

AAPICO focuses on the principle of Safety, Quality, Cost, Delivery, Engineering and Management (SQCDME) as the key success factor for a high standard of operations and customers' satisfaction. AAPICO emphasizes expert production and the delivery of high-quality products to its customers in a timely manner and at a competitive and reasonable price. The Company ensures the continuity of its production and on-time delivery to support the overall supply chain of the automotive industry.

AAPICO values good relationships with customers. As a large tier 1 supplier in Thailand, the Company commits to continuously developing and improving its product quality and services according to the SQCDME principle in order to meet and exceed the expectations of its customers. The consistent recognition of its quality management system – as well as numerous awards and accolades from many customers – are clear confirmations of AAPICO's commitment to excellence.

AAPICO has a policy of keeping each customer's information strictly confidential in accordance with the Personal Data Protection Act B.E. 2562 (2019). The Company ensures that employees are aware not to share any business information with its partners or other parties. The Company works closely with each customer and operates in compliance with customer guidelines and policies for good management and good corporate governance.

AAPICO values innovation. The Company does not violate any regulations or contractual rights regarding the use of intellectual property and copyrights. The use of information technology must comply with the Computer Crimes Act and other local intellectual property and copyright laws.

The Company also conducts customer satisfaction surveys to pinpoint areas for improvement and to get a good idea of the customers' satisfaction level, then use this information to improve the Company's products, services, and customer-relative operations. The customer satisfaction survey results of 2022 show a score of 90.87%.

Suppliers

AAPICO conducts business with its suppliers in a fair and transparent way in accordance with the Company's Code of Conduct. The Company has a policy of selecting its suppliers in a fair and open manner, where no parties have the unfair advantage of a separate, prior, closed-door negotiation for a contract. The purchase of materials and hire of services are decided based on the quality, price, service, punctual delivery provided according to the agreement and product requirements, and safety and environmental concerns. Procurement officers shall refrain from demanding or accepting – and shall not be influenced by – the offer of gifts, favors, or benefits of any kind from suppliers. Employees must adhere to the Company's policy regarding the gifts and the anti-

corruption policy to avoid any incidents leading to corruption.

Suppliers are the Company's valued business partners. The Company is committed to promoting cooperation between the Company and its suppliers to create good relationships and to improve the efficiency, capabilities, skills, and knowledge of suppliers to ensure that they operate in compliance with good corporate governance practices and consistently achieve the quality standards as required by the customers. Activities in 2022 include the annual supplier meeting, the supplier audit, CSR activities, etc.

The Company supports environmental-friendly procurement and is determined to avoid doing business with suppliers who do not operate in compliance with laws and regulations related to human rights, intellectual property, and other related regulations.

Joint Venture Partners

AAPICO treats its joint venture and business partners with respect, impartiality, and fairness. The Company honors its business agreements and acts in compliance with business ethics, restrictions, and applicable regulations and laws of the countries where it operates. The Company collaborates with its partners to promote and support the joint venture business operations and encourages the exchange of ideas, opinions, and suggestions to drive the business towards mutual goals.

Joint venture partnership is a long-term business relationship. The Company looks for integrity and competence as the key qualifications of its business partners. The Company ensures that its partners are competent and reputable, and avoids the risk of the Company being associated with any unethical, illegal, or corrupt activities.

AAPICO has a philosophy whereby the Company clearly defines its management control to avoid any

possible conflicts. In all its business partnerships, AAPICO has successfully established long-term relationships that enable both companies to enjoy synergies and mutual benefits and to achieve long-term sustainable growth.

Creditors

AAPICO commits to operate its businesses in compliance with good corporate governance practices in order to create confidence on the part of its creditors. The Company follows all terms and conditions as agreed upon with creditors, including trade creditors, guaranteed creditors, financial institutions, and debenture holders. AAPICO maintains consistent communication with creditors. The Company reports to its creditors with full transparency and sufficient disclosure in a timely manner, while also striving to fulfill its obligations under its credit agreements. Should there be any events that may have a material impact on its financial position and inevitably delay payment as scheduled, the Company endeavors to communicate and reach alignment with its creditors for a waiver or other suitable solutions to resolve such matters.

Competitors

AAPICO operates with openness and integrity by adhering to the principle of fair and honest competition. The Company conducts its business operations in compliance with laws and relevant regulations, and with concern for trade ethics and transparency. The Company shall not operate in any manner or under any circumstances that may cause or result in any violation of general or special competition regulations. It refuses to gain unfair advantage over its competitors through inappropriate, unethical, and unlawful activities, such as illegal market sharing and illegal pricing cooperation, or to engage in any actions that violate relevant competition laws, competitors' intellectual property rights, or that may damage competitors' reputations via untruthful statements. The Company affirms its support for free trade and avoids any acts that may result in a market monopoly or limit fair competition.

Employees

AAPICO values its employees' well-being and quality of life. The Company ensures that employees receive their basic rights and are provided with appropriate compensation and benefits in accordance with their knowledge and capabilities, with reference to the standard cost of living, and in line with other companies in the same industry.

Remuneration

Employees are remunerated according to their duties and responsibilities, as well as individual performance in their roles. Employees' performance is fairly evaluated based upon the achievement of agreed key performance targets. The Company determines employees' remuneration and benefits according to their positions, as required by laws and regulations, and with consideration for its financial position, profitability performance, and economic circumstances - i.e., consumer price inflation, minimum wage requirements, etc.

The Company ensures appropriate compensation and benefits associated with each job function. These benefits include fix allowances, work-related benefits such as travelling accommodation, accommodation, uniform, transportation, annual check-up, medical benefits, sports day, New Year activities, and financial assistance such as mortgage and loan support for employees. The Company has also established a provident fund, where the Company and employees who are members of the fund contribute to the fund on a monthly basis.

Training and Development

The Company places great importance on human resource development as one of its management priorities. In 2022, the Company has structured the AAPICO training and development program for employees at different levels and functions within the AAPICO Group. Each employee is free to choose to attend training programs that best serve each individual's self-development skills and needs,

enabling them to advance in their career and prepare for the next level of responsibility and leadership. During the year 2022 the company organized online and physical training, depended on the COVID-19 situation at that time, to ensure the safety of employees.

Health and Safety

Employees' health and safety is a top priority at AAPICO. The Company has established the 5S principles and practices to promote a clean and proper workplace environment. In order to maintain high standards of safety and discipline within the organization and reduce the risk of workplace accidents, the Company arranges for regular safety training and organizes the Safety Week activity. Due to the COVID-19 pandemic in 2022, the Company has taken steps to ensure that there are preventative measures to protect the employees – including setting up coordination with the employees to follow-up on any symptoms, proactive testing, and arranging for vaccination for the employees.

Child Labor and Human Rights

Human rights is included in the Company's Code of Conduct. AAPICO respects human rights in all its activities and will not act in violation of local and/or international human rights laws or child labor protection regulations. The Company ensures that its employees are treated fairly and equally, promotes mutual respect and openness in its corporate culture, and aims to create a happy workplace for every employee. The Company commits to maintain the well-being of its employees and has shared its efforts and commitment towards sustainability with suppliers and customers throughout the automotive part supply chain.

Community and Society

AAPICO carries out its businesses with consideration for its responsibilities to communities surrounding its facilities. As a part of the management agenda, the Company supports and contributes to many activities

and community projects. It also encourages employees to be involved in improving the lives of people in the community.

The Company operates in compliance with social and environmental protection laws and related regulations, and the requirements of the Labor and Social Welfare Ministry, the Industrial Ministry, the Industrial Estate Authority of Thailand and other relevant agencies.

The Company has a policy for all companies of AAPICO Group to manage and use their resources in the most efficient ways and aims for environmental protection in every part of its operations. With its "Green" vision, the Company promotes awareness of energy conservation and continuously implements the concept of using minimum input of natural resources to achieve maximum output. Additional information on the Company's corporate social responsibility activities can be found in the sustainability report section.

4) Disclosure and Transparency

AAPICO has defined and implemented measures concerning disclosures to investors and stakeholders. The disclosure of information, both financial and non-financial, should be complete, sufficient, transparent, reliable & up-to-date and should reflect the true and actual status of the Company. Such information is distributed in an equitable and timely manner. The Company has designated parties to handle the disclosure of information to the public, established guidelines for the disclosure of various types of information, as well as defined public disclosure period. This includes setting a period for prohibiting directors, executives, or personnel of the Company from buying, selling, or accepting transfers of securities to prevent the usage of inside information before disclosing important information to the public. The Company follows the laws, rules and regulations, and obligations required by the Securities and Exchange

Commission (SEC), the Stock Exchange of Thailand (SET), and other relevant government agencies.

The Company ensures that any disclosure of financial results has been reviewed and audited by an external auditor and must be certified by the Audit Committee and the Board of Directors prior to public release. The quarterly and annual financial statements and 56-1 One Report were prepared fairly and accurately according to the generally accepted accounting principles in a complete and accurate manner and were made available in the public domain as required by the SEC and the SET.

The Company compiles and submits reports related to the directors and executives as required by law. The Company has a policy requiring directors and executives to report their interests relating to the management of the Company or its subsidiaries and reports any changes in the holding of the Company's shares – whether under their own names or those of their related parties – to the SEC in a timely manner as required. Details of directors, their duties and responsibilities, their attendance at meetings, training, and directors' remunerations are disclosed in Section 2.7 and 2.8 of 56-1 One Report and on the AAPICO website.

AAPICO provides information concerning Company's operations and the shareholding arrangements of its subsidiaries, joint ventures, and affiliated entities in form 56-1 One Report and on the AAPICO website. Furthermore, in accordance with SET regulations, the Company ensures that stakeholders, investors, shareholders, and the stakeholders are adequately and accurately informed of essential major investment initiatives and any developments within the Company.

Report of Changes in Securities Holding of Directors and Executives

The Company has a policy that requires the directors and executives of the Company, including their spouse

and minor children (if any), to report the change in their holding of the Company's securities (Form 59) to the SEC within 3 days starting from the transaction date – except in the case that the change in securities holdings is the result of an Employee Joint Investment Program (EJIP) or other scheme which are exempted from reporting by SEC.

There were changes in securities holdings of Directors and Executives during the year as follows:

Changes in Securities Holdings of Directors and Executives During the Year of the Company

Name	Position	Number of Shares		
		At the book-closing date February 28, 2022	Increase (Decrease) during the year	At the book-closing date March 15, 2023
1. Mr. Yeap Swee Chuan	President and Chief Executive Officer	48,535,050	-	48,535,050
2. Mrs. Teo Lee Ngo	Executive Director	34,992,480	-	34,992,480
3. Mr. Kenneth Ng	Independent Director	-	-	-
4. Mr. Wichian Mektrakarn	Independent Director	22,000	-	22,000
5. Mrs. Vachira Na Ranong	Independent Director	38,500	-	38,500
6. Mr. Arvind Mathew	Director	-	-	-
7. Mr. Jianhui Shi	Independent Director	-	-	-
8. Ms. Yeap Xin Rhu	Chief Financial Officer	28,034,036	-	28,034,036
9. Mr. Sattha Peth-in	General Manager, Sales and Marketing	50,093	128,000	178,093
10. Mr. Yongxiang Li	Assistant General Manager, Accounting	-	-	-
11. Mr. Tiwa Boonthem	Assistant General Manager, Operation	4,350	(4,300)	50

Investor Relations

The Company designated Investor Relations (hereinafter referred to as "IR") Department as the principal point of contact for communication with shareholders, investors, analysts, SEC, SET and other relevant authorities. The Investor Relations Department is responsible of disclosing and disseminating information in accordance with the SET, SEC, and the Ministry of Commerce announcements, which are made available in both Thai and English on several channels, including the SET website and Company's website. The following below channels are also available for shareholders and others to communicate with:

- 1) The Opportunity Day Conference and SET digital Roadshow held by SET
- 2) Analyst Meeting
- 3) Company visits between management team and shareholders, investors, and analysts
- 4) Meeting with investors in Non-Deal roadshow
- 5) Forums or panel discussion events for knowledge sharing
- 6) Communication via email, intranet, internal bulletin boards, and activities with employees

- 7) The Company website "www.aapico.com" and email address aapicohitech@aapico.com
- 8) Annual General Meeting of Shareholders of the Company

In 2022, the Investor Relations Department organizes activities to increase contact and interaction with different groups of stakeholders and allocates time for executives to be able to attend and participate in meetings both in Thailand and abroad. The list of activities indicated below:

2022 IR Activity Lists:

Activities	Frequencies
1. Annual General Meeting 2021	1
2. Opportunity Day ¹	4
3. SET Digital Roadshow ¹	1
4. Analyst Meeting ¹	4
5. Non-Deal Roadshow ^{1,2}	6
6. Company Visits ^{1,3}	9
7. Interviews via TV and/or online programs of executives ¹	4

Remarks

- 1) Due to the outbreak of COVID-19 in the previous year, changes were made to the channels to participate in the Investor Relations activities, wherein the executives and the Investor Relations met with various groups and provided information through various channels, such as phone calls and virtual conferencing via MS Teams, Zoom, WebEx and Google Meets etc.
- 2) An event hosted by the securities companies whereby the investors and analysts can meet the management team and IR department.
- 3) Meeting with the management team directly via physical meetings and/or online meeting which investors will be able to inquire regarding the Company's business and operations, performance, and others.

Additionally, the Investor Relations Department has strengthened its digital operations by minimizing the usage of paper and providing information via digital channels in order to minimize greenhouse gas emissions and preserve the environment.

6.2 Code of Conduct

AAPICO Group is determined to conduct business with ethics, integrity, fairness, and transparency; while being responsible to all shareholders and stakeholders within the framework of law, morality, and ethical business conduct of the Company. For this reason, the Company has implemented a policy and developed a guideline for all employees on good corporate governance and code of conduct that are in

compliance with the principles of good corporate governance for listed companies by the SEC.

The Company's Code of Conduct consists of several essential points, including regulatory compliance, anti-corruption guidelines, Company's conflict of interest prevention guidelines, safeguarding of the Company's confidential information, risk management and internal control, intellectual property and information and communications technology, political rights and neutrality, human rights, responsibility to stakeholders, reporting of non-compliance, and protection of whistleblowers. These codes of conduct form standard guidelines of behavior that employees of all ranks and positions must strictly adhere to. The Company has provided various channels of communication to promote awareness on the conduct among the employees, including internal communication in the form of policy announcement, new employee orientation, and the development of employee handbooks.

The Company regularly follows up on the matter of compliancy with the Company's code of conduct and advocate for the employees and stakeholders to express their opinions, suggest, complain, or report any wrongdoing or suspicion of such at any time, so that the Company can take actions to resolve the problems in time and prevent any impact to the Company's reputation or operation. The Company takes care to ensure that no unfair treatment will take place as a result of refusal to take part in acts of corruption, or from the reporting of wrongdoings. To this end, the Company has set in place measures to protect the information and identity of the whistleblowers by allowing the whistleblower and the related source to remain anonymous. The evidence will be reported to the supervisor – whether anonymously or otherwise as desired – and then further reported along to the audit committee via email. In the case that the reported act is a violation of rights, corruption, or

violation of laws and the code of conducts; it will be reported to the Board of Directors and the Company's president for further investigation. Should any violation and non-compliance be discovered, the Company shall carry out a fair interrogation and consider disciplinary and/or legal penalties deemed appropriate if found guilty.

In addition, for the purpose of communicating the Company's intention of conducting a business that is fair, transparent, and accountable, the Company has delivered our code of business conduct to our suppliers and business partners, as well as made the information available on the Company's website in the Investor Relation section – under the Corporate Governance: Corporate Governance Policies – for the shareholders, investors, regulators, stakeholders, and anyone who might be interested.

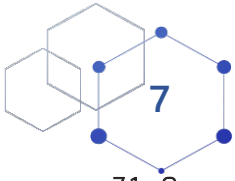
6.3 Milestones of Policy, Guideline, and Corporate Governance of This Past Year

6.3.1 Milestones of Policy, Guideline, and Corporate Governance System

In 2022, the Board of Directors reviewed the policy, practices, and systems related to corporate governance. In addition, the Board of Directors had to consider the election of directors who were to retire by rotation, the Board's performance appraisal form and the assessment results, the structure of the Board of directors and sub-committees, etc.

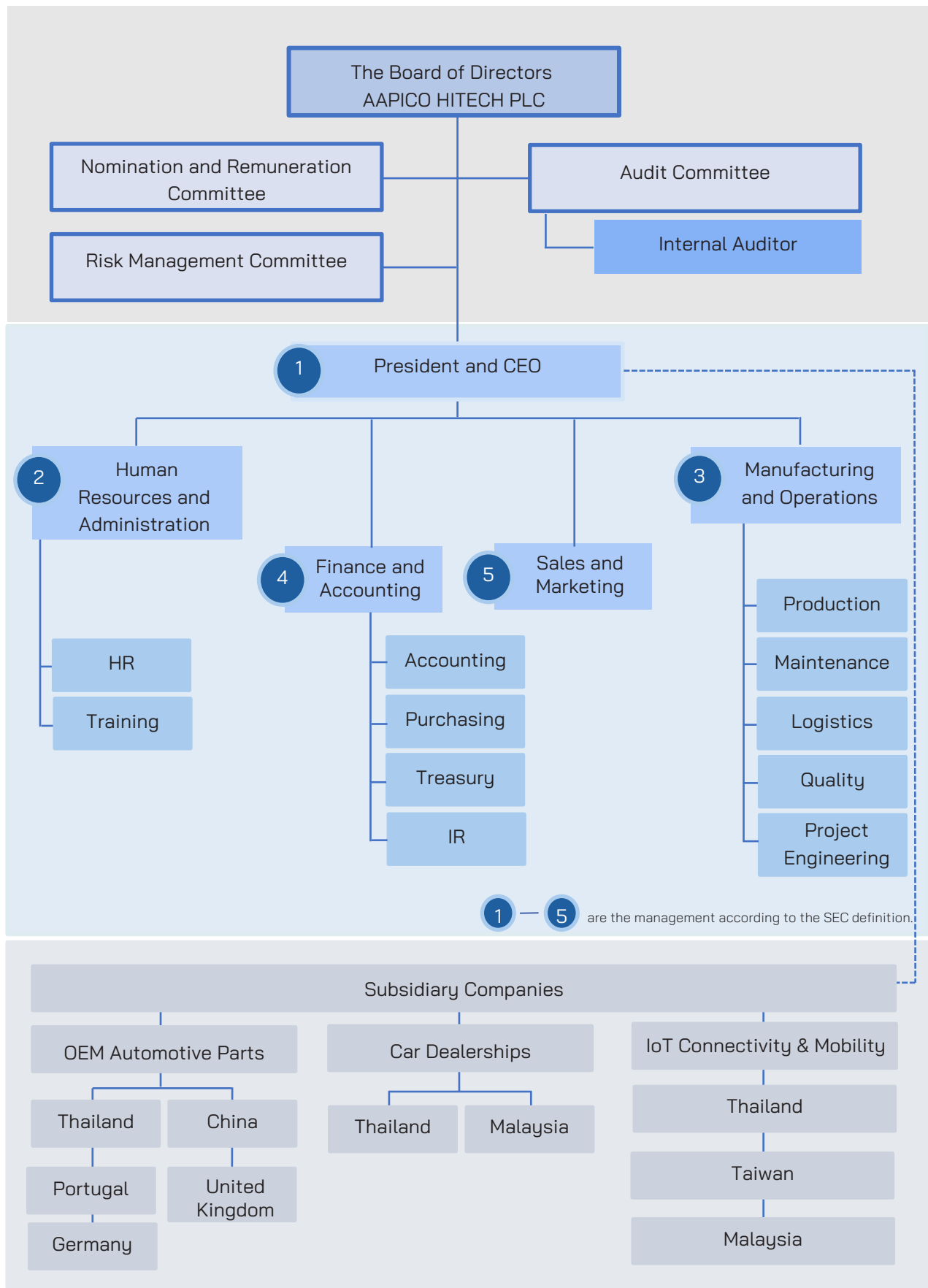
6.3.2 Other practices under CG Code

AAPICO places great importance on being good corporate governance by conduct its business with integrity, transparency, impartiality as shown in the evidence that the Company have been ranked in "Excellent" score, equivalent to 5 stars in 2022 CG rating with the total average score of 90%. This award reflects the Company's sincere attitude towards all stakeholders which the Company commit to respect the right of the shareholder and build good relationships with all stakeholders.

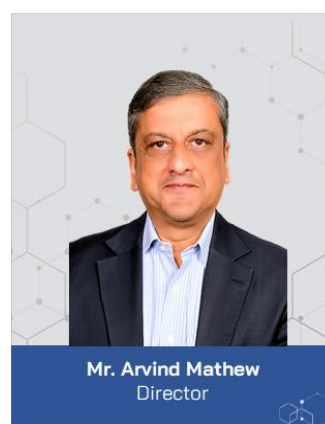
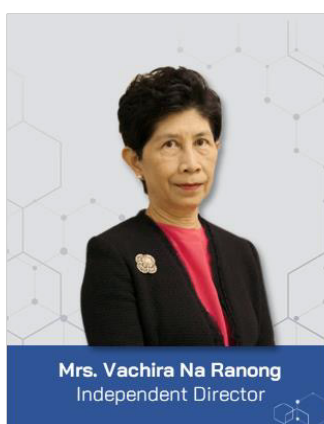
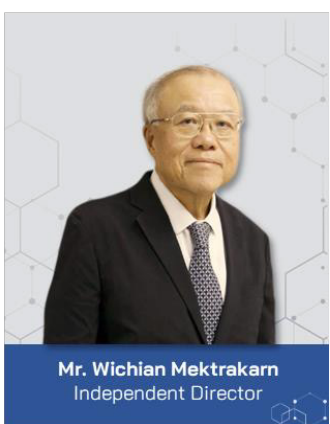


Corporate Governance Structure, Board of Directors, Committees, Management, Employees and Others

7.1 Corporate Governance Structure



7.2 Board of Directors

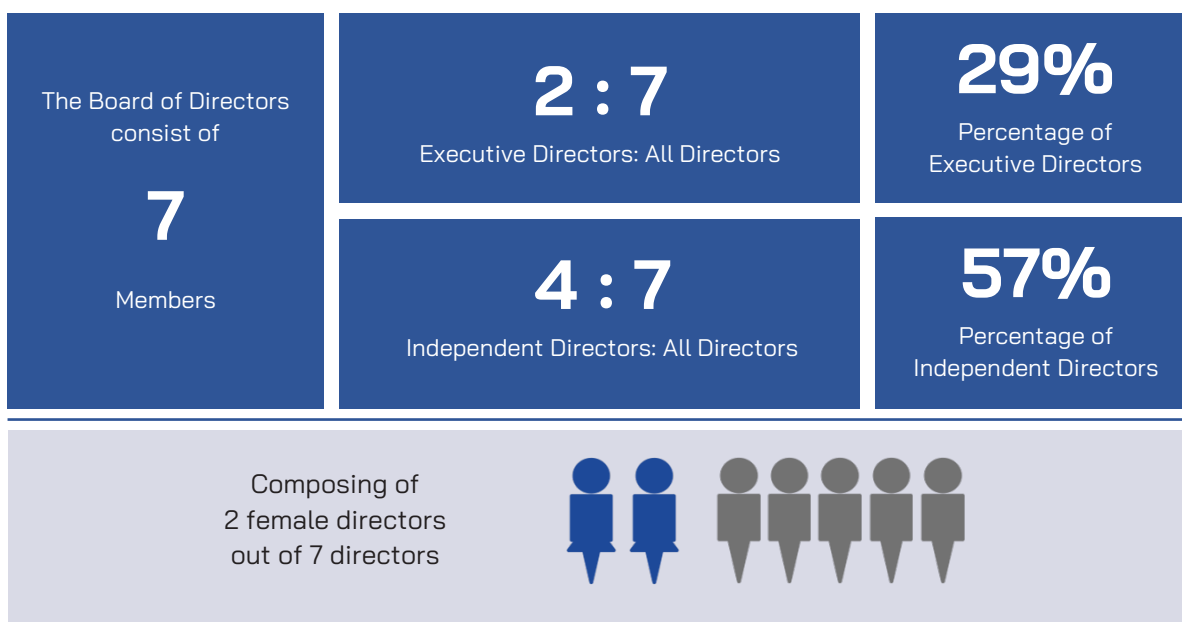


7.2.1 Composition of the Board of Directors

The Company structures the size of its Board of Directors to be appropriate to the size of its business. The AAPICO Board of Directors consists of 7 members, 2 of whom are executive directors namely Mr. Yeap Swee Chuan and Mrs. Teo Lee Ngo who also are executive and authorized directors to jointly sign on behalf of the Company and 5 directors are divided into 4 independent directors and 1 director. The Company ensures its board composition reflects

diversity of gender, culture, skillset, knowledge as well as experience in different areas of the Company's business. None of the Board of Directors has any position in the external audit firm that the Company uses.

The Company ensures that the number of independent directors constitutes more than half of the total number of directors. Each director holds the necessary qualifications required by law and does not indicate



any disqualifications against being entrusted with the administration of the Company, as per SEC notice and the law. Additionally, the Company set a policy for the Board's diversity in genders, skill, professions, and specialization (Skill Matrix). To date, the number of the Company's Independent Directors exceeded that required by law.

Furthermore, the Board has set the policy regarding the criteria of the number of directorships in listed companies, in which directors can serve no more than three listed companies in the SET to assure that the Board devotes their time and effort to perform their duties for the highest benefit of the Company.

7.2.2 Details of the Board of Directors

Board of Directors of AAPICO Hitech PLC as of December 31, 2022 (7 Directors)

Name	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee
1) Mr. Yeap Swee Chuan ¹	Chairman and Executive Director			
2) Mrs. Teo Lee Ngo ¹	Executive Director			
3) Mr. Kenneth Ng ²	Independent Director	Chairman	Chairman	
4) Mr. Wichian Mektrakarn ²	Independent Director	Member		Chairman
5) Mrs. Vachira Na Ranong	Independent Director		Member	Member
6) Mr. Arvind Mathew	Director			Member
7) Mr. Jianhui Shi	Independent Director	Member	Member	

Remarks:

- Mr. Yeap Swee Chuan and Mrs. Teo Lee Ngo are the authorized directors who can jointly sign on behalf of the Company and affix with the Company's seal.
- Mr. Kenneth Ng and Mr. Wichian Mektrakarn are audit committee members whose qualifications are met in accordance with Notification of the Capital Market Supervisory Board and related notifications of the SET.

The Board of Directors has been appointed through a resolution of the shareholders' meeting and is entrusted with the power and duties to approve the appointment of executives, senior managements, and directors of the Company. It also has the duty to supervise the proceedings and operations of the Company. Roles, duties, and responsibilities between the Board of Directors and the executives are clearly separated and are in accordance with the law, requirements, ethics, and business ethics.

7.2.3 Roles and Duties of the Board of Directors

The Board of Directors plays an important role in overseeing and advising the business to ensure that the operation is to the shareholders' long-term benefits. The Board of Directors is composed of respectable, knowledgeable, and competent individuals with the skills and experience in various areas that are relevant and beneficial to the Company.

Roles and Responsibilities of the Board of Directors

The Board of Directors has roles and responsibilities that are clearly separated from those of the Company's management in order to ensure that business is conducted in a lawful and ethical manner, and that operations are run efficiently. The roles and responsibilities of the Board of Directors include - but are not limited to - the following:

- 1) Consider, advise, and approve key business matters, including the Company's vision and mission, business strategy, financial targets, business risks, annual operation plan, and budget. The Board of Directors is also responsible for ensuring that the management operates in an efficient and a productive manner.
- 2) Set up and review the Company's Corporate Governance policy and monitor compliance with the policy at least once a year.
- 3) Ensure that the Company's Code of Conduct is in a written form so that the Company's directors, executives, and employees are aware of the Company's ethical standards, and that they act in compliance with said Code of Conduct.

- 4) Define guidelines for related transactions with conflicts of interest for the benefit of the Company and shareholders, whereby persons with a vested interest cannot participate in the voting or decision-making process of that matter. Ensure that the Company complies with regulatory requirements and that disclosures of any transactions with conflicts of interest are correct and complete.
- 5) Ensure that an internal control system is in place and in effect and that financial reporting and operations are in compliance with rules and regulations; and assign a person or unit to independently audit and report on the Company's internal control system to the Board of Directors at least once a year.
- 6) Establish the risk management policy and assign a team to manage the Company's risks and to look for business opportunities that may arise from these risks and report to the Board of Directors on a regular basis.
- 7) Provide communication channels between the shareholders and ensure that disclosures of information are correct, concise, transparent, and reliable.
- 8) Understand the roles and responsibilities of the Board of Directors and the Company's nature of business and is willing to voice opinions freely.
- 9) Perform duties with honesty and due care, heeding the Company's best interest and ensuring fair treatment towards the shareholders.
- 10) Oversee and monitor business operations through accurate and complete financial reports, as well as devote sufficient time and effort to carry out roles and responsibility to the best of ability.

Roles and Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board of Directors leads the Board of Directors and ensures that work is carried out smoothly and efficiently as planned. The roles and responsibilities of the Chairman of the Board of Directors are as follows:

- 1) Supervise, regulate, and follow up on the administrative progress of the board of directors and its sub-committees to ensure an efficient workflow that meets all the Company's objectives and targets.
- 2) Call for meetings of the board of directors, or delegate the call for a meeting.
- 3) Serve as the head of board meetings and as the head of the Company's shareholder meetings.
- 4) Manage the meetings to progress efficiently and smoothly, while also encouraging and supporting the expression of free opinions.
- 5) Serve as the deciding voice in the event of a tie during voting at a meeting.
- 6) Encourage and support the board of directors to fulfill their duties and responsibilities to the fullest of their abilities in accordance with the principle of good corporate governance.
- 7) Determine the composition, size, and the Board structure in order to create a balance between executive directors and independent directors.
- 8) Ensure comprehensive induction programs for new directors.
- 9) Ensure that the Company has succession plans for senior executives.
- 10) Appoint the Company Secretary to assist with Board functions.
- 11) Manage the Board meeting to allocate sufficient time for agenda presentation and upcoming issues discussion.
- 12) Engage the board regularly in assessing and improving the performance.

7.2.4 Powers and Duties of the Board of Directors

The Board of Directors is responsible for overseeing and governing the Company to operate in compliance with laws, objectives, the Articles of Association, and resolutions of shareholders' meeting; and acts in accordance with criteria and regulations of the SET and SEC with honesty and due attention to the best interests of the Company and its shareholders, which must follow good moral and ethical concerns.

The Board of Directors has come to an agreement that it will have the responsibilities to consider and approve the following matters.

- 1) The quarterly business performance and financial statements of the Company in comparison to the forecast, budget, and the consideration of future trends of the year.
- 2) Related party transactions among the Company, its subsidiaries, associates, and related companies or individuals so that they do not violate the regulations of the SET and SEC.
- 3) Any transactions that would materially affect the Company's capital structure, financial position, business operation, strategy, or reputation.
- 4) Payment of interim dividends.
- 5) Employment of the President and senior executives.
- 6) Determine and consider the change of the approval authority of the Company.
- 7) Acquisitions and disposals of businesses and assets – including investment in joint ventures – that have transactional value which requires the board's approval according to SET announcements. These transactions shall not violate any rules of the SET relating to the acquisition and disposal of assets or connected transactions.
- 8) Oversee contracts that may or may not be related to the ordinary course of business, which are significant in value and material to the Company's business.
- 9) Changes of policy and operations that have a material impact on the Company's accounting, risk management, and internal audit.
- 10) The appointment and determination of authority of the Company's sub-committees.
- 11) The proposal, appointment, and termination of the Company's directors and secretary.
- 12) Any other actions in accordance with laws, objectives, Articles of Association, and resolutions of shareholders' meetings.

The Board of Directors may authorize directors or the committee to perform any acts on their behalf, except

on the following subjects, which can only be done upon the approval via the shareholders' meeting

- 1) Matters on which the law requires approval via shareholders' meeting.
- 2) Transactions in which directors have vested interests in and for which the law or regulations of the SET require a resolution via the shareholders' meeting. Directors with vested interests in the matter, or who have a conflict of interest with the Company or its affiliated companies, shall be excused from voting.

The following cases must be approved by the Board of Directors and the shareholders' meeting with a vote of not less than 3/4 of the total votes of the shareholders in attendance who are entitled to vote:

- 1) Any sale or transfer of the entire or a significant part of the Company's business.
- 2) Any purchase or takeover of other firms by the Company.
- 3) Any making, amendment, or termination of contracts with respect to the granting of a lease of the whole or a significant part of the business of the Company, the assignment of the management of the business of the Company to any other person, or the amalgamation of the business with other persons with the purpose of profit and loss sharing.
- 4) Amendments to the Article of Association and/or the Memorandum of Association.
- 5) The increase and decrease of capital, the issuance of debentures, and the amalgamation or dissolution of the Company.

7.3 Details of Sub-Committees

7.3.1 Structure of Sub-Committees

The Board of Directors has delegated some of its duties and responsibilities to its committees – composed of independent directors – to assist the Board in reviewing and providing their independent opinions on particular matters. These committees are:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Risk Management Committee

Audit Committee

The Audit Committee is composed of 3 independent directors whose qualifications are met in accordance with Notification of the Capital Market Supervisory Board and related notifications of the SET. The details are as follows:

Audit Committee

Name	Position
1) Mr. Kenneth Ng	Chairman of Audit Committee
2) Mr. Wichian Mektrakarn	Audit Committee
3) Mr. Jianhui Shi	Audit Committee

Powers and Duties of the Audit Committee

- 1) Review the Company's financial statements every quarter and on an annual basis to ensure that its financial position is true, correct, and in accordance with generally accepted accounting standards and relevant laws.
- 2) Review and ensure the appropriateness and effectiveness of internal control systems and internal audits to confirm that the operations have been carried out in compliance with relevant rules, policies, and guidelines. Evaluate the independence of the internal auditor by reviewing its performance and report, including reporting structure, and approve the appointment, transfer, and termination of the internal auditor.
- 3) Consider, propose, and appoint an external auditor by considering their independence and set the audit fee to propose to the Board of Directors. Review the external auditor's performance and arrange meetings with the external auditor without the management's presence at least once a year. Consider and propose the termination of the external auditor if presented with compelling and appropriate reasons to do so.

- 4) Review and adhere to the Securities and Exchange Act and the SET regulations, as well as relevant laws and regulations concerning the business of the Company.
- 5) Establish and review the corporate governance policy in compliance with the good governance principles of SET at least once a year.
- 6) Review disclosures of information, particularly related transactions or transactions that may have conflicts of interest, to ensure the information is transparent, correct, and complete; and is in accordance with relevant SET regulations.
- 7) Review complaints from and concerns of stakeholders and report to the Board of Directors.
- 8) Report the Audit Committee's performance to the Board of Directors every quarter. Prepare the Audit Committee report – including any suggestions and the signature of the chairman of the audit committee – and disclose it in the Annual Report.
- 9) Consider and review the duties and responsibilities, and evaluate performance of the Audit Committee on an annual basis.
- 10) Perform any other matters as assigned by the Board of Directors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of 3 independent directors. The details are as follows:

Nomination and Remuneration Committee

Name	Position
1) Mr. Kenneth Ng	Chairman of Nomination and Remuneration Committee
2) Mrs. Vachira Na Ranong	Nomination and Remuneration Committee
3) Mr. Jianhui Shi	Nomination and Remuneration Committee

Power and Duties of Nomination and Remuneration Committee

- 1) Consider the criteria and procedures for the nomination of qualified directors according to the Company's requirements and in consideration of the Company's strategy.

- 2) Consider the criteria, type of remunerations, and other benefits provided to the Board of Directors and its committees and propose for approval to the Board of Directors and shareholders' meeting respectively.
- 3) Select and nominate qualified individuals and propose to the Board of Directors to be appointed as the Company's directors and top executives.
- 4) Review appropriate proportion and size of the Board of Directors and experience of individual directors to be suitable for the Company's business and that adjustments are appropriate in response to the changing environment.
- 5) Establish guidelines for evaluating performance of directors and adjustment of directors' remuneration, considering the duties, responsibilities, and risks involved.
- 6) Consider a succession plan for CEO and executives in key management positions and review the list of qualified candidates.
- 7) Perform any other matters as assigned by the Board of Directors.

Risk Management Committee

The Risk Management Committee is composed of 2 independent directors and 1 director. The details are as follows:

Risk Management Committee

Name	Position
1) Mr. Wichian Mektrakarn	Chairman of Risk Management Committee
2) Mrs. Vachira Na Ranong	Risk Management Committee
3) Mr. Arvind Mathew	Risk Management Committee

Powers and Duties of the Risk Management Committee

- 1) Establish the Company's risk management policy and determine risk appetite, as well as give advice on the risk management plan for the organization and ensure that control measures are adequate and appropriate.
- 2) Consider and propose to the Board of Directors regarding the management, strategy, direction, and

resources used in the risk management processes – as well as the risk tolerance level – for approval.

- 3) Conduct risk assessments and review corporate risks at least once a year and follow up on the risk management plan.
- 4) Review and make recommendations to the Board of Directors on an overall risk management and standard practices in order to improve risk management processes of the organization.

7.4 Management

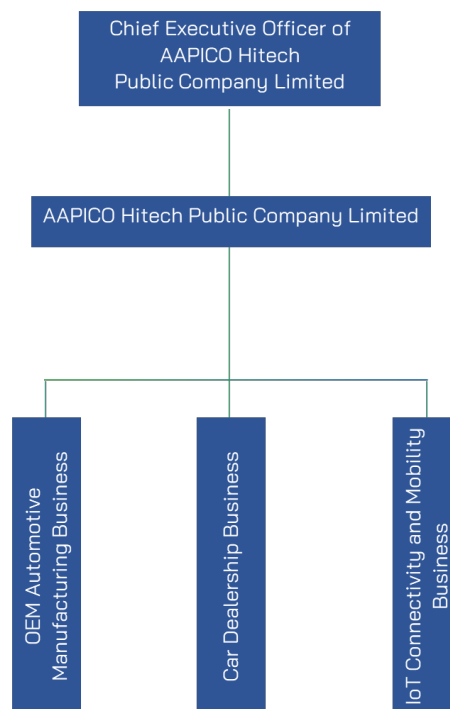
7.4.1 (1) Roles and Responsibilities of the Chief

Executive Officer

The Company has authorized the Chief Executive Officer (CEO) to be the leader of the Company's management and administration affairs with the following roles and responsibilities:

- 1) Manage and oversee the Company's general administration operations to be in line with the Company's targets, policies, and regulations.
- 2) Ensure that the Company's day-by-day operations are running smoothly.
- 3) Be on the lookout for new business opportunities and consider new investments pertaining to the Company's core business in order to find ways to possibly increase the Company's revenue.
- 4) Draw up business plans and strategies to present to the Board of Directors for the confirmation to proceed.
- 5) Sign any legal proceedings, contracts, or documents which involve outside organizations or individuals in order to ensure that the Company's operations are secured and trustworthy.
- 6) Encourage the development of Employees' skills and knowledge in order to subsequently improve the Company's efficiency.
- 7) Authorize any material transactions concerning the Company's operations.
- 8) Authorize the appointment, transfer, or termination of managing officers.
- 9) Appoint consultants as necessary and according to the requirements of the Company's operations.

- 10) Be a role model in practicing good corporate governance and following the Company's code of conduct; while also supporting and following up on Sustainability, Social Responsibility, and holding up the anti-corruption policies within the Company.
- 11) Maintain good relationships with the Company's stakeholders.
- 12) Analyze the current and potential overall global industry trends for signs of future changes within the industry and adjust the Company's strategy accordingly.
- 13) Set up employee performance evaluation standards and review such standards periodically.
- 14) Operate according to the Board of Directors' decisions, following the resolutions of the board's meetings.



Performance Evaluation of Chief Executive Officer

The CEO's performance evaluation was assessed by the Company's independent directors. The scoring was based on the CEO's skills and knowledge, yearly accomplishments, and the planning and execution of the Company's long-term plan. The results of the CEO's performance evaluation were then taken into consideration for both the CEO's short-term and long-term remuneration.

For this year of 2022, the average score of the CEO's performance evaluation results increased from 94% in 2021 to 95% in 2022.

Remuneration Policy of the Chief Executive Officer

The CEO's remuneration is determined in accordance with fair and suitable methods and is defined in conformity with the guidelines that are unbiased, reasonable, acceptable, and transparent. The remuneration is determined by his/her performance, tasks and responsibilities, the Company's performance, the remuneration of comparable listed companies in size and industry, and the overall economic condition. It includes both short-term and long-term agreements. The CEO's and other top executives' remuneration are also addressed in Topic 7.4.3 Remuneration of the Executive Management.

7.4.1 (2) Management of AAPICO Hitech PLC

AAPICO Hitech PLC operations are managed by teams of professional top executives, headed by the President and CEO of the AAPICO Group. Top executives are empowered with the authority to operate and manage the business that is in line with the policies, strategies, and goals which have been agreed upon with the Board of Directors. Their duties encompass controlling and keeping expenses and capital expenditures within the limits approved in the annual operating plan, managing human resources in line with Company policy, resolving problems or conflicts that affect the Company, and maintaining effective communication with related parties to ensure that operations are carried out smoothly and efficiently.

7.4.1 (3) Management of Major Subsidiaries

For subsidiaries under the Company's control, the Company assigns duties and responsibilities to the head of each company to carry out its operations and to be accountable for its performance and reporting to the Board of Directors and the Corporate Office.

The management of subsidiaries shall ensure that they apply the same policies and regulations as the Company and operate in compliance with good corporate governance principles.

7.4.2 Remuneration Policy for the Executive Management

The Board of Directors has delegated to the CEO and the Company's management the responsibility for approving remuneration for executives, which is to be considered based on their duties and responsibilities, individual performance, and the performance of business under their supervision.

AAPICO sets appropriate compensation and welfare benefits for management and employees based on the cost of living, economic conditions, and benchmarking against other companies in the automotive industry. The Company ensures fairness to employees and considers compensation based on capability, skill, and experience, along with the scope of responsibilities and accountabilities to be in line with peer companies.

Remuneration to management and employees is made in the form of salary, wages, bonus, social security contributions, and provident fund. The Company also provides incentives for long services as well as post-employment compensation and gratuity benefits to employees upon retirement in compliance with labor laws and the long-term employee retirement benefit plan. Other than these monetary remunerations, other welfare benefits provided to employees include lunch, medical support, transportation, uniform, and others.

Management Team of AAPICO Hitech PCL according to SEC Definition

Name ¹	Position
1) Mr. Yeap Swee Chuan	President and Chief Executive Officer
2) Mrs. Teo Lee Ngo	Executive Director, Human Resources and Administration
3) Ms. Yeap Xin Rhu	Chief Financial Officer, Director – Purchasing, Company Secretary
4) Mr. Sattha Peth-in	General Manager, Sales and Marketing
5) Mr. Yongxiang Li	Assistant General Manager, Accounting
6) Mr. Tiwa Boonthem	Assistant General Manager, Production

Remark: 1) The ranks were arranged according to the corporate governance structure

Name and Position of Management of Major Subsidiaries

Name	Position	Company
Manufacture of OEM Automotive Parts		
1. Mr. Tiwa Boonthem	Assistant General Manager, Production	<ul style="list-style-type: none"> AAPICO Hitech Parts Company Limited AAPICO Lemtech Company Limited
2. Mr. Yong Prathuangasukh	Chief Operating Officer (COO)	<ul style="list-style-type: none"> AAPICO Amata Company Limited AAPICO Structural Products Company Limited
3. Mr. Gao Xue Guang	Chief Operating Officer (COO)	<ul style="list-style-type: none"> AAPICO Forging Public Company Limited AAPICO Precision Company Limited Kunshan Chaitai-Xincheng Precision Forging Company Limited (China)
4. Mr. Jorge Fesch	Chief Executive Officer (CEO)	<ul style="list-style-type: none"> AAPICO Maia, S.A. (Portugal) AAPICO Águeda, S.A. (Portugal) Sakthi Portugal GmbH (Germany)
5. Mr. Jin Nakamura	Plant Director	<ul style="list-style-type: none"> AAPICO Plastics Public Company Limited
6. Mr. Nophadol Sinacom	Factory Manager	<ul style="list-style-type: none"> AAPICO Plastics Public Company Limited (Rayong Branch)
Car Dealerships and Services Center Business		
7. Ms. Tang Kim Koh	General Manager	<ul style="list-style-type: none"> New Era Sales (M) Sdn. Bhd. (Malaysia) Tenaga Setia Resources Sdn. Bhd. (Malaysia) AAPICO Motors Sdn. Bhd. (Malaysia) AAPICO Motors (Kuantan) Sdn Bhd. (Malaysia) AAPICO Motors (Temerloh) Sdn Bhd. (Malaysia)
8. Ms. Yeap Xin Yi	General Manager	<ul style="list-style-type: none"> New Era Sales Company Limited (Thailand) Able Motors Company Limited (Thailand) Able Motors Pakkret Company Limited (Thailand) Able Motors Pathumthani Company Limited (Thailand) MG Able Motors Company Limited
IoT Connectivity & Mobility Business		
9. Mr. Chalin Amrarong	General Manager	<ul style="list-style-type: none"> AAPICO ITS Company Limited

7.4.3 Remuneration of the Executive Management

Management compensation is determined in accordance with Company's policy and corresponds to the duties and responsibilities of individual management positions. Vehicles are also provided to top executives to facilitate their duties. In 2022, the Company paid compensation to 6 executives according to SEC definition from general manager-level positions and above which amounted to Baht 30.37 million.

Executives Remuneration (Baht Million)	2021	2022
Cumulative Monthly Wages	22.53	25.49
Bonus	2.98	3.72
Provident Fund	1.12	1.16
Total	26.63	30.37
Number of Executives	6 People	6 People

7.5 Employees Information

7.5.1 Total Employees

Number of personnel in AAPICO Group (Excluding directors and executives according to the definition of the Office of the SEC) at the end of 2021 and 2022 are a total of 4,699 and 5,365 employees, respectively – divided into main divisions as shown in the table.

7.5.2 Employees Remuneration

The Company paid salaries, wages, and benefits to employees totaling Baht 2,583 million in 2022, an increase from Baht 2,345 million in 2021.

7.5.3 Other Remuneration

Provident Fund

The Company has jointly established a provident fund with its employees, whereby the Company and employees who are members of the funds made monthly contributions at the rate of 3% - 7% of wages or basic salary. Employees will be compensated upon termination according to the fund rules. In 2022, the Group contributed Baht 44 million to the provident fund, as compared to Baht 39 million in 2021.

Long-term Employee Benefit

The Company has obligations in respect of severance payment to employees upon retirement under labor law. It also provides other long-term benefit plans, namely long service awards.

7.5.4 Personnel Development Policy

Consistent with its Company's vision, AAPICO places great value and emphasis on its employees. The Company has established and improved its human resource management processes and encouraged employees to fully participate with their skills and knowledge in order to contribute to the Company's success.

The Company focuses on developing the skills and abilities of employees at all levels. Employees shall perform their duties safely and efficiently and continuously improve their capabilities to quickly adapt and respond to changes in business needs, technology, and industry requirements. The Company defines training and development programs based on

Total Employees

Product/Business	Thailand		Malaysia		China		Portugal		Total	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Automotive Parts	2,970	3,310		-	337	359	670	745	3,978	4,414
Car Dealerships	403	586	301	346		-		-	704	932
Technology (IoT) and Others	17	19		-		-		-	17	19
Total Employees	3,390	3,915	301	346	337	359	670	745	4,699	5,365

business objectives and learning needs. In cases where the Company does not have in-house expertise, employees can attend training courses organized by other reputable organizations that are relevant to their responsibilities.

AAPICO Training Center has been assigned to coordinate and manage the overall human resource development program and training courses for the AAPICO Group. Even though many training courses were put on hold because of the COVID-19 situation, the Company still organized more than 80 in-house training courses made available under 7 types of training topics, which are as follows:

- 1) Technical Training educates and trains employees to have sufficient knowledge and skills to perform their functions & duties safely and sufficiently according to operating procedures and quality standards. The Company has technical training courses covering areas of production, design, systems, and technology, purchasing, accounting, and others.
- 2) Management Training aims to increase knowledge and develop supervising and coaching skills for managers and supervisors. Topics include strong team building, supervisory skill development, roles, and skills for leaders in the automotive industry, and others.
- 3) Participative Management Training aims to develop skills and knowledge related to the automotive industry. The topics covered include TPS, Productivity Improvement, TPM, 5S for productivity, QCC for productivity, and others.
- 4) Safety and Environment Training is related to quality and environment management standards, and safety practices for operations. Topics are related to safety operations, ISO/IATF standards, relevant laws and regulations, and others.
- 5) Language Training focuses on developing and improving employees' communication skills in foreign languages.
- 6) Computer Training aims to educate employees in the use of computers and technology, enabling them to manage their work efficiently and effectively.
- 7) Quality of Life Training is an essential part of the HR development program of AAPICO Group. Employees

gain a better understanding of the success factors for personal well-being, such as refraining from vices, identifying the root cause of problems and finding ways to resolve such problems, and fostering the bond of love and relationships within the family. This program places great importance on the development of self-discipline, teamwork, and good leadership, as well as continuous personal development. The Company aims to create awareness of and encourage employees to enjoy a good quality of living. In 2020, the Company started a new course on personal finance planning. This course is aimed to give basic knowledge of personal finance to all employees, such as path to financial security, time value of money, getting out of debt, building wealth, and retirement planning. The Company believes that it will help the employees to better manage their personal finance, especially during the year of COVID-19. A good quality of life will result in good quality of work and, hence, a sustainable growth.

The Company encourages employees to attend any training programs that may interest them. In addition to regular training courses, the Company also organizes seminars for the managements twice a year. These are events where the Board of Directors and executives of major subsidiaries join together for networking and sharing business updates.

Employees Training	2021	2022
Total Training (Hours)	10,632	21,923
Numbers of Employees (Person)	1,545	2,971
Average Training Hours per Employee (Hour per Person)	6.88	7.38

7.5.5 Significant Labor Disputes

-None-

7.6 Other Important Information

7.6.1 (1) Company Secretary

The Board of Directors assigns the duties and responsibilities of the company secretary to organize meetings for the board, committees, and shareholders;

and to coordinate activities and training for directors. The company secretary is responsible for preparing notices of meetings, minutes of meetings, annual reports, as well as the filing of documents as required by law and relevant regulations of the SEC and SET. The Board of Directors has determined that the qualifications of the company secretary should include, but not limited to, knowledge of law and/or finance and accounting.

Currently, Ms. Yeap Xin Rhu holds the position of Company Secretary – effective since 14th August 2019. The Company Secretary acts as a secretary to the Board and is accountable directly to the Board; with the duties and responsibilities to organize and facilitate Board and Board committee meetings, to ensure that the Board is in compliance with all laws and regulations related to the Company's business, to handle corporate governance issues and provide advice to the Board, to assist in matters related to the Board, members of management, and shareholders, and to undertake any other actions specified in the Securities and Exchange Act, B.E. 2535 or related laws and regulations, including notifications issued by the Capital Market Supervisory Board. (For details and biography of the Company Secretary, please see Enclosure 1.

7.6.1 (2) Head of Internal Audit

AAPICO assigns Mr. Ramachandran Balasubramanian to operate as a Head of Internal Audit. More information can be found in Enclosure 3.

7.6.2 Head of Investor Relations and Contact Information

The Company assigns Ms. Pocharee Busrathepkul as a Head of Investor Relations. The contact information is as follows:

Telephone: (+66) 02-613-1504 ext. 1385

E-mail: ir@aapico.com

Address: Unit No. 100/11, 9th Floor (Low Zone), Sathorn Nakorn Tower Building, North Sathorn Road, Silom Subdistrict, Bangrak District, Bangkok 10500

7.6.3 Auditors and Auditors' Remuneration

The Board of Directors, with approval from the shareholders' meeting, has appointed EY Office Limited as its external auditor to audit the Company's financial statements for fiscal year 2022, ending December 31, 2022. The remuneration of the auditor is described in detail below:

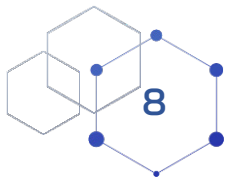
Audit fee

The Company and its subsidiaries paid an audit fee to EY Office Limited in the year 2022 in the amount of Baht 10,050,000 of which Baht 3,400,000 is the audit fee for the Company, including the review of its form 56-1 One Report.

Not all subsidiaries of the Company are using the auditing services of EY Office Limited, as some of its businesses are not complicated and the contribution to the group is not significant. In such cases, the Company decided to use local audit firms whose costs are more appropriate.

Non-Audit fee

In addition to the audit fee for accounting and financial process, the Company and some of its subsidiaries have engaged other services from EY Office Limited to audit compliance with the conditions stipulated in the investment promotion certificate (BOI audit). The total payment for BOI audit service in 2022 was a total of Baht 350,000 of which the BOI audit fee for the Company amounted to Baht 110,000.



Report on Key Performance of Corporate Governance

8.1 Report of the Board of Directors' Responsibilities for the Past Year

The Board of Directors reviewed the Company's vision, strategies, and core values in 2022 to ensure that all matters were up-to-date and in line with the Company's long-term business plan, including the annual business plan and budget, as well as the adequacy of internal control systems and risk management. The Board of Directors also supervised and monitored management to ensure that activities were carried out in accordance with the company's policies, corporate strategy, and business goals, as well as the rules and regulations of connected government agencies and the resolutions of shareholders meetings.

8.1.1 (1) Director Selection Criteria

Board of Directors' Structural Properties

The Company has established minimum qualifications for the board of directors as a whole in order for the board to have the essential competencies to support the Company's business operations. The following are the requirements:

- 1) Independent directors must make up more than 50% of the total number of the Company's directors.
- 2) Female directors must make up at least 25% of the total number of the Company's directors.
- 3) At least 1 director must have experience in the automotive industry.
- 4) At least 1 director must have sufficient knowledge and experience in Finance and Accounting.
- 5) Each director must hold a position in no more than 3 other listed companies.

Qualification of Directors

The Board of Directors has defined the required qualifications of the Company's directors as follows:

- 1) Possess qualifications according to the rules and regulations of the Securities and Exchange Act, the

Stock Exchange of Thailand, and the Public Company Act B.E. 2535, and be of sufficiently good character to manage the Company from the point of view of shareholders, the law, and the Articles of Association.

- 2) Not disqualified under Section 68 of the Public Company Act, B.E. 2535.
- 3) Have knowledge, skills, and experience in the automotive industry and/or be capable of performing directors' duties by virtue of a diversified background which is beneficial to the Company's business.
- 4) Able to devote time, especially for making key decisions and handling duties in the best interest of the Company, and able to attend all board meetings and shareholders' meetings, except in the case of necessity or emergency.
- 5) Refrain from any actions contrary to the interest or benefit of the Company, or actions that benefit specific parties.

Qualifications of Independent Director

An independent director is a director who does not have any related business or work that may affect his or her independent decision-making. The Board of Directors defines the required qualifications of an independent director in compliance with the minimum requirements of the SEC and SET. The Company's independent directors shall comply with the following non-exhaustive list of requirements:

- 1) Shall not hold more than one-half (0.5) percent of the voting shares of the Company, its subsidiaries, associates, and major shareholders. Shares held by related persons of independent directors are also included for the purposes of this threshold calculation.

- 2) Shall not be or have been an executive director, employee, staff member, or advisor who receives a salary from the Company, its subsidiaries, associates, or major shareholders, or from a juristic person with a conflict of interest (unless this relationship ceased not less than two years prior to the date of becoming an independent director).
- 3) Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of a child, of the Company and its subsidiaries' executives (be they in nomination or currently in office) or major shareholders.
- 4) Shall not be or have been an auditor of the Company, its subsidiaries, associates, or major shareholders; and shall not be or have been a major shareholder of the audit firms of the Company, its subsidiaries, associates (unless this relationship ceased not less than two years prior to the date of becoming an independent director).
- 5) Shall not be or have been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding Baht 2 million per year from the Company, its subsidiaries, associates, or major shareholders (unless this relationship ceased not less than two years prior to the date of becoming an independent director).
- 6) Shall neither have, nor ever have had, a business relationship with the Company, its subsidiaries, associates, or major shareholders; or have any relations that may limit the expression of free opinions about the Company's operations – unless the relationship ceased no less than two years prior to the date of becoming an independent director. The term "business relationship" refers to any normal business transactions in an amount greater than Baht 20 million, or more than 3% of net tangible assets after deducting the liabilities and equity of minority shareholders, whichever is lower.
- 7) Shall not be a director appointed as a representative of the Company's directors, major shareholders, or shareholders with a connection to the major shareholders.
- 8) Shall not operate or be part of businesses that operate in the same industry or in direct competition with the Company's operations; and shall not be a partner, director, management, employee, or advisor that receives regular wages from businesses that operate in the same industry or in direct competition with the Company's operations.
- 9) Shall be capable of performing duties, giving opinions, and reporting results of work performance according to the duties entrusted by the Board, independently and free from the control of the management or major shareholders of the Company.

8.1.1 (2) Nomination of Directors and Executives

Appointment of Directors

The Company's Articles of Association stipulate that the Board of Directors shall compose of at least 5 and no more than 12 directors, not less than half of whom shall have their ordinary residence in Thailand. The Nomination and Remuneration Committee is responsible for selecting qualified candidates to be the Company's directors – taking into account their knowledge, education, expertise, ethics, integrity, and availability to perform directors' duties. The Company provides an opportunity for shareholders to nominate persons to the Board of Directors 3 months prior to fiscal year end which are subjected to the shareholders' meeting.

The nomination of directors shall be conducted in order to replace the retiring directors on rotation at the end of their terms. The appointment of directors must receive more than half the votes of shareholders attending the meeting, either in person or by proxy, in accordance with the following rules and procedures:

- 1) Each shareholder shall have voting rights equal to one vote per share.
- 2) Each shareholder may exercise all the votes he/she has as per stated in rule no. 1 to elect one or several persons as director or directors.

Board Skill Matrix

Directors	Independent Director	Industry Knowledge / Experience				Technical Skills/Expertise										
		Automotive	Banking and Finance	Communication Services	Real Estate	Accounting	Finance	Business Administration	International Business	Merger & Acquisition	Information & Technology	Engineering / Science	Strategy	Corporate Governance	Risk Management	Public Company Board Experience
Mr. Yeap Swee Chuan		•							•	•		•	•	•		•
Mrs. Teo Lee Ngo		•				•	•	•	•				•	•		
Mr. Kenneth Ng	•		•			•	•		•		•	•	•	•	•	•
Mr. Wichian Mektrakarn	•		•	•	•		•				•	•		•		•
Mrs. Vachira Na Ranong	•		•			•	•	•						•		•
Mr. Arvind Mathew		•						•	•			•	•	•	•	•
Mr. Jianhui Shi	•	•					•	•	•	•		•	•			

- 3) The candidates shall be ranked in a descending order, from the highest to the lowest number of votes received and shall be appointed in that order until all the director positions have been filled. In the event of a tied vote, causing the number of directors to exceed the allowed number, the chairman of the meeting shall have the deciding vote.

In the event of a director leaving his/her position for reasons other than retirement by rotation, the Board of Directors may appoint a qualified person to replace the outgoing director at the next Board of Directors' meeting, provided that the remaining term of service is longer than 2 months. The appointment of replacement directors must receive more than 3/4 of the votes of the remaining directors, and replacement directors are eligible to stay on the board for the entire remaining term of service of the outgoing directors.

Appointment of Senior Executives

The appointment of executives is considered by executive directors and the Company's management. The Company's executives are professionals who perform their duties independently from the major shareholders and other shareholders. Top executives are chosen for their ability to contribute to the Company's operations through their knowledge, abilities, and experience. Their knowledge of business and the automotive industry's business cycle are critical to the Company's growth and achievement of its objectives.

8.1.1 (3) Orientation of New Directors

Newly appointed directors will attend an orientation to better understand the Company's information and policies that are relevant to their roles as directors, such as rules, regulations, businesses, minutes of

Board of Directors meetings, and minutes of previous audit committee sessions. There will also be introductions to other directors and corporate executives, factory excursions, and training/seminars to offer the essential expertise for a director's role.

8.1.1 (4) Development of Directors

The Company encourages directors to continuously develop and enhance their skills and knowledge in relation to their duties and responsibilities. Directors are provided with useful information that is relevant to the Company's business, as well as details of the duties and responsibilities of the board of directors and committees. The Company Secretary sends the directors information about training, conferences, and seminars that are relevant to the Company's business or directors' duties.

The Company supports directors to attend basic training as required by the SEC. Such training provides an overview for directors of their roles and responsibilities, the concept of corporate governance, applicable laws, financial reporting, risk management, strategy, and effectiveness of the board. The Company's independent directors have all passed the fundamental training courses organized by the Thai Institute of Directors (IOD) or other similar courses, which can be summarized as follows:

Name	Courses
1) Mr. Yeap Swee Chuan	<ul style="list-style-type: none"> Director Certification Program (DCP108/2008)
2) Mrs. Teo Lee Ngo	-
3) Mr. Kenneth Ng	<ul style="list-style-type: none"> Director Certification Program (DCP189/2014)
4) Mr. Wichian Mektrakarn	<ul style="list-style-type: none"> IT Governance and Cyber Resilience Program (ITG 13/2020) Advance Audit Committee Program (ACCP 36/2020) Ethical Leadership Program (ELP 12/2018) Role of Chairman (RCP40/2017) Board that Makes the Difference (BMD3/2016) Director Certification Program (DCP107/2008)
5) Mrs. Vachira Na Ranong	<ul style="list-style-type: none"> Director Accreditation Program (DAP61/2007) Role of Compensation Committee (RCC2/2007) Director Certification Program (DCP124/2009)
6) Mr. Arvind Mathew	-
7) Mr. Jianhui Shi	-

Apart from IOD training, directors and executives have attended seminars and conferences to expand their expertise and network with executives from other public listed company and companies in the same or related industries. These conferences included those hosted by the SEC, SET, banks, and securities firms, as well as those hosted by the Company's customer.

As schedule of most directors did not coincide with the IOD training schedule held during 2022 and COVID-19's epidemic continues to pose some travel restrictions, none of the directors attended IOD training during 2022. However, all directors continued to expand their skills and knowledge through seminars held throughout the year.

For the year 2023, the Company will continue to encourage all directors to participate in training courses organized by the Thai Institute of Directors Association (Thai IOD) or an equivalent organization by sending information about director training courses,

as well as training and seminars related to the company's business, to the Board of Directors for acknowledgment every quarter.

8.1.1 (5) Terms of Service

Terms of Service for Directors

Years of Service in each rotation

The Company's Articles of Association indicate the number of years served on the Board of Directors in accordance with the Public Limited Company Act, which specifies that one-third of the total number of directors must retire from office at the Annual General Meeting. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third, but not exceeding one-third is applied. In choosing which directors should retire, the directors who have served the longest tenure are the most eligible to retire. Nevertheless, retiring directors are eligible for re-election.

Apart from the aforementioned retirement by rotation, directors may be removed from the office for the following reasons:

- 1) Death
- 2) Resignation (with effect from the date the Company receives the resignation letter)
- 3) Being disqualified or being subject to any of the prohibitions under the Public Company Act or any other laws governing securities and stock exchanges
- 4) Removal by resolution of a shareholders' meeting
- 5) Removal by court order

Number of Consecutive Terms of Service

The Board of Directors has been approved by a shareholders' meeting and consists of highly qualified individuals with knowledge and expertise beneficial to the Company's business. These directors are also respected for their good character and business ethics, as well as their consistently good performance of duties. The Company respects the right of shareholders to decide on the reappointment of directors to the Board. Therefore, the Company does

not limit the number of consecutive terms of service for directors. The Company does, however, commit to good corporate governance practices and encourages terms of service of directors in line with the SET guideline of not more than nine consecutive years.

8.1.1 (6) Limitation on Directors' Positions in Listed Companies

The Board of Directors has a policy of limiting the number of positions held on the boards of listed companies other than the Company's own subsidiaries to no more than three companies. Directors shall not sit on the boards of any company that operates in the same industry or that is in direct competition with the Company's operations. Holding positions as directors in other companies must also be reported to the Board of Directors for approval. Currently, there are no executive directors who hold directorships and be a senior executive in other listed companies or be the chairman of the board of executive directors and/or authorized directors in more than 3 other listed companies.

8.1.1 (7) Performance Evaluations

Directors' Performance Evaluations

The Board of Directors conducts a self-assessment of its own performance on an annual basis. The Company applies assessment criteria according to the guidelines of the SET. There are three sets of assessment forms: for the evaluation of the Board of Directors as a collective body and as individuals; and the assessment of committee performance. The Board of Directors is assessed in 6 areas, as follows:

- 1) Structure and characteristics of the Board
- 2) Roles and responsibilities of the Board
- 3) Board meetings
- 4) The Board's performance of duties
- 5) Relationship with management
- 6) Self-development of directors

The self-assessment of the directors' performance for the year 2022 was conducted with the full participation of the directors. The assessment results have shown improvement in the performance of the collective Board of Directors, individual directors, and individual committees.

The self-assessment results of the Board of Directors as a collective body maintained the same excellent rating of 95% in both 2021 and 2022. The self-assessment on an individual basis was an average of 93%. The self-assessment of committee performance was an average of 94%.

8.1.1 (8) Succession Plan

The Company has set up a succession plan for the Company's Directors, Top Management, and most importantly – the CEO. Any vacancies concerning the positions must be filled by individuals whom the Nomination and Remuneration Committee has nominated and has deemed to possess the knowledge and skills required to achieve the Company's targets. In addition, such individuals must not be subjected to any legal or regulatory prohibitions or impediments in order to ensure that the selected individuals can perform their roles and responsibilities effectively and transparently. The nomination will then be brought to the Board of Directors' attention for approval. In addition, the Company provides an opportunity for shareholders to nominate individuals with the appropriate qualifications to the Nomination and Remuneration Committee for consideration before the committee presents the matter for voting at the shareholders' meeting.

8.1.2 Meeting Attendance and Remuneration of

Individual Director

Board Meetings

The Company plans the schedule of board meetings for the year in advance. The Board of Directors is scheduled to meet at least 6 times per year, 4 of which are general meetings to consider and approve

financial statements, and the other two are performance review meetings to review the business operations and business plans. In the event that there are other matters requiring board approval, special meetings may be arranged on an ad hoc basis. Directors are kept informed of the board meeting schedule to ensure their availability.

Directors are encouraged to attend the board meetings and the performance review meetings, as well as shareholders' meetings. The attendance of directors at meetings held during 2022 is disclosed in the table below:

Attendance Record of the Board of Directors' Meetings in 2022

Name	Meeting Attendance in 2022				
	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	Annual General Meeting of Shareholders
	(Total 7)	(Total 4)	(Total 5)	(Total 2)	(Total 1)
1) Mr. Yeap Swee Chuan	7/7	-	-	-	1/1
2) Mrs. Teo Lee Ngo	7/7	-	-	-	1/1
3) Mr. Kenneth Ng	7/7	4/4	5/5	-	1/1
4) Mr. John Parker ¹	1/1	-	-	1/1	-
5) Mr. Wichian Mektrakarn	7/7	4/4	-	2/2	1/1
6) Mrs. Vachira Na Ranong	7/7	-	5/5	2/2	1/1
7) Mr. Kaikhushru (Kai) Taraporevala ²	5/5	2/2	3/3	-	1/1
8) Mr. Arvind Mathew ³	3/3	-	-	1/1	-
9) Mr. Jianhui Shi ⁴	2/2	2/2	1/1	-	-
Note : 1. Mr. John Parker resigned as a director on February 28, 2022. 2. Mr. Kaikhushru (Kai) Taraporevala resigned as a director on June 29, 2022. 3. Mr. Arvind Mathew appointed as a director on April 20, 2022. 4. Mr. Jianhui Shi appointed as a director on June 29, 2022.					

Directors are encouraged to propose relevant agenda items to the Chairman to consider and conclude in the notice of the meeting. The Company sends the notice of meeting and supporting documents or information to directors at least seven days prior to the meeting date. At the meeting, the Chairman counts the number of attending directors to form a quorum to convene the meeting, as specified in the Articles of Association. The Chairman considers the meeting agenda in the order stated in the notice of meeting.

The Chairman allocates sufficient time to discuss each agenda item carefully and thoroughly. Directors are encouraged to give comments and express their opinions freely and openly before casting their votes. Each director has one vote. The meeting requires at least two-thirds of the total number of directors to be present to vote on each agenda item. Any director who has a vested interest in a particular agenda item is excused or shall abstain from voting on that agenda item. Board meetings are planned for the entire year. Every year, the Company schedules meetings for the

Board of Directors and its committees to perform their duties on a regular basis. These regular meetings in 2022 consist of:

- 7 Board of Directors meetings
- 4 Audit Committee meetings
- 5 Nomination and Remuneration meetings
- 2 Risk Management meetings

Additional meetings may be called to discuss special items. In addition to these meetings, the Company also invites directors to attend the annual performance review meetings, which are held twice a year to monitor and advise on its operations as necessary. Directors are informed of these meetings in advance and are responsible for managing their attendance at these meetings accordingly.

In 2022, AAPICO held 7 Board of Directors meetings. The Audit Committee met 4 times on a quarterly basis to consider and approve the disclosure of the Company's financial statements, one of which was conducted with the Company's auditor in the absence

of management to allow independent discussions on the Company's performance. The Risk Management Committee held 2 meetings to assess and review key risk factors and the risk assessment process according to the internal control system covering the entire organization and international standards. The Nomination and Remuneration Committee held 5 meetings to consider directors' nominations and remuneration and to advise on the succession plan for key management positions in the Company.

Directors' Remuneration

The Board of Directors approved the remuneration of the Board of Directors and its committees according to the principles and policies set by the Nomination and Remuneration Committee, which are within the framework and limits approved by the shareholders' meeting. Directors' remuneration is considered based mainly on the scope of duties and responsibilities, directors' performance and benchmarking against other listed companies engaged in the same business regarding performance, business size, and directors' accountability. The directors' remuneration is proposed to the Board of Directors for approval before being passed for approval at the Annual General Meeting of Shareholders.

The Nomination and Remuneration Committee is responsible for considering and approving the remuneration of the CEO. The consideration process took into account the responsibilities, the performance, and the performance evaluation of the CEO as the consideration factors for CEO remuneration.

AAPICO sets remuneration for its directors at rates comparable to those of other listed companies engaged in the same industry and with similar business size, performance, and accountability of directors. The Nomination and Remuneration Committee considers directors' remuneration based on appropriateness,

corporate financial status, and duties and responsibilities of directors to propose to the Board of Directors and obtain concurrence with the shareholders' meeting for approval.

The directors' remuneration is composed of annual remuneration, attendance fee, and incentive bonus. The Annual General Meeting of Shareholders for the year 2022 passed a resolution concerning the remuneration of the Board of Directors and committees as follows:

Directors' Remuneration Structure in 2022

Board of Directors / Committees	Position	Annual Remuneration (Baht)	Attendance Fee (Baht)	Incentive Bonus (Baht)
Board of Directors	Chairman	-	-	-
	Executive Director	-	-	-
	Independent Director	275,000	20,000	0.2% of net profit but not exceeding Baht 3 million
Audit Committee	Chairman	50,000	15,000	
	Member	25,000	15,000	
Nomination & Remuneration Committee	Chairman	-	10,000	
	Member	-	10,000	
Risk Management Committee	Chairman	-	10,000	
	Member	-	10,000	

Directors' Remuneration in 2022

Name	Annual Remuneration (Baht)	Attendance Fee (Baht)	Incentive Bonus (Baht)	Total Remuneration (Baht)
1) Mr. Yeap Swee Chuan ¹	-	-	-	-
2) Mrs. Teo Lee Ngo ¹	-	-	-	-
3) Mr. Kenneth Ng	325,000	160,000	409,587	894,587
4) Mr. John Parker	275,000	30,000	409,587	714,587
5) Mr. Wichian Mektrakarn	300,000	160,000	409,587	869,587
6) Mrs. Vachira Na Ranong	275,000	120,000	409,587	804,587
7) Mr. Kaikhushru (Kai) Taraporevala	300,000	80,000	409,587	789,587
8) Mr. Arvind Mathew	-	70,000		70,000
9) Mr. Jianhui Shi	-	80,000	-	80,000

Remark:

1) Mr. Yeap Swee Chuan and Mrs. Teo Lee Ngo's remunerations are already included in the management's remuneration.

The meeting allowance in 2022 were paid for 4 times of meeting. For the meeting related to the nomination and reappointment of directors who resigned during the year, all non-executive directors preferred not to receive the allowance from attending those meeting.

The Company's independent directors received remuneration in accordance with their individual

performance in the capacity of directors. The special bonus was calculated at a ratio of 0.2% of total profit in the part concerning shareholders of the Company's finances, or a total amount of no more than 3 million Baht, which was divided equally among the independent directors. In any case, the directors who are also the Company's management did not receive

remuneration for their role as directors, as their remuneration as managing directors has already been included in the management's remuneration. Apart from this, the Company did not provide any other special benefits for the directors.

8.1.3 The Governance of Subsidiaries and Associates

AAPICO has put in place effective and efficient corporate governance, risk management, and internal controls that conform to international standards and the regulations of the respective authorities. The Company's subsidiaries and associates are aligned with the same principles. The Company has established a mechanism and process for overseeing and monitoring the management and operations of its subsidiaries and associates. To that effect, the Board of Directors has empowered the President/CEO to perform such duties as selecting representatives to be executives of these entities and reporting to the Board. The number of representatives in each entity is determined by the percentage holding of the Company in that entity.

The management of the Company is responsible for carrying out operations to achieve targets and drive business growth, controlling costs, reducing expenses, and monitoring capital investments in line with business plans. Their responsibilities cover human resource management, resolving problems or conflicts affecting the organization, and maintaining effective communication throughout the organization. In addition, the management of the subsidiaries & associates need to ensure sustainable development of the company they are in charge. Significant issues requiring a board resolution are proposed to the board for approval before taking any action.

The Company also has a process and mechanism for overseeing the operations and management of subsidiaries and associates. The head of each business unit shall report the operating results of subsidiaries and associates to the management at the corporate review meeting on a monthly basis and

present their budget and the progress of their operating plan to the Board of Directors at the performance review meeting on a semi-annual basis.

The scope of duties and responsibilities of the management of subsidiaries shall follow the Company's policies. The management of subsidiaries shall ensure that it provides guidelines and procedures in compliance with rules and procedures of the SET regulations regarding connected transactions between subsidiaries and related parties, acquisition and disposal of assets, financial transactions, and approvals of credit facilities from financial institutions, guarantees, or any related transactions, so that these transactions may be handled in an appropriate and complete manner. Subsidiaries shall apply the same regulations as the Company itself regarding the disclosure of information, filing of documents, and accounting records, and shall prepare and submit their financial statements to the Company for consolidation in a timely manner.

For the effective and efficient management of subsidiaries and associates, the Company has agreements and mutual understanding on issues such as the scope of authority, the separation of duties in management, and the fair distribution of profits to all concerned parties. The Company has a simple philosophy in dealing with business partners, respecting their rights with all due fairness, and cooperates fully with its partners to ensure the successful operation of its joint ventures.

8.1.4 Monitoring of Compliance with Corporate Governance Policies and Practices

8.1.4 (1) Conflict of Interest Prevention Policy

As a group of companies, AAPICO is well aware of matters relating to conflicts of interest among entities and related parties. The Company has published guidelines on dealing with such matters in a prudent, fair, and transparent manner. These practices include the following:

- 1) The Company ensures that the shareholding structure in subsidiaries, associates, joint venture companies, and other investments is clear, transparent, and disclosed to the public. There is no crossholding among major shareholders.
- 2) The Company advises that directors and executives, including their related persons, shall report their vested interests to the Company upon their appointment and again at every year-end.
- 3) At directors' meetings, directors or executives who have vested interests in the agenda must abstain from voting on such agenda items. This is to ensure that decisions are made in a fair and transparent manner for the best interests of the shareholders.
- 4) Transactions with related parties shall be conducted fairly, on an arm's length basis, under normal commercial terms, or based upon agreements between the Company and any related party that will benefit the Company as a group.
- 5) Connected transactions requiring shareholders' approval must be duly carried out in compliance with the regulations and requirements of the SEC and SET.

The Conflict of Interest Prevention Policy is part of the Code of Conduct. This policy is reviewed by the Board of Directors at least once a year and is communicated to all employees, executives and directors during orientation. It is also posted on the Company's website and intranet for easy access.

For the year 2022, the Company discovered no violations of its Conflict of Interest Prevention Policy.

8.1.4 (2) The use of Internal Information Policy

AAPICO is aware of the possibility that internal information could be misused or abused and has a policy to protect the confidentiality of financial and commercial information and transactions that have not yet been publicly disclosed and could have an impact on the share price. The Board of Directors, executives, and employees who have access to such internal information must keep this information strictly confidential and must be

cautious not to disclose information to any party not involved in the transactions.

The Company prohibits the use of internal information for personal benefit. In compliance with good corporate governance practices, the Company has established guidelines for directors, executives, relevant employees, and their related persons, including spouses and minor children, concerning the transfer of Company securities, which are as follows:

- 1) Black out period: Directors, executives, and employees – including their related persons, shall refrain from trading in Company securities (i) for a period of 30 days prior to the release of financial statements or public disclosures of significant matters and (ii) for at least a further 24 hours thereafter, depending on the degree of materiality.
- 2) Reporting of securities holdings: Directors and executives, as defined by the SEC, including their related persons, are required to report their holdings of the Company's securities to the Company.
- 3) Reporting of changes in securities holdings: Directors and executives, as defined by the SEC, including their related persons, are also required to report any changes in their securities holdings (Form 59), as a result of the sale, purchase, transfer, or acceptance of the transfer of securities, within 3 working days, with the exception of changes resulting from the Employee Joint Investment Program (EJIP) or any other program which has received an SEC exemption.

Failure to comply with, or violation of, this policy may result in derogation or damage to the Company and is therefore subject to penalty measures such as warnings, suspension without pay, termination, and possible legal action taken by relevant regulatory authorities. The Board of Directors and top executives shall report any changes in their holdings of the Company's securities to the Company. The movements of securities held by directors and top executives are also disclosed in the annual report, with the data during

the opening and closing of terms – including any movements in between – being made available.

The Use of Internal Information Policy is part of the Code of Conduct. This policy is reviewed by the Board of Directors at least once a year and is communicated to all employees, executives and directors during orientation. It is also posted on the Company's website and intranet for easy access.

For the year 2022, the Company discovered no violations of its Use of Internal Information Policy.

8.1.4 (3) Anti-Corruption Policy

AAPICO conducts its business with honesty, integrity, and transparency towards its stakeholders. The Company firmly opposes all forms of corruption and takes a zero-tolerance approach towards bribery and corruption. The Company supports and encourages employees at all levels to fight corruption with a clear conscience. It has established a policy governing business decisions and corporate actions as well as the behavior of employees.

The anti-corruption policy outlines the required conduct and responsibilities for preventing fraud. The Company clearly advises and trains its employees in relevant functions—especially those who operate in areas perceived to be high-risk—in recognizing and dealing with bribery and corruption effectively. The Company ensures that the business and its partners—including suppliers, contractors, and agents—act in compliance with relevant laws and regulations and refuses to engage in any act that may involve inappropriate or unlawful deeds, with the following important guidelines:

- 1) Directors, management, and employees of the Company must strictly adhere to the anti-corruption policy and are completely prohibited from involving themselves in any act of corruption.
- 2) In the event that any employee happens to witness an act of corruption, they are to immediately report it to the Audit Committee.

- 3) The Company will arrange for protective measures to safeguard the reporters from acts of corruption, retaliation, harassment, or harm.
- 4) Individuals who are deemed guilty of corruption will be punished via disciplinary or legal processes, as deemed appropriate.
- 5) The Company will arrange for the anti-corruption policy to be consistently communicated to employees to serve as a constant reminder to remain vigilant.

The Company has expressed intention to join the Thai Private Sector Collective Action Against Corruption (CAC), and has implemented actions in accordance with the anti-corruption policy as follows:

- 1) The Company has notified the board of directors, executives, and personnel that all processes are strictly adhered to within the framework of the law, and that if a mistake happens in the operation process due to negligence. The penalties shall be punished without advocating for an acquittal.
- 2) The Company has a reporting system in place for any policy infractions or suspected corruption, as well as have protection measures for reporters.

Details of the company's anti-corruption policies and measures can be found on the Company's website, www.aapico.com, under Investor Relations > Corporate Governance > Anti-Corruption Policy.

8.1.4 (4) Whistle Blower Policy

The Company encourages employees and stakeholders to give comments or raise concerns about any issues or suspicions of misconduct to the Company at any time for the Company to take immediate necessary actions to resolve such issues or prevent severe damage to its operations or reputation.

Employees and stakeholders can file a report with the Whistleblowing Box, which is placed in front of the entrance of the canteen or send an email directly to AC@aapico.com. The whistleblower can be reported

with his/her identity or anonymously to supervisor/manager then appealed to the independent directors/audit committee via e-mail. The cases of rights violations, corruption, non-compliance with laws and ethical practices will be discussed at the next Board of Directors' meeting. Then the matters will be sent to the president for further processing and investigation.

The Company encourages a culture of openness and will support anyone who raises genuine concerns in good faith. The Company has put in place whistleblower protection measures and does not require the name of the informant or the information source to be disclosed. The Company commits to ensuring that no one will suffer any unfair treatment as a result of refusing to take part in acts of bribery or corruption, or due to reporting their suspicion that actual or potential bribery or other corruption offences have taken place or may take place.

The Audit Committee did not receive any comments or concerns about organizational malpractice or wrongdoing for consideration in 2022.

Furthermore, the Company has established a list of regulations to serve as a framework for effective corporate governance. Among these policies are:

Tax Policy

As a good corporate citizen, AAPICO sees tax as an important part of its responsibility to stakeholders. The Company has established the AAPICO tax policy to provide guidelines and practices for the Group's operations. AAPICO aims to be a tax compliant company and our tax policy reflects and supports our business. All taxes are paid in a timely manner and according to the laws and regulations of the local jurisdiction where the Company operates.

Intellectual Property Policy

Intellectual property refers to mental inventions that come from an individual's or team's innovativeness

and inventiveness, and which are within that individual's or team's legal rights to manage as they see appropriate. With this in mind, the Company has established rules to foster respect for both the Company's own intellectual property rights as well as the rights of others—policies that every director, manager, and employee shall scrupulously adhere with.

- 1) Creations, knowledge, or ideas born from creativity will be treated as property of the Company. Employees are forbidden from duplicating, modifying, or doing anything with said property – be it for their own benefit, or the benefit of others – without permission from the Company; except in the case that the Company has already given permission for the creation to be the property of its innovator(s).
- 2) The Company disapproves of any act of violation of others' intellectual property rights perpetrated by employees, or any other individuals associated with the Company, and has decreed that every employee has a duty to inform their supervisors should they happen to come across any act of violation of intellectual property rights.
- 3) It is the duty of every employee to prevent any violation of the Company's intellectual property rights.
- 4) In the event that an employee is discovered by the Company to be violating the Company's intellectual property rights, and is indeed found to be guilty, the Company will consider taking any disciplinary or legal actions that it may deem appropriate.
- 5) In the event that an employee's employment status with the Company has ceased, the employee must return any and all Company intellectual property back to the Company.
- 6) The Company has provided a contact channel, namely the corporate email address "AC@aapico.com" for any stakeholders seeking to report violations of their intellectual property rights by other parties.

No Gift Policy

The Company has informed the employees of the policy and guidelines on receiving gifts, favors, gratuities, and business amenities ("Gifts") from business partners or related individuals. The Company's employees may receive Gifts from business partners and related individuals as expressions of appreciation for the business relationship in order to maintain a healthy business relationship, given that such Gifts are given voluntarily and involve normal sales, promotion, advertising, or publicity.

Employees are expected to report and promptly turn over all Gifts received from business contacts or third parties to the HR department of their respective companies, who will distribute Gifts to other parties in the appropriate manner.

Personal Data Protection Policy

The Company emphasizes the importance of personal data privacy and has implemented a Personal Data Protection Policy. This policy outlines the Company's personal data collection, storing, utilization, and disclosure procedures, as well as the data owners' rights. The Personal Data Protection Policy is available on the Company's website under "About Us" > "Privacy Policy."

8.2 Reporting of the Audit Committee's Performance

The Company disclosed the performance of the audit committee in this year in the enclosure 6. For information on meeting attendance and remuneration please refer to section 8.1.2

8.3 Reporting of Other Committees' Performance

The Company disclosed the performance of other committees, namely the Nomination and Remuneration Committee and the Risk Management Committee, in the enclosure 6. For the data on their respective remuneration, please refer to section 8.1.2.



Internal Control and Connected Transaction

9.1 Internal Control

The Board of Directors emphasizes on adequate and effective internal control framework and risk management. They have assigned the Audit Committee to assess the adequacy of the Company's internal control through the performance reports of internal auditor. Internal auditor had audited key operational activities and reported their findings and recommendations to the management and the Audit Committee at the quarterly meetings.

In their findings, the Company has carried out its operations according to work instructions, within the policy and procedures, and acted in compliance with relevant laws and regulations and good corporate governance principles. The reported weaknesses had been resolved and implemented the corrective actions to improve control in those areas. In conclusion, there were no major risk of internal control deficiency for the year 2022. Internal auditor has assessed the Company's internal control practices according to the guideline from SEC which can be prescribed into 5 major components as follows:

1. Control Environment

The Company demonstrates a commitment to integrity and ethical values and the tone is set at the top. Management establishes, with Board Oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of the objectives.

Executive directors and top management are to be role models for the employees in performing their duties ethically, honesty, with due care and in accordance with the Company's code of conduct, the anti-corruption policy, the corporate governance policy, etc. The Company communicates these policies to employees as part of orientation and working procedures. Any suspicion or wrongdoings are investigated and escalated to directors. Offenses and violations are penalized according to

the severity of the actions. The essential aspects of the Company's code of conduct are as follows:

- 1) Respect and abide by the laws, rules, and regulations pertaining to the operation of businesses.
- 2) Follow the guidelines on the Company's Anti-Corruption policies.
- 3) Avoid having a stake or involving oneself in any operation that may create conflicts of interests which may in turn be detrimental to the Company's interests or operations.
- 4) Do not reveal confidential information to external organizations or individuals that may negatively affect the Company.
- 5) Avoid receiving gifts and/or presents that are overly valuable from any organization or individual which is involved in or stands to benefit from the Company's operations.
- 6) Be politically neutral.
- 7) Support and respect human's rights on both national and global level, including preventing the Company's business from getting involved in cases of human's rights violation.
- 8) Respect the rights and equality of every shareholder – be they shareholders who are parts of the Company's management, shareholders who are not a part of the Company's management, or foreign shareholders – and ensure that they all got the same equal treatment.
- 9) Interact politely with customers and establish credibility and trust with them.
- 10) Strictly follow all the conditions that were set by the customers and/or the creditors. In the case that any of the conditions cannot be met, the customers and/or the creditors must be informed as soon as possible in order to agree upon a solution.
- 11) Engage with competitors under the laws and regulations of fair competition.

- 12) Operate businesses so that the damaging impact to the society, the environment, and the population's quality of life is kept to a minimum.

The Board of Directors are independent and comprises of highly respectable professionals and experts. The duties and responsibilities of the Board of Directors are clearly defined and are separated from the management's responsibilities. In its capacity, the Board of Directors sets the policy and ensure that the Company's management operates in compliance with laws, the Company's objectives, the Articles of Association, and the resolution of shareholders' meeting.

The Company has defined its organization structure to enabling and empowering the management of the Company and subsidiaries to operate their businesses in line with the Company's strategy and report their performance to the top executives and the Board of Directors. The Company has clear separation of powers, checks and balances, and job assignment.

The Board of Directors has emphasized on human resource management to attract and retain capable and competent employees and strengthen human resource development to continuously improve and enhance employees' knowledge and capabilities to the next level. The Company has clear guidelines and processes to assess employees' performance at all levels. Employees are evaluated individually on their behavior and accomplishment to the agreed key performance indicators and are rewarded fairly and equally with appropriate incentive and promotion.

2. Risk Assessment

The Company has established the risk management policy as a framework for the organization's risk assessment process. The Company assesses potential risks associated with the organization from

both internal and external factors and their impact on the achievement of objectives. At least twice a year, the Risk Management Committee reviews these risk factors and risk matrix.

The committee reviews the impact and the likelihood of occurrence, with consideration to the changes of regulatory, business environment, the potential impacts of new business lines, rapid growth, changing on foreign geographies, and new technologies, and re-assessed the appropriateness of the Company's risk management and mitigation plan to ensure that the impact is controlled to an acceptable level.

The Risk Management Committee has reviewed the risk management process and the adequacy of the Company's risk management and anti-corruption policy to ensure effective internal control of the Company. The Board of Directors and the Audit Committee has ensured that the Company's financial statements are presented in a fairly and adequately with sufficient disclosure according to the general accepted accounting standard, and that all material transactions have been reviewed and carried out in compliance with applicable laws and regulations in the best interests of the Company and shareholders.

3. Control Activities

The Company operates with adequate control in all functions and businesses. Its operations are certified with IATF16949 quality management standard and ISO14001 environmental standard. The work instructions and procedures have been prepared in detail with appropriate controls attached in the procedure to prevent errors and wrongdoings. The Company has been certified with independent reputable organization for its high standard of operations.

The Company has defined the duties and responsibilities, and the approval authority of the Company's management and executives in each level. Access for operating system and database is controlled and monitored by IT department. The segregation of duties is defined and strictly applied for key functions responsible for authorization, record transactions, and custody of assets. Connected transactions are carefully reviewed and carried out at arm's length basis that applies to normal business with third parties. Major contracts and agreements including those involving major shareholders, executives, and their related parties are duly considered and approved with consideration by the independent directors who have no vested interest in the matter.

The Board of Directors review and monitor the Company's operations and financial performance with consideration to the budget and forecast on half-yearly basis. The report of the progress of investments and their performances are communicated to the Board of Directors on regular basis and at their quarterly meetings.

4. Information and Communication

The Company uses multiple channels for communication to stakeholders internally and externally and utilizes the use of information technology to reach its stakeholders in wider audience. Communication with employees are normally managed through internal meetings, the Company's bulletin board, intranet, and email. For external stakeholders, the Company ensures sufficient public disclosure through the AAPICO website, the SET portal, and public events. The Investor Relations is assigned as a primary contact window for inquiries and comments from shareholders, investors, analysts, and other key stakeholders.

The Company provides adequate information to the Board of Directors for their consideration and discussion at the board meeting. The notice of meeting and relevant documents are delivered to directors prior to the meeting. The minutes of meetings are carefully and adequately recorded and documented for future reference. The meeting resolutions are disclosed to public in compliance with the SET rules regarding disclosure of significant matters.

With regards to the concerns relating to corruption and bribery, the Company has declared its firm intention to fight against corruption and has clearly communicated to every employee and every business to operate in compliance with the Company's anti-corruption policy. The policy also includes the guidelines regarding the receipt and offer of gifts, sponsorship, and donation. In effort for anti-corruption, the Company has established the whistle blower policy and has arranged communication channels for stakeholders to lodge complaints, raise concerns, or report their suspicions of misconducts or wrongdoings to the Company and the Board of Directors.

5. Monitoring Activities

The Company ensures that each business operates with integrity, transparency, in compliance with the Company's policies and code of conducts. The Company has put in place a review process to monitor the operations and financial performance of the Company and its investments in subsidiaries and associates. The Company schedules the performance review meeting of each operating unit with the Company's executives on a monthly basis and reports to the Board of Directors on a half-yearly basis.

At the level of operating unit, the Company assigns the Quality Assurance (QA) unit to drive and monitor

the compliance to work instructions and relevant laws and regulations. In addition, the Company has engaged internal auditors to audit the internal control of key processes. The internal auditor has assessed and reviewed the working process and the compliance to work instructions and report the issues of control weaknesses to the management to resolve and improve the effectiveness of internal control system. Findings and corrective actions are also reported to the Audit Committee at the quarterly board meetings.

The Company is continually certified with IATF16949 and the ISO14001 standards, which guarantees its commitment to attain the quality and environmental standard. In addition to the internal compliance unit, the Company has engaged external agents to audit and certify the Company's processes regarding the compliance with the quality management standards. The Company also passed the customer audit with satisfaction that its operations are carried out according to agreed procedures and that no changes are made without prior notification.

The Company has defined a process to monitor comments from the Company's stakeholders in order to improve and ensure effective internal control of the Company.

9.2 Connected Transaction

9.2.1 Significant Connected Transaction during 2022

AAPICO Hitech PLC and subsidiaries (“The Company”) have normal business transactions with individual or juristic person that may cause the conflicts of Interest in accordance with commercial term and agreement. However, all significant connected transactions must be considered and approved by the Audit Committee.

The connected transactions with associated companies, jointly controlled businesses, and related companies that could be seen as conflicts of interest during 2022, 2021 and 2020 consisted of the following:

(Unit: Million Baht)

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
Sakthi Automotive Group USA, Inc. (Wholly owned by the Company)	<ul style="list-style-type: none"> - Long-term loans to related parties - Interest income 	-	-	597.3	<ul style="list-style-type: none"> - The Company provided loans to Sakthi Automotive Group USA, Inc. with interest rate not less than average financial cost to support working capital. The credit facility was approved by the Board of Directors' Meeting in proportion to the Company's shareholding. Sakthi Automotive Group USA, Inc. had entered receivership and the process ended. At present, the company as above is during the process of liquidation. <u>Remark.</u> - In 2020, the Company has provided loans to Sakthi Automotive Group USA, Inc. which was in the receivership process because the Company would like to maintain the conditions with the bank. 	The Audit Committee had an opinion that the loans and other relevant transactions were provided as financial support.

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
AAPICO ITS Company Limited (60% owned by the Company)	- Other accounts payable	5.0	5.0	4.6	- The Company had accrued software expense	The Audit Committee had an opinion that the software purchases were in accordance with normal business practice.
Thai Takagi Seiko Company Limited (49.20% owned by the Company)	- Long-term loans to related parties - Interest income	- -	4.0 0.2	4.0 0.5	- The Company provided loans to Thai Takagi Seiko Company Limited with interest rate not less than average financial cost to support working capital. The loan limit was less than share proportion held by the Company. The credit facility was approved by the Board of Directors' Meeting, and not in line with proportion to the Company's shareholding.	The Audit Committee had an opinion that the long-term loans and Interest income were provided as financial support, and the conditions were as agreed under the agreement.

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
Thai Takagi Seiko Company Limited (49.20% owned by the Company)	- Trade accounts receivable - Sales of goods and services	6.1 33.3	9.0 59.3	12.1 52.0	- The Company sold parts to Thai Takagi Seiko Company Limited to produce for sale. The price is close to selling price to third party.	The Audit Committee had an opinion that the sale transactions were in accordance with normal business practice.
	- Other accounts receivable - Other income - Rental income	2.0 0.6 13.1	1.6 0.6 12.8	1.5 0.6 9.8	- The Company provided storage and forklift service to Thai Takagi Seiko Company Limited - The Company provided area rental to Thai Takagi Seiko Company Limited	The Audit Committee had an opinion that other income and rental income were in accordance with normal business practice.
	- Trade accounts payable - Purchases of goods and service	2.7 14.7	3.9 33.0	8.6 -	- The Company purchased plastic granules from Thai Takagi Seiko Company Limited to produce for sale.	The Audit Committee had an opinion that the purchase transactions were in accordance with normal business practice.

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
Edscha AAPICO Automotive Company Limited (49% owned by the Company)	<ul style="list-style-type: none"> - Trade accounts receivable - Sales of goods and services 	61.5 207.0	38.3 147.7	35.2 103.3	<ul style="list-style-type: none"> - The Company sold parts to Edscha AAPICO Automotive Company Limited to produce for sale, which is normal operation. The price is close to selling price to third party. 	The Audit Committee had an opinion that the sale transactions were in accordance with normal business practice.
	<ul style="list-style-type: none"> - Other accounts receivable - Other income - Dividend income - Rental income - Management fee income 	4.2 7.0 16.0 1.6 9.3	3.9 6.1 11.6 1.3 7.1	1.9 2.6 14.9 1.3 5.4	<ul style="list-style-type: none"> - The Company signed IT services agreement with Edscha AAPICO Automotive Company Limited - The Company received dividend from Edscha AAPICO Automotive Company Limited as approved by the Annual General Meeting (AGM) in proportion to the Company's shareholding - The Company provided area rental to Edscha AAPICO Automotive Company Limited - The Company signed a 1-year management services agreement with Edscha AAPICO Automotive Company Limited. The agreement will renew for a further term of 1 year to support business operation. 	The Audit Committee had an opinion that other income, dividend income, rental income and management fee income were in accordance with normal business practice
	<ul style="list-style-type: none"> - Trade accounts payable - Purchases of goods and service 	51.9 168.2	54.5 215.5	72.6 183.1	<ul style="list-style-type: none"> - The Company purchased raw materials and parts from Edscha AAPICO Automotive Company Limited for sale and to produce for sale 	The Audit Committee had an opinion that the purchase transactions were in accordance with normal business practice .

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
Edscha AAPICO Automotive Company Limited (49% owned by the Company)	<ul style="list-style-type: none"> - Other accounts payable - Other expenses 	0.1 0.6	0.1 0.2	- -	<ul style="list-style-type: none"> - Edscha AAPICO Automotive Company Limited made claims against the Company 	The Audit Committee had an opinion that the claim transactions were in accordance with normal business practice.
Sumino AAPICO (Thailand) Company Limited (49% owned by the Company)	- Dividend income	2.5	2.5	4.7	<ul style="list-style-type: none"> - The Company received dividend from Sumino AAPICO (Thailand) Company Limited as approved by the Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) in proportion to the Company's shareholding 	The Audit Committee had an opinion that the dividend distributed from operating profits which were in accordance with normal business practice.
	<ul style="list-style-type: none"> - Trade accounts payable - Purchases of goods and service 	7.9 79.8	4.3 44.3	3.8 32.0	<ul style="list-style-type: none"> - The Company purchased parts from Sumino AAPICO (Thailand) Company Limited to produce for sale 	The Audit Committee had an opinion that the purchase transactions were in accordance with normal business practice

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
Able Sanoh Industries (1996) Company Limited (45.62% owned by the Company)	<ul style="list-style-type: none"> - Trade accounts receivable - Sales of goods and services 	13.8 46.3	4.4 16.0	3.6 9.3	<ul style="list-style-type: none"> - The Company sold products to Able Sanoh Industries (1996) Company Limited to produce for sale, which is normal operation. The price is close to selling price to third party. 	The Audit Committee had an opinion that the sale transactions were in accordance with normal business practice.
	<ul style="list-style-type: none"> - Other accounts receivable - Other income - Dividend income - Management fee income 	2.4 2.1 137.8 7.0	2.5 2.2 70.3 7.0	2.4 - 271.1 6.9	<ul style="list-style-type: none"> - The Company signed IT services agreement with Able Sanoh Industries (1996) Company Limited - The Company received dividend from Able Sanoh Industries (1996) Company Limited as approved by the Annual General Meeting (AGM) in proportion to the Company's shareholding - The Company signed a 1-year management services agreement with Able Sanoh Industries (1996) Company Limited. The agreement will renew for a further term of 1 year to support business operation. 	The Audit Committee had an opinion that other income, dividend income and management fee income were in accordance with normal business practice.
	<ul style="list-style-type: none"> - Trade accounts payable - Purchases of goods and service 	18.0 58.4	11.5 42.3	12.6 30.2	<ul style="list-style-type: none"> - The Company purchased parts from Able Sanoh Industries (1996) Company Limited to produce for sale 	The Audit Committee had an opinion that the purchase transactions were in accordance with normal business practice.

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
Hyundai Motor (Thailand) Company Limited (20% owned by the Company)	- Dividend income	74.8	22.0	-	- The Company received dividend from Hyundai Motor (Thailand) Company Limited as approved by the Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) in proportion to the Company's shareholding	The Audit Committee had an opinion that the dividend distributed from operating profits which were in accordance with normal business practice.
	- Other accounts payable - Other expense	- -	- 0.1	0.1 -	- Hyundai Motor (Thailand) Company Limited provided motor vehicle repair and maintenance service to the Company	The Audit Committee had an opinion that motor vehicle repair and maintenance were in accordance with normal business practice.
	- Purchases of assets	-	1.4	-	- The Company purchased motor vehicle from Hyundai Motor (Thailand) Company Limited for operational use	The Audit Committee had an opinion that the purchase transactions were in accordance with normal business practice.

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
Sanoh Industries (Thailand) Company Limited (20% owned by the Company)	- Dividend income	6.9	2.2	4.5	- The Company received dividend from Sanoh Industries (Thailand) Company Limited as approved by the Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) in proportion to the Company's shareholding.	The Audit Committee had an opinion that the dividend distributed from operating profits which were in accordance with normal business practice.
AAPICO Electronics Company Limited (51% owned by the Company)	- Trade accounts receivable - Sales of goods and services	2.1 9.9	- 0.8	- -	- The Company sold inventories to AAPICO Electronics Company Limited for sales. The price is close to selling price to third party.	The Audit Committee had an opinion that the sale transactions were in accordance with normal business practice
	- Other accounts receivable - Other income - Management fee income	0.7 0.5 0.1	0.5 0.5 -	0.3 - -	- AAPICO Electronics Company Limited had accrued rental and operating expenses, which advanced by the Company - The Company signed a 1-year management services agreement with AAPICO Electronics Company Limited. The agreement will renew for a further term of 1 year to support business operation	The Audit Committee had an opinion that the transactions were in accordance with normal business practice.
	- Purchases of assets	-	0.2	-	- The Company purchased air purifiers from AAPICO Electronics Company Limited for operational use	The Audit Committee had an opinion that the purchase transactions were in accordance with normal business practice

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
AAPICO Electronics Company Limited (51% owned by the Company)	- Purchases of goods and service	-	0.4	-	- The Company purchased cameras from AAPICO Electronics Company Limited for sale	The Audit Committee had an opinion that the purchase transactions were in accordance with normal business practice.
AAPICO Sodecia (Thailand) Company Limited (50% owned by the Company)	- Other accounts receivable	1.2	0.3	-	- AAPICO Sodecia (Thailand) Company Limited had accrued operating expense, which advanced by the Company	The Audit Committee had an opinion that the transactions were in accordance with normal business practice
Vroom Company Limited (40% owned by the Company)	- Other income	-	1.3	3.9	- The Company provided area rental to Vroom Company Limited	The Audit Committee had an opinion that other income were in accordance with normal business practice.
	- Long-term loans to related parties - Interest receivable - Interest income	99.8 0.3 3.5	69.8 0.2 1.1	13.8 - -	- The Company provided loans to Vroom Company Limited with interest rate not less than average financial cost to support working capital. The loan limit was more than share proportion held by the Company due to voting right. The credit facility was approved by the Board of Directors' Meeting, and not in line with proportion to the Company's shareholding.	The Audit Committee had an opinion that the long-term loans were provided as financial support, and the conditions were as agreed under the agreement

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
Dee Mak Sdn. Bhd. (Wholly owned by the Company's common director)	<ul style="list-style-type: none"> - Trade accounts receivable - Other income 	0.6 7.9	1.5 9.9	1.6 10.2	<ul style="list-style-type: none"> - The Company provided car insurance service 	The Audit Committee had an opinion that the service transactions were in accordance with normal business practice.
	<ul style="list-style-type: none"> - Short-term loans from related parties 	24.3	27.5	25.5	<ul style="list-style-type: none"> - Dee Mak Sdn. Bhd. provided loans to the Company with no interest to support business operation. The credit facility was approved by the Board of Directors' Meeting, and not in line with proportion to the Company's shareholding. 	The Audit Committee had an opinion that the conditions of short-term loans were as agreed under the agreement.
Smoothlane Company Limited (11.89% owned by Subsidiary)	<ul style="list-style-type: none"> - Short-term loans to related parties - Long-term loans to related parties - Interest receivable - Interest income 	- 22.1 2.1 0.5	- 22.1 1.5 0.4	- 22.1 1.1 0.8	<ul style="list-style-type: none"> - The Company provided loans to Smoothlane Company Limited with interest rate not less than average financial cost to support working capital. The loan limit was more than share proportion held by the Company since the Company has a stronger financial position. Besides, the Company has closely monitored its operating results. The credit facility was approved by the Board of Directors' Meeting, and not in line with proportion to the Company's shareholding. 	The Audit Committee had an opinion that the short-term loans, long-term loans, interest receivable and Interest income were provided as financial support, and the conditions were as agreed under the agreement.

Related Company	Type of Transactions	Consolidated financial statement			Necessity and Reasonableness of Transactions	The Audit Committee's Opinion
		2022	2021	2020		
YLN Enterprise Sdn. Bhd. (Malaysia) (80% owned by the Company's common director)	- Short-term loans from related parties	8.0	8.2	7.6	- YLN Enterprise Sdn. Bhd. (Malaysia) provided loans to the Company with no interest to support business operation. The credit facility was approved by the Board of Directors' Meeting, and not in line with proportion to the Company's shareholding.	The Audit Committee had an opinion that the conditions of short-term loans were as agreed under the agreement.

9.2.2 Preconditions and Reasons for Connected Transactions

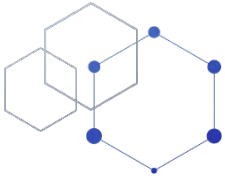
The Audit Committee reviewed the connected transactions which were recorded during the fiscal year 2022 and considered them to be reasonable, fair and on an arm's length basis. All transactions with related companies were approved based on the potential growth of business aiming to enhance the benefits for the Company.

9.2.3 Policy and Outlook for Future Connected Transactions

In the future, the Company will continue considering the connected transactions under the reasonableness and commercial appropriateness. The pricing of products and services based on normal business practices and reflected market prices, or within the arm's length basis, or the details stipulated in commercial contracts.

Moreover, the Audit Committee is responsible for reviewing the undertaking future connected transactions to ensure transparency in accordance with the Company's corporate governance policy, rules, and regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC), as well as the accounting standards.

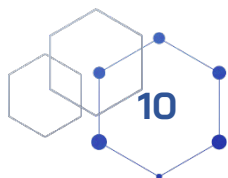
The connected transactions with potential conflict of interest, that may be carried out in the future, shall be considered under the necessity and appropriateness. However, the Audit Committee can engage any professional consultant or person with independent opinion to provide advice or opinions if deemed necessary.



Part 3:

Financial Statements

10. Report of the Board of Directors' Responsibilities for the Financial Statement
11. Audited Financial Statements for Fiscal Year Ended 31 December 2022 and Independent Auditor's Report



Report of Board of Directors' Responsibility for Financial Statement

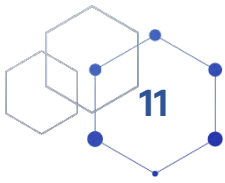
The Board of Directors are aware of its responsibility in supervising and making sure that the financial report is correctly put together. Therefore, an audit committee comprising of independent directors is appointed. The audit committee is charged with the responsibility to ensure the financial report is complete and reflect accurately the true financial status of the company. The opinion of the audit committee can be found in the Report of Audit Committee.

The Company's separated and consolidated financial statements were audited by a certified auditor from EY Office Limited. During the auditing process, the Company supported the auditor with various information and documents in order for the auditor to be able to audit and express their opinions in accordance with the accounting standards. The opinions of the auditor are included in the Auditor's Report as at December 31, 2022.

The Board of Directors is of the opinion that the Company's overall internal control system is at a sufficiently appropriate level and is able to elicit a reasonable confidence in the reliability of the Company's separated and consolidated financial statements – as is generally accepted under financial reporting standards.

Mr. Yeap Swee Chuan

President and CEO



Audited Financial Statements for Fiscal Year Ended 31 December 2022 and Independent Auditor's Report

AAPICO Hitech Public Company Limited

and its subsidiaries

Report and Financial Statements

31 December 2022

Independent Auditor's Report

To the Shareholders of AAPICO Hitech Public Company Limited

Qualified Opinion on the Financial Statements

I have audited the accompanying consolidated financial statements of AAPICO Hitech Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of AAPICO Hitech Public Company Limited for the same period.

In my opinion, except for the possible effects on the matters described in the *Basis for Qualified Opinion on the Financial Statements* section on my report, the financial statements referred to above present fairly, in all material respects, the financial position of AAPICO Hitech Public Company Limited and its subsidiaries and of AAPICO Hitech Public Company Limited as at 31 December 2022, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion on the Financial Statements

- a) Consolidated financial statements: As at 31 December 2022, the Group had an investment in an overseas associate, Sakthi Auto Component Limited ("SACL"), of which the value under the equity method was Baht 2,694 million (Baht 2,576 million under the cost method), which was included in investments in associates in the consolidated statement of financial position. The Group's share of profit of Baht 159 million was included in the consolidated statement of income for the year then ended, and the share of loss on translation adjustment of SACL of Baht 193 million was included in the consolidated statement of comprehensive income for the year then ended, as mentioned in Note 11 to the financial statements. The investment in SACL under the equity method was valued based on the SACL's management accounts that had not been audited by an auditor since SACL did not engage an auditor to audit the consolidated financial statements for the year 2022 for the group reporting purposes. I was unable to apply other audit procedures to satisfy myself regarding the consolidated financial position and the consolidated financial performance of SACL. I am therefore unable to determine whether and to what extent it is necessary to adjust the value of the investment in SACL at equity method, share of profit and share of loss on translation adjustment of SACL in the consolidated financial statements for the current year. This matter is regarded as a scope limitation imposed by circumstance.

- b) Separate financial statements: As at 31 December 2022, the Company had an investment in an overseas subsidiary, Sakthi Global Auto Holdings Limited ("SGAH") that invests in SACL, of which the value was Baht 779 million, which was included in investments in subsidiaries, and loans and interest receivable provided directly and indirectly through the Company's subsidiary to SGAH of Baht 2,303 million, which were included in loans to related parties and other receivables. As a result of the scope limitation imposed by circumstance, as described in a), I am unable to determine whether and to what extent it is necessary to adjust the recoverable amount of investment in SGAH and loans to and interest receivable from SGAH, together with related expenses, in the separate financial statements for the current year.
- c) The scope limitation imposed by circumstance referred to in paragraphs a) and b) have existed since 2021 for the same reason. Therefore, my opinion on the consolidated and separate financial statements for the year 2021 was qualified in respect of the above matters. Accordingly, my opinion on the consolidated and separate financial statements for the current year is also qualified in respect of the effects of the above matters, since they affect the comparability of the current year's figures and the comparative figures.

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

Emphasis of Matters

I draw attention to Note 7.2 to the financial statements regarding the litigation cases between the Group and Sakthi group relating to the appropriation of collateral shares of SGAH. My opinion is not qualified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

In addition to the matters described in the *Basis for Qualified Opinion on the Financial Statements* section, key audit matters and how audit procedures respond for each matter are described below.

Impairment of plant and equipment in the consolidated financial statements and impairment of investment in a subsidiary and allowance for expected credit losses for loans to and interest receivable from a subsidiary in the separate financial statements

As disclosed in Note 13 to the financial statements, AAPICO Forging Public Company Limited (a subsidiary) had a capital deficit. This subsidiary had plant and equipment used in its operations with a net book value of Baht 608 million as at 31 December 2022, which was presented in the Group's consolidated financial statements. As of 31 December 2022, the Company's separate financial statements included net investment in this subsidiary of Baht 542 million and loans provided to the subsidiary, including interest receivable, net of allowance for expected credit losses, totaling Baht 1,845 million. I have paid particular attention to the determination of allowance for impairment loss of plant and equipment and investment in the subsidiary and the allowance for expected credit losses with respect to loans and interest receivable from the subsidiary in the financial statements. Since these accounts require management to exercise significant judgement with respect to projections of the future operating performance and cash flows of the subsidiary and the determination of an appropriate discount rate and long-term revenue growth rates, there is a risk with respect to the amount of impairment loss and the allowance for expected credit losses.

For impairment of plant and equipment and investment in the subsidiary, I assessed the management's identification of cash-generating units. I also gained an understanding of and assessed the cash flow projections of the subsidiary, based on the understanding I gained of the process by which management arrived at the figures and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in preparing the cash flow projections, comparison of the long-term growth rate with economic and industry forecasts and assessment of the discount rate based on comparison of the average cost of capital and other data with those used by comparable organisations in the same industry. Furthermore, I assessed the assumptions relevant to the expected future cash flows, and recalculated expected credit losses on loans to and interest receivable from the subsidiary, assessed on an individual basis.

Impairment of goodwill and intangible assets

I have focused my audit on the consideration of the impairment of goodwill and other intangible assets with indefinite useful lives i.e. development cost for production enhancement, as discussed in Notes 4.7, 4.8, 5, 16 and 17 to the financial statements, because the assessment of impairment of goodwill and intangible assets is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term revenue growth rates. There are thus risks with respect to the amount of goodwill and intangible assets.

I assessed the management's identification of cash-generating units. I also gained an understanding of and assessed the cash flow projections, based on the understanding I gained of the process by which management arrived at the figures and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in preparing the cash flow projections, comparison of the long-term growth rate with economic and industry forecasts and assessment of the discount rate based on comparison of the average cost of capital and other data with those used by comparable organisations in the same industry. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and intangible assets.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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.

I am responsible for the audit resulting in this independent auditor's report.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 28 February 2023

AAPICO Hitech Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	6	767,259,246	690,391,411	160,787,558	40,700,384
Trade and other receivables	7, 8	4,330,055,361	2,236,600,309	1,868,960,909	1,389,936,149
Short-term loans to related parties	7	-	-	336,000,000	336,000,000
Inventories	9	3,784,347,619	3,030,652,696	152,663,850	149,479,860
Other current financial assets	10	94,631	51,678,744	-	22,999,828
Other current assets					
Advances for purchases of goods		58,307,706	22,603,527	3,465,110	16,560,142
Others		244,048,990	254,555,921	29,335,502	21,257,635
Total current assets		9,184,113,553	6,286,482,608	2,551,212,929	1,976,933,998
Non-current assets					
Restricted bank deposits	20	47,600,000	27,000,000	-	-
Long-term loans to related parties	7	121,794,000	95,804,000	3,780,463,227	3,877,831,347
Other non-current financial assets	10	-	-	-	-
Investments in associates	11	4,079,603,808	4,030,131,549	542,283,233	568,283,233
Investments in joint ventures	12	119,699,276	120,245,299	202,712,500	177,600,000
Investments in subsidiaries	13	-	-	4,984,419,096	4,968,888,645
Property, plant and equipment	14	7,912,616,189	8,221,984,023	977,064,044	1,013,540,688
Right-of-use assets	15	736,807,471	600,196,246	8,383,476	15,096,326
Goodwill	16	1,087,944,913	1,117,991,984	-	-
Other intangible assets	17	1,522,582,410	1,599,071,508	8,037,531	10,253,171
Assets recognised from the costs to fulfill					
contracts with customers	18	588,290,697	564,179,838	-	-
Deferred tax assets	19	-	-	66,429,633	64,132,301
Other non-current assets		67,981,873	59,407,792	3,785,077	7,308,848
Total non-current assets		16,284,920,637	16,436,012,239	10,573,577,817	10,702,934,559
Total assets		25,469,034,190	22,722,494,847	13,124,790,746	12,679,868,557

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

AAPICO Hitech Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	20	1,928,514,295	1,710,423,229	100,000,000	109,000,000
Trade and other payables	21	7,010,445,823	5,080,829,479	748,974,501	479,774,932
Current portion of long-term loans	22	1,510,117,226	1,441,025,335	1,072,530,216	1,087,432,379
Current portion of long-term debentures	23	299,958,000	499,971,667	299,958,000	499,971,667
Current portion of lease liabilities	15	111,040,280	104,593,639	3,724,181	6,672,226
Short-term loans from related parties	7	32,261,248	35,695,692	1,059,249,585	1,298,494,768
Provision for product warranty	24	14,564,196	32,022,879	-	-
Other current liabilities					
Income tax payable		71,635,207	28,299,427	17,320,218	4,128,070
Advances received from customers		190,854,278	157,060,855	28,206,655	61,382,960
Others		68,051,347	68,185,452	5,162,831	4,040,169
Total current liabilities		11,237,441,900	9,158,107,654	3,335,126,187	3,550,897,171
Non-current liabilities					
Long-term loans	22	2,959,052,775	3,138,251,156	1,613,943,655	1,808,478,884
Long-term debentures	23	799,773,333	1,099,486,000	799,773,333	1,099,486,000
Lease liabilities	15	233,626,482	180,303,942	5,087,213	8,811,395
Provision for long-term employee benefits	25	226,515,081	264,938,392	40,284,385	45,266,075
Deferred tax liabilities	19	70,644,952	49,316,981	-	-
Other non-current liabilities	26	12,488,412	17,291,328	-	-
Total non-current liabilities		4,302,101,035	4,749,587,799	2,459,088,586	2,962,042,354
Total liabilities		15,539,542,935	13,907,695,453	5,794,214,773	6,512,939,525

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

AAPICO Hitech Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital	27				
Registered					
354,842,228 ordinary shares of Baht 1 each		354,842,228	354,842,228	354,842,228	354,842,228
Issued and paid-up					
354,842,012 ordinary shares of Baht 1 each		354,842,012	354,842,012	354,842,012	354,842,012
Premium on ordinary shares		2,164,354,332	2,164,354,332	2,164,354,332	2,164,354,332
Premium on treasury shares		33,579,968	33,579,968	33,579,968	33,579,968
Deficit from the change in the interests in a subsidiary	13	(1,533,465)	(1,533,465)	-	-
Retained earnings					
Appropriated					
Statutory reserve - the Company	29	59,541,000	59,541,000	59,541,000	59,541,000
- subsidiaries		159,593,631	159,593,631	-	-
Unappropriated		7,027,181,466	5,537,584,150	4,718,258,661	3,554,611,720
Other components of shareholders' equity		(186,519,517)	205,041,656	-	-
Equity attributable to owners of the Company		9,611,039,427	8,513,003,284	7,330,575,973	6,166,929,032
Non-controlling interests of the subsidiaries		318,451,828	301,796,110	-	-
Total shareholders' equity		9,929,491,255	8,814,799,394	7,330,575,973	6,166,929,032
Total liabilities and shareholders' equity		25,469,034,190	22,722,494,847	13,124,790,746	12,679,868,557
		-	-	-	-

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

Directors

AAPICO Hitech Public Company Limited and its subsidiaries
Income statement
For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Revenues					
Revenue from contracts with customers		27,967,194,441	20,433,153,030	3,060,832,273	2,020,619,401
Other income					
Dividend income	11, 13	-	-	1,323,577,926	1,028,532,566
Gain on exchange rate		63,112,664	221,612,273	60,445,932	207,048,961
Others		317,790,259	312,461,244	121,953,496	150,815,820
Total		380,902,923	534,073,517	1,505,977,354	1,386,397,347
Total revenues		28,348,097,364	20,967,226,547	4,566,809,627	3,407,016,748
Expenses					
Cost of sales and services		24,776,635,208	18,224,761,985	2,617,156,428	1,822,189,594
Selling and distribution expenses		382,140,403	332,592,215	30,559,510	31,390,303
Administrative expenses		1,283,972,595	1,196,900,257	317,082,405	253,571,464
Total expenses		26,442,748,206	19,754,254,457	2,964,798,343	2,107,151,361
Profit from operating activities		1,905,349,158	1,212,972,090	1,602,011,284	1,299,865,387
Share of profit from investments in associates	11	477,241,823	299,873,575	-	-
Share of loss from investments in joint ventures	12	(25,714,424)	(19,360,093)	-	-
Finance income		9,048,728	3,351,523	167,174,429	161,013,554
Finance cost	30	(341,887,604)	(345,995,386)	(208,730,376)	(227,232,500)
Profit before income tax expenses		2,024,037,681	1,150,841,709	1,560,455,337	1,233,646,441
Income tax expenses	19	(177,073,316)	(113,407,386)	(30,368,926)	(35,724,643)
Profit for the year		1,846,964,365	1,037,434,323	1,530,086,411	1,197,921,798
Profit attributable to:					
Equity holders of the Company		1,823,647,699	1,023,968,320	1,530,086,411	1,197,921,798
Non-controlling interests of the subsidiaries		23,316,666	13,466,003		
		1,846,964,365	1,037,434,323		
Basic earnings per share					
Profit attributable to equity holders of the Company	33	5.14	2.89	4.31	3.38

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

AAPICO Hitech Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit for the year	1,846,964,365	1,037,434,323	1,530,086,411	1,197,921,798
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Translation adjustments	(204,929,065)	(2,477,241)	-	-
Share of other comprehensive income from associates and joint ventures	(193,293,056)	259,717,201	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(398,222,121)	257,239,960	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Acturaial gain - net of income tax	34,648,186	-	5,866,017	-
Share of other comprehensive income from associates and joint ventures	3,606,918	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	38,255,104	-	5,866,017	-
Other comprehensive income for the year	(359,967,017)	257,239,960	5,866,017	-
Total comprehensive income for the year	1,486,997,348	1,294,674,283	1,535,952,428	1,197,921,798
Total comprehensive income attributable to:				
Equity holders of the Company	1,470,341,630	1,256,557,586	1,535,952,428	1,197,921,798
Non-controlling interests of the subsidiaries	16,655,718	38,116,697		
	1,486,997,348	1,294,674,283		

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

AAPICO Hitech Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	2,024,037,681	1,150,841,709	1,560,455,337	1,233,646,441
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities				
Depreciation and amortisation	1,153,729,235	1,030,851,626	139,688,751	127,536,876
Unrealised loss (gain) on exchange rate from loan receivables/payables	(2,325,600)	28,422,506	(65,061,150)	(156,840,333)
Loss (gain) on sales/write-off of equipment, right-of use assets				
and other intangible assets	11,448,756	(8,309,135)	(536,448)	(696,521)
Share of profit from investments in associates and joint ventures	(451,527,399)	(280,513,482)	-	-
Loss on write-off of other assets	1,468,668	-	-	-
Loss on impairment of investments and goodwill	5,392,190	-	26,000,000	-
Reversal of allowance for impairment loss of equipment	-	(77,470)	-	-
Reversal of allowance for expected credit losses	(12,515,967)	(10,414,483)	(386,153)	(1,317,205)
Reduction of cost of inventories to net realisable value (reversal)	5,555,233	16,356,559	(56,625)	993,708
Dividend income from subsidiaries and associates	-	-	(1,323,577,926)	(1,028,532,566)
Provision for product warranty (reversal)	(2,821,831)	14,115,899	-	-
Provision for long-term employee benefits	25,664,203	25,005,190	5,347,952	4,849,367
Gain on liquidation of a subsidiary	-	-	(1,289,605)	-
Finance income	(9,048,728)	(3,351,523)	(167,174,429)	(161,013,554)
Finance cost	341,887,604	345,995,386	208,730,376	227,232,500
Profit from operating activities before changes in				
operating assets and liabilities	3,090,944,045	2,308,922,782	382,140,080	245,858,713
Operating assets (increase) decrease				
Trade and other receivables	(2,072,465,519)	620,461,078	(316,440,310)	121,115,080
Inventories	(759,250,156)	(530,142,374)	(3,127,365)	(4,816,350)
Other current financial assets	51,584,113	(13,881,523)	22,999,828	(11,999,746)
Other current assets	(35,886,692)	158,125,077	5,017,165	54,516,548
Other non-current assets	(8,773,112)	18,200,368	3,523,771	5,655,212
Operating liabilities increase (decrease)				
Trade and other payables	1,895,228,912	791,026,171	284,488,598	(72,136,866)
Other current liabilities	33,659,317	19,910,527	(32,053,643)	41,731,373
Other non-current liabilities	(4,802,916)	(14,468,710)	-	-
Cash flows from operating activities	2,190,237,992	3,358,153,396	346,548,124	379,923,964
Cash paid for long-term employee benefits	(20,541,790)	(11,534,646)	(2,997,121)	(2,171,400)
Cash paid for product warranty	(14,636,852)	(1,322,718)	-	-
Recovery of bad debts	-	1,120,622	-	1,120,622
Cash paid for income tax	(124,992,355)	(96,783,032)	(20,940,614)	(28,847,139)
Cash received from income tax	17,283,345	21,264,815	-	9,635,616
Net cash flows from operating activities	2,047,350,340	3,270,898,437	322,610,389	359,661,663

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

AAPICO Hitech Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Increase in restricted bank deposits	(20,600,000)	(27,000,000)	-	-
Decrease (increase) in loans to related parties	(25,990,000)	557,969,544	160,103,669	680,631,567
Acquisitions of investments in subsidiaries, associates and joint ventures	(25,112,500)	(2,350,000)	(40,642,951)	(288,291,600)
Acquisitions of non-controlling interests of a subsidiary	-	(6,000,000)	-	-
Cash paid to share subscription payable	-	-	(19,450,000)	-
Dividend received from subsidiaries and associates	238,027,525	108,482,707	1,323,577,926	1,028,532,566
Proceeds from disposals of equipment	57,563,380	73,206,782	911,657	1,466,802
Acquisitions of plant, equipment, other intangible assets and assets recognised from the costs to fulfill contracts with customers	(958,117,088)	(1,299,727,813)	(87,366,691)	(110,626,756)
Cash paid for investing in right-of-use assets	(46,578,947)	(168,931,578)	-	-
Cash received from liquidation of a subsidiary	-	-	1,289,605	-
Cash received from interest income	8,007,180	1,129,358	4,976,134	2,005,134
Net cash flows from (used in) investing activities	(772,800,450)	(763,221,000)	1,343,399,349	1,313,717,713
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	292,354,601	(207,791,133)	(9,000,000)	(66,500,000)
Increase (decrease) in loans from related parties	(2,615,354)	-	(239,245,183)	550,860,676
Cash received from long-term loans	1,526,038,893	443,720,649	1,000,000,000	-
Repayment of long-term loans	(1,593,829,310)	(1,267,276,882)	(1,208,350,000)	(1,131,669,989)
Payment of lease liabilities	(147,976,123)	(77,022,513)	(6,672,227)	(6,464,059)
Repayment of debentures	(500,000,000)	(600,000,000)	(500,000,000)	(600,000,000)
Cash paid for dividends	(372,305,487)	(215,162,571)	(372,305,487)	(215,162,571)
Cash paid for interest expenses	(344,648,314)	(353,627,146)	(210,349,667)	(232,631,319)
Net cash flows used in financing activities	(1,142,981,094)	(2,277,159,596)	(1,545,922,564)	(1,701,567,262)
Decrease in translation adjustments	(54,700,961)	(191,907,000)	-	-
Net increase (decrease) in cash and cash equivalents	76,867,835	38,610,841	120,087,174	(28,187,886)
Cash and cash equivalents at beginning of year	690,391,411	651,780,570	40,700,384	68,888,270
Cash and cash equivalents at end of year	767,259,246	690,391,411	160,787,558	40,700,384
	-	-	-	-

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

AAPICO Hitech Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Supplemental cash flows information				
Non-cash items consist of				
Increase (decrease) in accounts payable for purchases and construction of assets	38,910,016	(25,827,455)	7,292,136	-
Increase (decrease) in deposits for purchases of assets	(199,031)	1,595,447	-	-
Transfer inventories to equipment	-	78,868,721	-	-
Transfer equipment to right-of-use assets and other intangible assets	76,073,435	439,690	-	-
Transfer assets recognised from the costs to fulfill contracts with customers, right-of-use assets and other intangible assets to equipment	894,024	7,463,164	-	-
Increase in right-of-use assets from lease liabilities	133,481,769	43,124,987	-	1,340,581
Transfer other non-current liabilities to long-term loans	-	18,315,070	-	-
Stock dividends paid	-	32,258,168	-	32,258,168
Conversion of short-term loans from banks to lease liabilities	74,263,535	-	-	-

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

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
Other components of equity - other													
comprehensive income													
Share of other													
comprehensive													
income from													
associates and													
joint ventures													
Total													
the Company													
the subsidiaries													
equity													
Issued and paid-up	Premium on	Premium on	Deficit from the	Retained earnings			Translation	Share of other			Total equity	Equity attributable	Total
share capital	ordinary shares	treasury shares	change in the	Appropriated			adjustments	income from			attributable to	to non-controlling	
			interests in	Statutory reserve				associates and			owers of	interests of	shareholders'
			a subsidiary	The Company	Subsidiaries	Unappropriated		joint ventures			the Company	the subsidiaries	equity
Balance as at 1 January 2021	322,583,844	2,164,354,332	33,579,968	-	59,541,000	159,593,631	4,761,036,569	161,822,457	(189,370,067)	(27,547,610)	7,473,141,734	268,145,948	7,741,287,682
Profit for the year	-	-	-	-	-	-	1,023,968,320	-	-	-	1,023,968,320	13,466,003	1,037,434,323
Other comprehensive income for the year	-	-	-	-	-	-	-	(27,127,935)	259,717,201	232,589,266	232,589,266	24,650,694	257,239,960
Total comprehensive income for the year	-	-	-	-	-	-	1,023,968,320	(27,127,935)	259,717,201	232,589,266	1,256,557,586	38,116,697	1,294,674,283
Purchase of non-controlling interests													
of a subsidiary (Note 13)	-	-	-	(1,533,465)	-	-	-	-	-	-	(1,533,465)	(4,466,535)	(6,000,000)
Dividends paid (Note 28)	-	-	-	-	-	-	(215,162,571)	-	-	-	(215,162,571)	-	(215,162,571)
Stock dividends (Note 27 and 28)	32,258,168	-	-	-	-	-	(32,258,168)	-	-	-	-	-	-
Balance as at 31 December 2021	354,842,012	2,164,354,332	33,579,968	(1,533,465)	59,541,000	159,593,631	5,537,584,150	134,694,522	70,347,134	205,041,656	8,513,003,284	301,796,110	8,814,799,394
Balance as at 1 January 2022	354,842,012	2,164,354,332	33,579,968	(1,533,465)	59,541,000	159,593,631	5,537,584,150	134,694,522	70,347,134	205,041,656	8,513,003,284	301,796,110	8,814,799,394
Profit for the year	-	-	-	-	-	-	1,823,647,699	-	-	-	1,823,647,699	23,316,666	1,846,964,365
Other comprehensive income for the year	-	-	-	-	-	-	38,255,104	(198,268,117)	(193,293,056)	(391,561,173)	(353,306,069)	(6,660,948)	(359,967,017)
Total comprehensive income for the year	-	-	-	-	-	-	1,861,902,803	(198,268,117)	(193,293,056)	(391,561,173)	1,470,341,630	16,655,718	1,486,997,348
Dividends paid (Note 28)	-	-	-	-	-	-	(372,305,487)	-	-	-	(372,305,487)	-	(372,305,487)
Balance as at 31 December 2022	354,842,012	2,164,354,332	33,579,968	(1,533,465)	59,541,000	159,593,631	7,027,181,466	(63,573,595)	(122,945,922)	(186,519,517)	9,611,039,427	318,451,828	9,929,491,255
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

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

AAPICO Hitech Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury shares	Retained earnings		Total shareholders' equity
				Appropriated -		
				statutory reserve	Unappropriated	
Balance as at 1 January 2021	322,583,844	2,164,354,332	33,579,968	59,541,000	2,604,110,661	5,184,169,805
Profit for the year	-	-	-	-	1,197,921,798	1,197,921,798
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,197,921,798	1,197,921,798
Dividends paid (Note 28)	-	-	-	-	(215,162,571)	(215,162,571)
Stock dividends (Note 27 and 28)	32,258,168	-	-	-	(32,258,168)	-
Balance as at 31 December 2021	354,842,012	2,164,354,332	33,579,968	59,541,000	3,554,611,720	6,166,929,032
Balance as at 1 January 2022	354,842,012	2,164,354,332	33,579,968	59,541,000	3,554,611,720	6,166,929,032
Profit for the year	-	-	-	-	1,530,086,411	1,530,086,411
Other comprehensive income for the year	-	-	-	-	5,866,017	5,866,017
Total comprehensive income for the year	-	-	-	-	1,535,952,428	1,535,952,428
Dividends paid (Note 28)	-	-	-	-	(372,305,487)	(372,305,487)
Balance as at 31 December 2022	354,842,012	2,164,354,332	33,579,968	59,541,000	4,718,258,661	7,330,575,973
	-	-	-	-	-	-
	-	-	-	-	-	-

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

AAPICO Hitech Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2022

1. General information

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			(%)	(%)
Held by the Company				
AAPICO Amata Company Limited	Manufacture of autoparts	Thailand	100	100
New Era Sales Company Limited	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
Able Motors Company Limited	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
AAPICO Hitech Parts Company Limited	Manufacture of autoparts	Thailand	100	100
AAPICO Hitech Tooling Company Limited	Design and manufacture of car stamping dies and assemble jigs	Thailand	100	100
AAPICO Forging Plc.	Manufacture of autoparts	Thailand	100	100
AAPICO Structural Products Company Limited	Manufacture of autoparts	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			(%)	(%)
Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			(%)	(%)
AAPICO Technology Company Limited	Not yet operated	Thailand	100	100
AAPICO Training Center Company Limited	Provide training services	Thailand	100	100
AAPICO Venture Company Limited	Venture capital	Thailand	100	100
Able Motors Pakkret Company Limited	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
Able Motors Pathumthani Company Limited	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
AAPICO Bike Company Limited (formerly known as "Foton Passenger Vehicles Distribution (Thailand) Company Limited")	Import and exports of vehicles and parts	Thailand	97	97
AERP Company Limited	IT consulting and advisory	Thailand	94	94
AAPICO Lemtech (Thailand) Company Limited	Manufacture of autoparts	Thailand	60	60
AAPICO ITS Company Limited	Manufacture of car navigation systems and its derivatives	Thailand	60	60
AAPICO Mitsuike (Thailand) Company Limited	Design and distribution of autoparts and dies	Thailand	51	51
AAPICO Hitech Automation Company Limited	Design and manufacturing of automotive assembly jigs	Thailand	100	100
MG Able Motors Company Limited	Sales of automobiles and the provision of automobile repair services	Thailand	100	100
New Era Sales (M) Sdn. Bhd.	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49
Tenaga Setia Resources Sdn. Bhd.	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49
AAPICO Motors Sdn. Bhd.	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49
Kunshan Chaitai-Xincheng Precision Forging Company Limited	Manufacture and sales of autoparts	China	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			(%)	(%)
AAPICO Investment Pte. Ltd.	Investment in other companies	Singapore	100	100
AAPICO Maia, S.A.	Manufacture of autoparts	Portugal	100	100
Sakthi Global Auto Holdings Limited	Investment in other companies	United Kingdom	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021

Held by the Company's subsidiaries

AAPICO Plastics Plc. (100% held by AAPICO Forging Plc.)	Manufacture and contract manufacture of plastic parts	Thailand	100	100
AAPICO Precision Company Limited (100% held by AAPICO Forging Plc.)	Manufacture of autoparts	Thailand	100	100
AAPICO Engineering Sdn. Bhd. (49% held by Tenaga Setia Resources Sdn. Bhd. and 51% held by New Era Sales (M) Sdn. Bhd.)	Holding company	Malaysia	49	49
AAPICO ITS Sdn. Bhd. (49% held by AAPICO ITS Company Limited)	Manufacture of software for car navigation systems and distribution of its derivatives	Malaysia	29	29
AAPICO Agueda, S.A. (100% held by AAPICO Maia, S.A.)	Manufacture of autoparts	Portugal	100	100
AAPICO Germany GmbH (formerly known as "Sakthi Portugal GmbH" 100% held by AAPICO Maia, S.A.)	Technical support services	Germany	100	100
AAPICO Motors (Kuantan) Sdn. Bhd. (100% held by AAPICO Motors Sdn. Bhd.)	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49
AAPICO Motors (Temerloh) Sdn. Bhd. (100% held by AAPICO Motors Sdn. Bhd.)	Sales of automobiles and the provision of automobile repair services	Malaysia	49	49

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses

translated using monthly average exchange rates. The resulting differences are shown under the caption of "Translation adjustments" in the statements of changes in shareholders' equity.

- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in associates, joint ventures and subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customers, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts to customers.

The obligation to transfer goods to a customer for which the Group has received consideration or an amount of consideration is due from the customer is presented under the caption of "Advance received from customers" in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Service income

Service income are recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Dividends

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

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Other income and expenses

Other income and expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

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

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

4.4 Investments in associates, joint ventures and subsidiaries

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method.

Investments in associates, joint ventures and subsidiaries are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment and depreciation

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

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

Building on leased land	Lease term
Buildings and building improvements	5 - 40 years
Machinery and factory equipment	3 - 40 years
Motor vehicles and office equipment	5 - 10 years

Depreciation is included in determining income.

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

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

4.6 Borrowing costs

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

4.7 Goodwill

Goodwill is initially recorded at cost, which is equal to the excess of the cost of a business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of the business combination, the excess is immediately recognised as a gain in the income statement.

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

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

4.8 Intangible assets and costs to fulfill contracts with customers and amortisation

Intangible assets acquired through business combination such as development cost for production enhancement, are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases and costs to fulfill contracts with customers are recognised at cost. Following the initial recognition, the intangible assets and costs to fulfill contracts with customers are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite useful lives and costs to fulfill contracts with customers are amortised over the economic useful life and tested for impairment whenever there is an indication that they may be impaired.

The amortisation period and the amortisation method of such intangible assets and costs to fulfill contracts

with customers are reviewed at least at each financial year end. The amortisation expense is charged to the income statement on the following basis.

Computer software	Straight-line basis over useful lives of 3, 5 and 10 years
Product development cost	Based on number of units sold and straight-line basis over useful lives of 3 years
Costs to fulfill contracts with customers	Based on number of units sold and straight-line basis over useful lives of 3 and 6 years

No amortisation is provided on works under development.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.9 Leases

The Group as a lessee

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	2 - 50	years
Buildings and building improvements	3 - 50	years
Machinery and factory equipment	2 - 12	years
Furniture, fixtures and office equipment	2 - 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Depreciation is included in determining income.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The Group discounts the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.10 Impairment of non-financial assets

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

An impairment loss is recognised in the income statement.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in the income statement.

Past service costs are recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.12 Grants from the government

Government grants, which are measured at fair value are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and that they will be received.

Non-repayable grants received to finance investment in property, plant and equipment are recorded as deferred income in other non-current liabilities and are reflected in the income statement on the straight-line basis over its estimated useful life.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The economic benefit obtained with government loans at interest rate below that of the market is treated as a government subsidy. Government loans are recognised and measured at fair value. The economic benefit derived from the contracted interest rate below market rate is measured by the difference between the initial book value of the loan and the amount received.

4.13 Provisions

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

4.14 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Financial assets designated at FVOCI

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in the statement of comprehensive income on these financial assets are never recycled to the income statement.

Dividends are recognised as other income in the income statement, except when the dividends clearly represent a recovery of the cost of the financial asset, in which case, the gains are recognised in the statement of comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the date on which the Group commits to purchase or sell the asset.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.15 Derivatives

The Group uses derivatives, such as forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.16 Foreign currencies

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

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

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

4.17 Fair value measurement

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into 3 levels based on categorise of input to be used in fair value measurement as follows.

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

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

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

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

4.18 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.19 Related party transactions

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

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

5. Significant accounting judgements and estimates

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

Costs to fulfill contracts with customers

The recognition of the costs incurred to fulfill a performance obligation in the future as an asset requires management to use judgement regarding whether such costs relate directly to an existing contract or an anticipated contract, and whether the Group is able to specifically identify those costs and expects them to be recoverable, as well as what amortisation method should be used.

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

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

Non-consolidation of the company that the Company holds more than half of shares

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

The management of the Group determined that the Group has no control over Sakthi Auto Component Limited. Although the Group holds more than half of its shares, the Company does not have the ability to direct the significant activities of this company. The investment is, therefore, investment in associate and this company is not to be included in the consolidated financial statements.

Estimating the incremental borrowing rate of leases

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Reduction of inventory cost to net realisable value

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

Classification of loans to related parties

In classifying the current portion of loans to related parties, the management is required to use judgement to estimate cashflows that are expected to be received from related parties within one year.

Allowance for expected credit losses of financial assets

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

In estimating allowance for expected credit losses of loans to related parties, management uses judgement in preparing discounted future cash flow estimates and assessing the realisable values of collateral.

Depreciation

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

Deferred tax assets

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

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investments, property, plant and equipment, goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different cash-generating units are disclosed and further explained in Note 16 to financial statements.

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

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

6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash	1,882	17,709	63	174
Bank deposits	765,377	672,682	160,725	40,526
Total	767,259	690,391	160,788	40,700

As at 31 December 2022, bank deposits in savings accounts and fixed deposits of the Group carried interest at the rates between 0.01% and 2.05% per annum (2021: between 0.01% and 2.00% per annum), the Company only: between 0.04% and 0.45% per annum (2021: between 0.04% and 0.40% per annum).

7. Related party transactions

- 7.1 During the years, significant business transactions with related parties, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

Transactions	Pricing policies
Sales of goods and services	Close to selling price to third party
Dividend income	As declared
Interest income	3.35% to 4.00% p.a. (2021: 3.20% to 4.00% p.a.)
Rental income	Contract price
Management fee income	Contract price
Other income	Approximate cost
Purchases of goods and services	Close to buying price from third party
Other expenses	Contract price
Interest expense	3.35% to 3.63% p.a. (2021: 3.20% to 3.74% p.a.)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Sales of goods and services				
Subsidiaries	-	-	432,711	295,287
Associates	286,826	222,952	36,492	6,656
Joint ventures	9,919	794	-	-
Total	296,745	223,746	469,203	301,943
Dividend income				
Subsidiaries	-	-	1,085,550	920,050
Associates	-	-	238,028	108,483
Total	-	-	1,323,578	1,028,533

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest income				
Subsidiaries	-	-	162,813	158,914
Associates	147	158	147	158
Joint ventures	3,513	1,492	3,513	1,492
Related company (common director)	536	-	-	-
Total	4,196	1,650	166,473	160,564
Rental income				
Subsidiaries	-	-	1,560	1,560
Associates	14,743	14,122	1,619	1,332
Joint ventures	228	-	-	-
Total	14,971	14,122	3,179	2,892
Management fee income				
Subsidiaries	-	-	77,113	73,881
Associates	16,322	14,024	16,322	14,024
Joint ventures	128	128	128	128
Total	16,450	14,152	93,563	88,033
Other income				
Subsidiaries	-	-	16,257	17,662
Associates	9,761	8,964	4,065	4,554
Joint ventures	283	1,802	111	101
Related company (common director)	7,919	9,860	-	-
Total	17,963	20,626	20,433	22,317
Purchases of goods and service				
Subsidiaries	-	-	517,682	298,190
Associates	321,037	336,542	145,504	222,622
Joint ventures	55	593	-	16
Total	321,092	337,135	663,186	520,828
Other expenses				
Subsidiaries	-	-	34,239	18,461
Associates	651	346	67	77
Joint ventures	-	23	-	-
Total	651	369	34,306	18,538
Interest expense				
Subsidiaries	-	-	38,939	14,844
Total	-	-	38,939	14,844

7.2 The balances of the accounts between the Company and those related parties as at 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	1,400,177	1,206,855
Associates	90,102	59,609	17,134	7,431
Joint ventures	4,292	946	1,042	613
Related company (common directors)	82,139	80,316	20,791	20,791
Less: Allowance for expected credit losses	(79,310)	(77,153)	(82,957)	(82,957)
Total	97,223	63,718	1,356,187	1,152,733
Trade and other payables - related parties (Note 21)				
Subsidiaries	-	-	74,932	57,161
Associates	81,196	74,362	37,672	56,778
Joint ventures	208	-	-	-
Related company (common director)	4,847	4,961	-	-
Total	86,251	79,323	112,604	113,939
Short-term loans to related parties				
Subsidiaries	-	-	360,000	360,000
Less: Allowance for expected credit losses	-	-	(24,000)	(24,000)
Total	-	-	336,000	336,000
Long-term loans to related parties				
Subsidiaries	-	-	3,806,713	3,933,081
Associates	-	4,000	-	4,000
Joint ventures	99,750	69,750	99,750	69,750
Related company (common director)	551,205	545,301	368,708	368,708
Less: Allowance for expected credit losses	(529,161)	(523,247)	(494,708)	(497,708)
Total	121,794	95,804	3,780,463	3,877,831
Short-term loans from related parties				
Subsidiaries	-	-	1,059,250	1,298,495
Related company (common director)	32,261	35,696	-	-
Total	32,261	35,696	1,059,250	1,298,495

The appropriation of shares of SGAH

2017 Loan Agreement

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

2018 Loan Agreement

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

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

As of 31 March 2019, SGAH had failed to make the principal repayment due in March 2019 in accordance with the 2018 Loan Agreement signed with the Company. The Group, as a lender, served acceleration notices and demand letters on SGAH and ABT, requiring immediate repayment of all outstanding amounts under the 2017 Loan Agreement and the 2018 Loan Agreement. SGAH again failed to pay the outstanding amounts, and ABT also failed to pay the outstanding amounts. As a result, the security over the remaining 50.01% shares of SGAH owned by ABT, created under the Share Charge became enforceable. In August 2019, the Group exercised its rights as secured lender, and in October 2019 completed the process of appropriating the remaining 50.01% shareholding held by ABT in SGAH, in accordance with the Share Charge, resulting an increase in the Company's shareholding in SGAH from 49.99% to 100%.

As SGAH holds 77.04% shares in Sakthi Auto Component Limited ("SACL"), a company incorporated in India, the Group (as a 100% shareholder of SGAH) therefore, holds the same interest. Even though the Group holds more than three-fourth shares and voting rights in SACL, it had no control over SACL including the management and board of directors of SACL which is contrary to the rights given to the Group under the 2018 Shareholders' Agreement executed between the Group and Sakthi group ("Sakthi"). Therefore, the Group invoked arbitration under the Shareholders' Agreement seeking to resolve such dispute. In October 2021, the tribunal issued the Final Award. One of the tribunal's significant decisions is that the Group is entitled to appoint number of directors proportionate to its 77.04% shareholding in SACL as indicated in the Shareholders' Agreement made between the Group and Sakthi. The Final Award reaffirms the Group's right to appoint its directors as mentioned.

During the pendency of the arbitration proceeding, the Group has managed to amend the Articles of Association of SACL through postal ballot system allowed by law, so as to incorporate the terms of the Shareholders Agreement. This amended Articles of Association have been successfully taken on record by Indian Registrar of Companies.

Currently, there are a number of legal cases proceeding between the Group and Sakthi. As of the report date, there are four relevant cases that have been advanced as detailed below.

- a) Legal proceeding by ABT, which is a company within Sakthi, against the Group challenging the value of SGAH shares which have been appropriated by the Group as enforcement of security.

ABT has brought a legal case in the English Commercial Court to challenge the valuation of SGAH's shares by the independent appraiser assigned by the Group.

The English Commercial Court issued a final judgement in favor of the Group on 14 November 2022 upholding the valuation of SGAH's shares and the appropriation of such shares. As a result, there is no change to the Group's current position, where it has applied a value of those SGAH's shares in accordance with a valuation by an independent appraiser.

b) Legal proceeding by the Group to enforce four personal guarantees

The Group is pursuing arbitration proceedings at the Singapore International Arbitration Centre ("SIAC") under four personal guarantees issued by individuals currently and/or formerly connected to Sakthi as security for loans from the Group.

On 21 December 2021, the arbitrator issued the Partial Award on the case. The arbitrator decided that the Guarantors are personally liable to pay Group under the guarantees. However, the arbitrator decided that the amount due by Guarantors can only be determined after the conclusion of the English share charge proceedings.

Given the English share charge proceedings has been concluded, the Group is currently in the process of seeking a final award from the SIAC with respect to the personal guarantees case.

c) Legal proceeding by the Group to enforce the Arbitration Award under the Shareholders Agreement

The Group filed a petition before the Madras High Court in Chennai, India seeking to enforce the Final Award issued by SIAC in favor of the Group which reaffirms the Group's right to appoint number of directors proportionate to its 77.04% shareholding in SACL as per the shareholders agreement made between the Group and Sakthi.

On 3 February 2023, the Court dismissed the Group's petition. The Group has subsequently filed an appeal against this judgement on grounds such as the judgment has considered irrelevant facts, that the court exceeded its powers/ jurisdiction, and disregarded the binding decisions of the Supreme Court of India.

d) Legal proceeding by Sakthi before the National Company Law Tribunal at Chennai ("NCLT")

Both Sakthi Sugars Limited and ABT Limited have filed petitions against the Group before the NCLT to challenge the Group's earlier actions in effort to take control of SACL i.e., the amendment of the articles of association of SACL to include the terms of the Shareholders' Agreement, the holding of an Extraordinary General Meeting of SACL on 25 January 2022 ("EGM") for removing Sakthi's nominee directors from SACL, etc.

On 29 March 2022, the NCLT restrained the Group from implementing the EGM resolutions. The Group appealed such NCLT order to the National Company Law Appellate Tribunal (NCLAT) and successfully obtained the order to release such NCLT order on 2 August 2022. However, Sakthi still refused to comply with the EGM resolutions. The Group has filed applications in the NCLT asking for directions to implement the EGM resolutions, which are yet to be decided. Meanwhile, the Group has also as its best effort, taken corporate steps to appoint a new CFO, CEO and the statutory auditors of SACL, etc.

7.3 The movement of loans to and loans from related parties accounts for the year ended 31 December 2022

(Unit: Thousand Baht)

Loans to related parties	Consolidated financial statements	Separate financial statements
1 January 2022	95,804	4,213,831
Increase	30,000	2,642,594
Decrease	(4,010)	(2,802,698)
Effect from foreign exchange rate	-	62,736
31 December 2022	121,794	4,116,463

(Unit: Thousand Baht)

Loans from related parties	Consolidated financial statements	Separate financial statements
1 January 2022	35,696	1,298,495
Increase	-	7,080,427
Decrease	(2,615)	(7,319,672)
Translation adjustments	(820)	-
31 December 2022	32,261	1,059,250

7.4 The movement of allowance for expected credit losses of trade and other receivables - related parties and loans to related parties for the years 2022 and 2021

(Unit: Thousand Baht)

Trade and other receivables - related parties	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	77,153	70,163	82,957	81,580
Increase (decrease)	2,157	10,532	-	(380)
Effect from foreign exchange rate	-	(3,542)	-	1,757
Ending balance	79,310	77,153	82,957	82,957

(Unit: Thousand Baht)

Loans to related parties	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	523,247	469,867	521,708	484,229
Decrease	-	-	(3,000)	-
Effect from foreign exchange rate	5,914	53,380	-	37,479
Ending balance	529,161	523,247	518,708	521,708

7.5 Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	35,847	38,296	35,847	38,296
Post-employment and other long-term benefits	222	215	222	215
Total	36,069	38,511	36,069	38,511

7.6 Guarantee obligations with related parties

The Company has outstanding guarantee obligations for credit facilities of its related parties, as described in Note 35.4 to the financial statements.

8. Trade and other receivables

8.1 Details of trade and other receivables and aging of trade receivables as at 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	82,077	52,614	58,407	30,497
Past due 3 - 12 months	2,110	-	-	-
Past due more than 12 months	53,472	51,502	-	-
Total	137,659	104,116	58,407	30,497
Less: Allowance for expected credit losses	(53,472)	(51,502)	-	-
Total trade receivables - related parties, net	84,187	52,614	58,407	30,497
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due and past due not over 3 months	4,033,289	2,064,100	441,507	232,518
Past due 3 - 12 months	45,987	17,061	11,016	586
Past due more than 12 months	11,304	15,467	1,421	543
Total	4,090,580	2,096,628	453,944	233,647
Less: Allowance for expected credit losses	(15,521)	(29,056)	(1,547)	(833)
Total trade receivables - unrelated parties, net	4,075,059	2,067,572	452,397	232,814
Total trade receivables - net	4,159,246	2,120,186	510,804	263,311

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Other receivables				
Advances - unrelated parties	30,126	37,653	-	-
Interest receivable - related parties	24,840	23,798	1,353,291	1,180,427
Accrued income - unrelated parties	118,996	44,325	60,377	2,470
Others - related parties	14,034	12,957	27,446	24,766
Others - unrelated parties	74,179	90,704	17,688	20,707
Total	262,175	209,437	1,458,802	1,228,370
Less: Allowance for expected credit losses	(91,366)	(93,023)	(100,645)	(101,745)
Total other receivables - net	170,809	116,414	1,358,157	1,126,625
Total trade and other receivables - net	4,330,055	2,236,600	1,868,961	1,389,936

The normal credit term is 30 to 120 days.

- 8.2 The movement of the allowance for expected credit losses of trade and other receivables account for the years 2022 and 2021

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	173,581	186,462	102,578	102,139
Decrease	(12,516)	(10,414)	(386)	(1,317)
Effect from foreign exchange rate	(706)	(2,467)	-	1,756
Ending balance	160,359	173,581	102,192	102,578

9. Inventories

- 9.1 Details of inventories as at 31 December 2022 and 2021

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	1,701,672	1,463,712	(17,900)	(17,787)	1,683,772	1,445,925
Raw materials, spare parts and supplies	1,007,353	716,486	(39,625)	(39,035)	967,728	677,451
Work in process	1,148,250	926,528	(37,983)	(33,131)	1,110,267	893,397
Goods in transit	22,581	13,880	-	-	22,581	13,880
Total	3,879,856	3,120,606	(95,508)	(89,953)	3,784,348	3,030,653

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	41,634	63,123	(4,660)	(4,148)	36,974	58,975
Raw materials, spare parts and supplies	69,147	78,983	(8,584)	(8,593)	60,563	70,390
Work in process	59,070	24,618	(3,943)	(4,503)	55,127	20,115
Total	169,851	166,724	(17,187)	(17,244)	152,664	149,480

- 9.2 During the year 2022, the Group reduced cost of inventories by Baht 6 million (2021: Baht 16 million), to reflect the net realisable value. This was included in cost of sales.

During the year 2022, the Company reversed the write-down of cost of inventories by Baht 0.1 million and reduced the amount of inventories recognised as expense during the year (2021: the Company reduced cost of inventories by Baht 1 million to reflect the net realisable value. This was included in cost of sales.).

- 9.3 As at 31 December 2022, certain subsidiaries have pledged finished goods of Baht 407 million (2021: Baht 153 million) to secure floor-plan loans.

10. Financial assets

- 10.1 Other current financial assets as at 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Investment in debt instruments at FVTPL				
Opened-end fund	95	51,679	-	23,000
Total	95	51,679	-	23,000

- 10.2 Other non-current financial assets as at 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Investment in equity instruments designated at FVOCI				
Unquoted equity investments	11,375	11,375	11,375	11,375
Less: Allowance for expected credit losses	(11,375)	(11,375)	(11,375)	(11,375)
Total	-	-	-	-

11. Investments in associates

11.1 Details of investments in associates as at 31 December 2022 and 2021

Company	Nature of business	Shareholding percentage		Cost		Consolidated financial statements		(Unit: Thousand Baht)	
						Carrying amounts based on equity method		Separate financial statements	
		2022	2021	2022	2021	2022	2021	Carrying amounts based on cost method	
		(%)	(%)					2022	2021
Associates in Thailand									
Able Sanoh Industries (1996) Company Limited	Manufacture and distribution of autoparts	45.62	45.62	30,700	30,700	569,709	559,303	30,700	30,700
Sanoh Industries (Thailand) Company Limited	Manufacture and distribution of autoparts	20	20	29,250	29,250	102,469	105,737	29,250	29,250
MINTH AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	40	40	115,400	115,400	84,286	71,902	115,400	115,400
Thai Takagi Seiko Company Limited	Distribution of dies	49.20	49.20	59,587	59,587	32,145	16,866	59,587	59,587
Hyundai Motor (Thailand) Company Limited	Distribution of vehicles and parts	20	20	110,000	110,000	315,756	278,713	110,000	110,000
Edscha AAPICO Automotive Company Limited	Manufacture and distribution of autoparts	49	49	25,480	25,480	49,081	44,364	25,480	25,480
Sumino AAPICO (Thailand) Company Limited	Manufacture and distribution of autoparts	49	49	147,000	147,000	206,236	188,396	147,000	147,000
Associates in overseas									
Nuro Technology Incorporated	Provision of electronic information services	20.36	20.36	50,866	50,866	25,488	36,524	50,866	50,866
Associated in overseas Held by the Company's subsidiaries									
Sakthi Auto Component Limited (77.04% held by Sakthi Global Auto Holdings Limited)	Manufacture and distribution of autoparts	77.04	77.04	2,575,977	2,575,977	2,694,434	2,728,327	-	-
Total				3,144,260	3,144,260	4,079,604	4,030,132	568,283	568,283
Less: Allowance for impairment								(26,000)	-
Net								542,283	568,283

The value of the investment under the equity method of Sakthi Auto Component Limited ("SACL") as at 31 December 2022 and 2021 prepared by the management of SACL.

During 2022, the Company recognised loss on impairment of investment in Nuro Technology Incorporated amounting to Baht 26 million in the separate income statement (2021: None).

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

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

Company	(Unit: Thousand Baht)						Separate	
	Consolidated financial statements						financial statements	
	Share of profit (loss)		Share of other comprehensive income		Dividend income		Dividend income	
	2022	2021	2022	2021	2022	2021	2022	2021
Associates in Thailand								
Able Sanoh Industries (1996) Company Limited	145,561	138,855	2,635	-	137,790	70,291	137,790	70,291
Sanoh Industries (Thailand) Company Limited	3,490	7,138	155	-	6,913	2,151	6,913	2,151
MINTH AAPICO (Thailand) Company Limited	12,070	(4,235)	314	-	-	-	-	-
Thai Takagi Seiko Company Limited	15,279	3,996	-	-	-	-	-	-
Hyundai Motor (Thailand) Company Limited	111,843	121,394	-	-	74,800	22,000	74,800	22,000
Edscha AAPICO Automotive Company Limited	20,836	16,681	(46)	-	16,073	11,588	16,073	11,588
Sumino AAPICO (Thailand) Company Limited	19,799	7,409	493	-	2,452	2,453	2,452	2,453
Associates in overseas								
Nuro Technology Incorporated	(10,425)	(7,027)	(611)	2,733	-	-	-	-
Sakthi Auto Component Limited	158,789	15,663	(192,682)	256,984	-	-	-	-
Total	477,242	299,874	(189,742)	259,717	238,028	108,483	238,028	108,483

11.3 Summarised financial information of material associates

Summarised information about financial position as at 31 December 2022 and 2021

(Unit: Million Baht)

	Associates held by the Company				Associate held by a subsidiary	
	Able Sanoh Industries (1996) Company Limited		Hyundai Motor (Thailand) Company Limited		Sakthi Auto Component Limited	
	2022	2021	2022	2021	2022	2021
Current assets	1,388	1,336	1,891	1,894	1,733	1,406
Non-current assets	476	424	214	258	3,576	3,856
Current liabilities	(566)	(483)	(652)	(884)	(2,078)	(1,978)
Non-current liabilities	(49)	(51)	(37)	(37)	(743)	(862)
Net assets	1,249	1,226	1,416	1,231	2,488	2,422
Non-controlling interests	-	-	-	-	(233)	(209)
	1,249	1,226	1,416	1,231	2,255	2,213
Shareholding percentage (%)	45.62	45.62	20.00	20.00	77.04	77.04
Share of net assets	570	559	283	246	1,737	1,705
Goodwill	-	-	33	33	995	1,061
Translation adjustments	-	-	-	-	(38)	(38)
Carrying amounts of associates based on equity method	570	559	316	279	2,694	2,728

Summarised information about comprehensive income for the years ended 31 December 2022 and 2021

(Unit: Million Baht)

	Associates held by the Company				Associate held by a subsidiary	
	Able Sanoh Industries (1996) Company Limited		Hyundai Motor (Thailand) Company Limited		Sakthi Auto Component Limited	
	2022	2021	2022	2021	2022	2021
Revenues	3,165	2,793	7,831	5,614	6,762	4,767
Profit	319	304	559	606	206	27
Other comprehensive income	6	-	-	-	-	-
Total comprehensive income	325	304	559	606	206	27

12. Investments in joint ventures

12.1 Details of investments in joint ventures as at 31 December 2022 and 2021

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

(Unit: Thousand Baht)									
Joint venture	Nature of business	Shareholding		Cost		Consolidated		Separate	
		percentage				financial statements		financial statements	
						Carrying amounts		Carrying amounts	
						based on equity		based on cost	
		2022	2021	2022	2021	2022	2021	2022	2021
		(%)	(%)						
Joint ventures in Thailand									
AAPICO Sodecia (Thailand) Company Limited	Manufacture and distribution of autoparts	50	50	82,500	82,500	72,986	73,342	82,500	82,500
AAPICO Electronics Company Limited	Distribution of electronics equipment inventive	51	51	15,100	15,100	2,769	4,886	15,100	15,100
Vroom Company Limited	Distribution of motorcycles	40	40	80,000	80,000	18,868	42,017	80,000	80,000
PUREM AAPICO Company Limited	Manufacture and distribution of autoparts	49	-	25,113	-	25,076	-	25,113	-
Total				<u>202,713</u>	<u>177,600</u>	<u>119,699</u>	<u>120,245</u>	<u>202,713</u>	<u>177,600</u>

12.2 Changes in investments in joint ventures

2022

The Company acquired 49% of the ordinary shares, amounting to Baht 25.1 million, of PUREM AAPICO Company Limited, a newly established company in Thailand. This company has a registered share capital of Baht 205 million, of which 25% was called up.

2021

On 2 August 2021, the Extraordinary General Meeting of Shareholders of AAPICO Electronics Company Limited passed a resolution to approve an increase in its registered capital, from Baht 25.0 million to Baht 29.6 million, by issuing 46,000 new ordinary shares with a par value of Baht 100 each. The Company purchased the additional share capital increase in order to maintain its shareholding percentage totaling Baht 2.4 million.

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

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

Joint venture	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of loss		Share of other comprehensive income	
	2022	2021	2022	2021
AAPICO Sodecia (Thailand) Company Limited	(356)	(216)	-	-
AAPICO Electronics Company Limited	(2,172)	(2,234)	55	-
Vroom Company Limited	(23,149)	(16,910)	-	-
PUREM AAPICO Company Limited	(37)	-	-	-
Total	(25,714)	(19,360)	55	-

12.4 Summarised financial information of material joint ventures

Summarised information about financial position as at 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	AAPICO Sodecia (Thailand)		Vroom Company Limited	
	Company Limited		Vroom Company Limited	
	2022	2021	2022	2021
Cash and cash equivalents	2,621	2,617	50,716	8,216
Current assets	22,770	22,649	175,991	166,019
Non-current assets	121,850	121,858	39,590	51,936
Current liabilities	(1,269)	(441)	(218,960)	(50,585)
Non-current liabilities	-	-	(168)	(70,542)
Net assets	145,972	146,683	47,169	105,044
Shareholding percentage (%)	50	50	40	40
Carrying amounts of joint ventures based on equity method	72,986	73,342	18,868	42,017

Summarised information about comprehensive income for the years ended 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	AAPICO Sodecia (Thailand)		Vroom Company Limited	
	Company Limited		Vroom Company Limited	
	2022	2021	2022	2021
Revenues	83	88	219,713	190,391
Loss	(711)	(432)	(57,873)	(42,274)
Other comprehensive income	-	-	-	-
Total comprehensive income	(711)	(432)	(57,873)	(42,274)

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as at 31 December 2022 and 2021 and dividend income for the years 2022 and 2021

(Unit: Thousand Baht)

Company	Called-up capital		Shareholding percentage		Separate financial statements			
					Cost		Dividend income	
	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)				
Subsidiaries in Thailand								
New Era Sales Company Limited	Baht 20 million	Baht 20 million	100	100	20,000	20,000	-	-
AAPICO Amata Company Limited	Baht 800 million	Baht 800 million	100	100	1,164,139	1,164,139	-	70,000
Able Motors Company Limited	Baht 20 million	Baht 20 million	100	100	19,999	19,999	-	-
AAPICO Hitech Parts Company Limited	Baht 120 million	Baht 120 million	100	100	120,000	120,000	50,000	150,000
AAPICO Hitech Tooling Company Limited	Baht 65 million	Baht 65 million	100	100	65,000	65,000	20,020	50,050
AAPICO Forging Public Company Limited	Baht 500 million	Baht 500 million	100	100	1,823,907	1,823,907	-	-
AAPICO Structural Products Company Limited	Baht 200 million	Baht 200 million	100	100	200,000	200,000	1,000,000	650,000
AAPICO Technology Company Limited	Baht 0.25 million	Baht 0.25 million	100	100	250	250	-	-
AAPICO Training Center Company Limited	Baht 3 million	Baht 3 million	100	100	3,000	3,000	-	-
AAPICO Venture Company Limited	Baht 20 million	Baht 20 million	100	100	20,000	20,000	-	-
Able Motors Pakkret Company Limited	Baht 15 million	Baht 15 million	100	100	15,000	15,000	-	-
Able Motors Pathumthani Company Limited	Baht 15 million	Baht 15 million	100	100	15,000	15,000	-	-
AAPICO Bike Company Limited	Baht 25 million	Baht 25 million	97	97	24,250	24,250	-	-
AERP Company Limited	Baht 1.25 million	Baht 1.25 million	94	94	1,175	1,175	-	-
Katsuya (Thailand) Company Limited	-	Baht 28.5 million	-	76	-	15,675	-	-
AAPICO Lemtech (Thailand) Company Limited	Baht 40 million	Baht 40 million	60	60	24,000	24,000	-	-

(Unit: Thousand Baht)

Company	Called-up capital		Shareholding percentage		Separate financial statements			
					Cost		Dividend income	
	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)				
AAPICO ITS Company Limited	Baht 100 million	Baht 100 million	60	60	62,175	62,175	-	-
AAPICO Mitsuike (Thailand) Company Limited	Baht 33 million	Baht 33 million	51	51	16,830	16,830	-	-
AAPICO Hitech Automation Company Limited	Baht 30 million	Baht 30 million	100	100	27,000	27,000	-	-
MG Able Motors Company Limited	Baht 15 million	Baht 15 million	100	100	15,000	15,000	-	-
Subsidiaries in overseas								
Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.	USD 8.1 million	USD 8.1 million	100	100	277,426	277,426	-	-
AAPICO Investment Pte., Ltd.	SGD 6.97 million	SGD 6.97 million	100	100	167,950	167,950	-	-
Tenaga Setia Resources Sdn. Bhd.	RM 6 million	RM 6 million	49	49	31,393	31,393	15,530	-
New Era Sales (M) Sdn. Bhd.	RM 1.5 million	RM 1.5 million	49	49	8,263	8,263	-	-
AAPICO Motors Sdn. Bhd.	RM 2 million	RM 2 million	49	49	23,180	7,650	-	-
AAPICO Maia, S.A.	EUR 13 million	EUR 13 million	100	100	1,401,752	1,401,752	-	-
Sakthi Global Auto Holdings Limited	USD 0.015 million	USD 0.015 million	100	100	2,877,855	2,877,855	-	-
Total					8,424,544	8,424,689	1,085,550	920,050
Less: Allowance for impairment					(3,440,125)	(3,455,800)		
Net					4,984,419	4,968,889		

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

13.2 Changes in investments in subsidiaries

2022

- a) The Company purchased the share capital increase of AAPICO Motors Sdn. Bhd. of 2 million ordinary shares with a par value of RM 1 each, amounting to RM 2 million or Baht 15.5 million in order to maintain its shareholding percentage.
- b) Katsuya (Thailand) Company Limited registered the completion of its liquidation.

2021

- a) In May 2021, the Board of Directors' Meeting of the Company passed a resolution to approve an investment in 100% of the ordinary shares of MG Able Motors Company Limited, a newly established company in Thailand that is engaged in sales of automobiles and automobile repair service. The company has a registered share capital of Baht 15 million, which is fully paid-up.
- b) The Company purchased additional shares of AAPICO Hitech Autotech Company Limited from the unrelated existing shareholders at a price of Baht 6 million. The additional investment increased the Company's shareholding from 70% to 100%.
- c) The Company has additionally invested in AAPICO Maia, S.A, amounting to EUR 7 million or Baht 265 million.

13.3 Details of subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Other comprehensive income allocated to non-controlling interests during the year		Increase in share capital from non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)										
Tenaga Setia Resources Sdn. Bhd.	51	51	178	180	18	11	(4)	13	-	-	16	-
New Era Sales (M) Sdn. Bhd.	51	51	92	86	9	3	(3)	7	-	-	-	-
AAPICO Motors Sdn. Bhd.	51	51	12	(1)	(3)	(3)	1	-	15	-	-	-

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

Summarised information about financial position as at 31 December 2022 and 2021

(Unit: Million Baht)

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Non-controlling interests	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Tenaga Setia Resources Sdn. Bhd.	337	317	74	75	59	37	3	3	-	-
New Era Sales (M) Sdn. Bhd.	187	171	279	299	64	66	206	223	8	12
AAPICO Motors Sdn. Bhd.	263	122	41	27	267	144	14	6	-	-

Summarised information about comprehensive income for the years ended 31 December 2022 and 2021

(Unit: Million Baht)

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2022	2021	2022	2021	2022	2021	2022	2021
Tenaga Setia Resources Sdn. Bhd.	1,905	1,252	35	21	(8)	25	27	46
New Era Sales (M) Sdn. Bhd.	1,026	650	18	6	(5)	13	13	19
AAPICO Motors Sdn. Bhd.	1,382	916	(6)	(10)	2	-	(4)	(10)

Summarised information about cash flows for the years ended 31 December 2022 and 2021

(Unit: Million Baht)

Company	Cash flows of operating activities		Cash flows of investing activities		Cash flows of financing activities		Net increase (decrease) in cash and cash equivalents	
	2022	2021	2022	2021	2022	2021	2022	2021
Tenaga Setia Resources Sdn. Bhd.	4	89	(56)	(15)	(29)	(11)	(81)	63
New Era Sales (M) Sdn. Bhd.	26	52	(7)	(171)	(31)	127	(12)	8
AAPICO Motors Sdn. Bhd.	(102)	20	(17)	4	118	(16)	(1)	8

14. Property, plant and equipment

14.1 Detail of property, plant and equipment as at 31 December 2022 and 2021 and the movement of property, plant and equipment for the years 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Building on leasehold land	Building and building improvements	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation	
Cost							
1 January 2021	1,159,152	40,719	3,781,927	12,708,159	857,841	510,399	19,058,197
Acquisitions	-	392	72,457	427,536	96,087	469,687	1,066,159
Disposals/write-off	-	-	(22)	(144,559)	(78,652)	(27)	(223,260)
Transfer in (out)	-	17,295	571	82,365	(18,748)	(81,483)	-
Transfer from assets recongised from the cost to fulfill contracts with customers	-	-	-	4,680	-	-	4,680
Transfer from right-of-use assets	-	-	-	-	2,783	-	2,783
Transfer to other intangible assets	-	-	-	-	-	(440)	(440)
Transfer from inventories	-	-	-	78,869	-	-	78,869
Translation adjustments	4,870	-	76,815	134,702	19,813	22,403	258,603
31 December 2021	1,164,022	58,406	3,931,748	13,291,752	879,124	920,539	20,245,591
Acquisitions	-	-	4,841	199,379	104,723	506,805	815,748
Disposals/write-off	-	-	(2,220)	(172,541)	(65,701)	(2)	(240,464)
Transfer in (out)	-	92,368	11,627	603,504	13,408	(720,907)	-
Transfer from right-of-use assets	-	-	-	-	3,962	-	3,962
Transfer from other intangible assets	-	-	-	-	203	-	203
Transfer to right-of-use assets	-	-	-	-	(2,573)	(73,554)	(76,127)
Translation adjustments	(5,703)	-	(51,577)	(110,740)	(17,227)	(16,519)	(201,766)
31 December 2022	1,158,319	150,774	3,894,419	13,811,354	915,919	616,362	20,547,147

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Building on leasehold land	Building and building improvements	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation	Total
Accumulated depreciation							
1 January 2021	-	35,684	1,811,508	8,955,816	445,324	-	11,248,332
Depreciation for the year	-	1,981	139,237	596,317	38,892	-	776,427
Depreciation on disposals/write-off	-	-	(22)	(133,474)	(25,655)	-	(159,151)
Transfer in (out)	-	-	-	13,461	(13,461)	-	-
Translation adjustments	-	-	29,470	78,599	13,281	-	121,350
31 December 2021	-	37,665	1,980,193	9,510,719	458,381	-	11,986,958
Depreciation for the year	-	5,566	140,905	705,542	41,475	-	893,488
Depreciation on disposals/write-off	-	-	(2,215)	(154,571)	(21,639)	-	(178,425)
Transfer in (out)	-	-	511	(76)	(435)	-	-
Transfer from right-of-use assets	-	-	-	-	3,176	-	3,176
Transfer from other intangible assets	-	-	-	-	95	-	95
Transfer to right-of-use assets	-	-	-	-	(54)	-	(54)
Translation adjustments	-	-	(19,628)	(62,860)	(11,207)	-	(93,695)
31 December 2022	-	43,231	2,099,766	9,998,754	469,792	-	12,611,543

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Building on leasehold land	Building and building improvements	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation	Total
Allowance for impairment loss							
1 January 2021	-	-	-	36,726	-	-	36,726
Decrease	-	-	-	(77)	-	-	(77)
31 December 2021	-	-	-	36,649	-	-	36,649
Decrease	-	-	-	(13,661)	-	-	(13,661)
31 December 2022	-	-	-	22,988	-	-	22,988
Net book value							
31 December 2021	1,164,022	20,741	1,951,555	3,744,384	420,743	920,539	8,221,984
31 December 2022	1,158,319	107,543	1,794,653	3,789,612	446,127	616,362	7,912,616
Depreciation for the years							
2021 (Baht 682 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							776,427
2022 (Baht 783 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							893,488

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land	Building and improvements	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation	
Cost						
1 January 2021	163,406	653,976	1,430,287	74,622	18,640	2,340,931
Acquisitions	-	9,000	13,644	10,212	71,282	104,138
Disposals/write-off	-	-	(4,558)	(2,601)	-	(7,159)
Transfer in (out)	-	-	1,141	-	(1,141)	-
31 December 2021	163,406	662,976	1,440,514	82,233	88,781	2,437,910
Acquisitions	-	-	58,501	14,105	20,729	93,335
Disposals/write-off	-	(20)	(11,282)	(1,376)	-	(12,678)
Transfer in (out)	-	-	96,924	285	(97,209)	-
31 December 2022	163,406	662,956	1,584,657	95,247	12,301	2,518,567
Accumulated depreciation						
1 January 2021	-	386,240	863,609	52,391	-	1,302,240
Depreciation for the year	-	29,380	77,763	7,989	-	115,132
Depreciation on disposals/write-off	-	-	(4,133)	(2,256)	-	(6,389)
31 December 2021	-	415,620	937,239	58,124	-	1,410,983
Depreciation for the year	-	28,103	91,909	9,425	-	129,437
Depreciation on disposals/write-off	-	(15)	(11,005)	(1,283)	-	(12,303)
31 December 2022	-	443,708	1,018,143	66,266	-	1,528,117

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Building and building improvements	Machinery and factory equipment	Motor vehicles and office equipment	Assets under construction and installation
					Total
Allowance for impairment loss					
1 January 2021	-	-	13,386	-	-
31 December 2021	-	-	13,386	-	-
31 December 2022	-	-	13,386	-	-
Net book value					
31 December 2021	163,406	247,356	489,889	24,109	88,781
31 December 2022	163,406	219,248	553,128	28,981	12,301
Depreciation for the years					
2021 (Baht 101 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)					115,132
2022 (Baht 114 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)					129,437

- 14.2 As at 31 December 2022, certain building, machinery and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 7,122 million (2021: Baht 6,815 million), the Company only: Baht 715 million (2021: Baht 600 million).
- 14.3 Two subsidiaries have mortgaged their land, building and machinery with a net book value as at 31 December 2022 of Baht 1,055 million (2021: Baht 1,086 million) to secure the credit facilities granted by a bank.
- 14.4 As at 31 December 2022, two subsidiaries had buildings and structures located on leased land with net book values amounting to Baht 107.5 million (2021: Baht 20.7 million). Under the land lease agreements, the subsidiaries will have to transfer ownership of the buildings and structures to the lessors at the end of lease agreements.

15. Leases

The Group as a lessee

The Group has lease contracts for various items of land, building and equipment used in its operations. Leases generally have lease terms between 2 - 50 years.

15.1 Right-of-use assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Total
1 January 2021	74,795	186,120	195,020	17,148	473,083
Additions	184,927	8,257	14,582	4,291	212,057
Cancellation	(371)	-	-	(410)	(781)
Transfer to equipment	-	-	-	(2,783)	(2,783)
Depreciation for the year	(7,432)	(52,314)	(36,595)	(3,999)	(100,340)
Translation adjustments	7,508	5,534	4,895	1,023	18,960
31 December 2021	259,427	147,597	177,902	15,270	600,196
Additions	35,062	132,816	1,329	10,854	180,061
Cancellation	-	-	-	(754)	(754)
Transfer from equipment	-	-	-	76,073	76,073
Transfer to equipment	-	-	-	(786)	(786)
Depreciation for the year	(14,614)	(54,374)	(29,826)	(6,306)	(105,120)
Translation adjustments	(6,755)	(1,432)	(4,436)	(240)	(12,863)
31 December 2022	273,120	224,607	144,969	94,111	736,807

(Unit: Thousand Baht)

	Separate financial statements			
	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Total
1 January 2021	20,059	480	510	21,049
Additions	-	1,340	-	1,340
Depreciation for the year	(6,283)	(579)	(431)	(7,293)
31 December 2021	13,776	1,241	79	15,096
Depreciation for the year	(6,186)	(448)	(79)	(6,713)
31 December 2022	7,590	793	-	8,383

15.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease payments	396,594	298,229	9,262	16,390
Less: Deferred interest expenses	(51,928)	(13,331)	(451)	(907)
	344,666	284,898	8,811	15,483
Less: Portion due within one year	(111,040)	(104,594)	(3,724)	(6,672)
Portion due more than one year	233,626	180,304	5,087	8,811

A maturity analysis of lease payments is disclosed in Note 37.1 to financial statements under the liquidity risk.

15.3 Expenses relating to leases that are recognised in the income statement for the years 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	105,120	100,340	6,713	7,293
Interest expense on lease liabilities	8,762	7,859	456	612
Expense relating to short-term leases	2,509	2,248	162	216
Expense relating to leases of low-value assets	428	368	41	50

15.4 The Group had total cash outflows for leases for the year 2022 of Baht 195 million (2021: Baht 246 million) the Company only: Baht 7 million (2021: Baht 6 million). Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 133 million (2021: Baht 43 million) the Company only: None (2021: Baht 1 million).

15.5 A subsidiary has mortgaged its right of use of land with a net book value as at 31 December 2022 of Baht 224 million (2021: Baht 235 million) to secure the credit facilities granted by banks.

16. Goodwill

16.1 Detail of goodwill account as at 31 December 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Cost	2,245,669	2,270,324
Less: Allowance for impairment	(1,157,724)	(1,152,332)
Net book value	1,087,945	1,117,992

16.2 The movement of the net book value of goodwill account for the years 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Net book value at beginning of year	1,117,992	1,094,249
Increase in allowance for impairment	(5,392)	-
Translation adjustment	(24,655)	23,743
Net book value at end of year	1,087,945	1,117,992

16.3 The Company allocates goodwill and development cost for production enhancement with indefinite useful lives acquired through business combination to an asset's cash-generating unit for annual impairment testing as follows.

(Unit: Thousand Baht)

	AAPICO Amata Company Limited	AAPICO Maia, S.A.	Others	Total
31 December 2022				
Goodwill	229,368	858,577	-	1,087,945
Development cost for production enhancement	-	1,413,914	-	1,413,914
Total	229,368	2,272,491	-	2,501,859

(Unit: Thousand Baht)

	AAPICO Amata Company Limited	AAPICO Maia, S.A.	Others	Total
31 December 2021				
Goodwill	229,368	883,462	5,162	1,117,992
Development cost for production enhancement	-	1,454,895	-	1,454,895
Total	229,368	2,338,357	5,162	2,572,887

The Group has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management covering a 5-year period.

Key assumptions used in value in use calculations are as follows.

	AAPICO Amata Co., Ltd.	AAPICO Maia, S.A.
	(% per annum)	(% per annum)
Growth rate	2.1	3.5
Pre-tax discount rate	9.2	8.0

The management has considered growth rate from growth rate and discount rate as a pre-tax rate to reflect the risks specific to each cash-generating unit.

The management believes that any reasonably possible change in the key assumptions on which the units' recoverable amount are based would not cause the units' carrying amount to exceed its recoverable amount.

17. Other intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Computer software	Product development cost	Development cost for production enhancement	Works under development	Total
Cost					
1 January 2021	220,459	154,404	1,415,796	123,819	1,914,478
Additions	7,939	-	-	18,794	26,733
Transfer from equipment	440	-	-	-	440
Transfer in (out)	-	116,037	-	(116,037)	-
Write-off	(7,523)	(3,000)	-	-	(10,523)
Translation adjustments	1,923	2,043	39,099	3,419	46,484
31 December 2021	223,238	269,484	1,454,895	29,995	1,977,612
Additions	1,608	-	-	-	1,608
Write-off	(44)	(19,876)	-	-	(19,920)
Transfer to equipment	(203)	-	-	-	(203)
Translation adjustments	(1,398)	(5,410)	(40,981)	(845)	(48,634)
31 December 2022	223,201	244,198	1,413,914	29,150	1,910,463
Accumulated amortisation					
1 January 2021	189,098	149,796	-	-	338,894
Amortisation for the year	14,718	31,965	-	-	46,683
Amortisation on write-off	(7,514)	(3,000)	-	-	(10,514)
Translation adjustments	1,513	1,964	-	-	3,477
31 December 2021	197,815	180,725	-	-	378,540
Amortisation for the year	10,192	3,458	-	-	13,650
Amortisation on write-off	(40)	-	-	-	(40)
Transfer to equipment	(95)	-	-	-	(95)
Translation adjustments	(1,248)	(2,926)	-	-	(4,174)
31 December 2022	206,624	181,257	-	-	387,881
Net book value					
31 December 2021	25,423	88,759	1,454,895	29,995	1,599,072
31 December 2022	16,577	62,941	1,413,914	29,150	1,522,582

	(Unit: Thousand Baht)
	Separate
	financial statements
	Computer software
Cost	
1 January 2021	89,045
Additions	6,489
31 December 2021	95,534
Additions	1,324
31 December 2022	96,858
Accumulated amortisation	
1 January 2021	80,169
Amortisation for the year	5,112
31 December 2021	85,281
Amortisation for the year	3,539
31 December 2022	88,820
Net book value	
31 December 2021	10,253
31 December 2022	8,038

18. Assets recognised from the costs to fulfill contracts with customers

18.1 Detail of assets recognised from the costs to fulfill contracts with customers account as at 31 December 2022 and 2021

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
Cost	2,005,640	1,876,447
Less: Accumulated amortisation	(1,417,349)	(1,312,267)
Net book value	588,291	564,180

18.2 The movement of the assets recognised from the costs to fulfill contracts with customers account for the years 2022 and 2021

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
Net book value at beginning of year	564,180	434,604
Additions	179,872	231,071
Transfer to equipment	-	(4,680)
Amortisation for the year	(141,471)	(107,402)
Translation adjustments	(14,290)	10,587
Net book value at end of year	588,291	564,180

19. Deferred tax and income tax expenses

19.1 Income tax expenses for the years ended 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax				
Current income tax charge	160,265	91,754	34,133	32,975
Deferred tax				
Relating to origination and reversal of temporary differences	16,808	21,653	(3,764)	2,750
Income tax expenses reported in the income statements	<u>177,073</u>	<u>113,407</u>	<u>30,369</u>	<u>35,725</u>

19.2 The amounts of income tax relating to each component in the statements of comprehensive income for the years ended 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax on actuarial gains	<u>8,898</u>	<u>-</u>	<u>1,466</u>	<u>-</u>

19.3 The reconciliation between accounting profit and income tax expenses for the years ended 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	<u>2,024,038</u>	<u>1,150,842</u>	<u>1,560,455</u>	<u>1,233,646</u>
Applicable tax rates	15% - 24%	15% - 24%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	404,808	226,522	312,091	246,729
Unrecognised deferred tax assets/liabilities:				
Tax losses	27,721	47,489	-	-
Share of profit from investments in associates and joint ventures	(90,305)	(56,103)	-	-
	(62,584)	(8,614)	-	-
Utilisation of unrecognised deferred tax assets - tax losses	(5,757)	(22,494)	-	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Effects of:				
Promotional privileges (Note 32)	(174,877)	(101,197)	(16,581)	(6,213)
Income not subject to tax	(45)	(5,566)	(264,716)	(205,707)
Non/double deductible expenses, eliminations and others	15,528	24,756	(425)	916
	(159,394)	(82,007)	(281,722)	(211,004)
Income tax expenses reported in the income statements	177,073	113,407	30,369	35,725

19.4 The components of deferred tax assets and liabilities as at 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit losses	23,371	23,355	49,705	49,744
Allowance for diminution in value of inventories	10,656	10,785	1,276	1,180
Allowance for asset impairment	2,755	8,701	2,677	2,677
Provision for product warranty	2,913	8,380	-	-
Provision for long-term employee benefits	39,823	51,182	7,568	8,462
Tax credit	127,607	131,305	-	-
Unused tax losses	81,105	100,767	-	-
Others	15,860	7,088	5,253	2,176
Total	304,090	341,563	66,479	64,239
Deferred tax liabilities				
Government grants	7,584	9,793	-	-
Fair value of assets from acquisition of subsidiaries	340,599	350,471	-	-
Others	26,552	30,616	49	107
Total	374,735	390,880	49	107
Net	(70,645)	(49,317)	66,430	64,132

19.5 The movements of deferred tax assets and liabilities during the years ended 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	(49,317)	(23,324)	64,132	66,882
Deferred tax income (expense) recognised				
in the income statement	(16,808)	(21,653)	3,764	(2,750)
Deferred tax expense recognised in the statement				
of comprehensive income	(8,898)	-	(1,466)	-
Translation adjustments	4,378	(4,340)	-	-
Ending balance	(70,645)	(49,317)	66,430	64,132

19.6 A group of subsidiaries in Portugal have unused corporate income tax credits of EUR 3.5 million or Baht 127.6 million (2021: EUR 3.5 million or Baht 131.3 million), on which deferred tax assets have been recognised in amount expected to allow utilisation of the unused tax credit.

As at 31 December 2022 and 2021, the unused tax credit will expire by 2026.

19.7 As at 31 December 2022, the Group has unused tax losses totaling Baht 161 million (2021: Baht 130 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses. (the Company only: None).

As at 31 December 2022 and 2021, most of unused tax losses of the subsidiaries will expire by 2027.

20. Short-term loans from banks

Short-term loans from banks of the Group consist of promissory notes, floor-plan loans and others. The loans carried interest at the rates between 3.15% and 7.95% per annum (2021: between 1.08% and 6.95% per annum).

Short-term loans of the Company consist of promissory notes which carried interest at 2.15% per annum (2021: 1.90% per annum).

The Company

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

The loan agreements contain several covenants relating to various matters specified in the agreements, including restrictions on providing loans other than loans to intercompany and covenants relating to the shareholding of the major shareholders, and the maintenance of certain financial ratios.

The subsidiaries

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

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Related parties				
Trade payables	80,769	74,267	89,642	82,826
Share subscription payable	-	-	-	19,450
Accrued interest expenses	-	-	3,067	1,207
Payables for purchase of assets	-	-	2,140	-
Accrued expenses	-	5,056	9,425	10,456
Others	5,482	-	8,330	-
	86,251	79,323	112,604	113,939
Unrelated parties				
Trade payables	5,978,815	4,305,503	528,771	290,731
Accrued interest expenses	2,249	7,292	1,693	6,684
Payables for purchase of assets	232,377	193,467	5,152	-
Accrued expenses	504,565	325,697	63,355	30,634
Others	206,189	169,547	37,400	37,787
	6,924,195	5,001,506	636,371	365,836
Total	7,010,446	5,080,829	748,975	479,775

22. Long-term loans

22.1 Details of long-term loans from banks account as at 31 December 2022 and 2021

Loan	Interest rate (% per annum)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2022	2021	2022	2021
1	BLR - 2.1	Repayable in 60 quarterly installments, with the first due in March 2008	14,650	23,002	-	-
		Repayable in 40 quarterly installments, with the first due in November 2016	5,712	7,299	-	-
2	BLR - 2.2	Repayable in 240 monthly installments, with the first due in July 2021	115,305	124,441	-	-
3	3.98	Repayable in quarterly installments within 5 years, with the first due in March 2018	135,000	405,000	135,000	405,000
4	LIBOR + 2.5	Repayable in quarterly installments within 5 years, with the first due in March 2018	104,201	302,336	104,201	302,336

(Unit: Thousand Baht)						
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2022	2021	2022	2021
5	115% of PBOC	Repayable in quarterly installment within 3 years with the first due in October 2019	-	17,502	-	-
6	MLR - 2	Repayable in monthly installments within 5 years, with the first due in January 2019	389,440	649,600	389,440	649,600
7	MLR - 2.58	Repayable in monthly installment within 3 years, with the first due in October 2019	-	82,400	-	82,400
8	Euribor 6M + 3.25	Repayable in quarterly installments within 3 years, with the first due in September 2017	-	6,524	-	-
9	Euribor 6M + 3.25	Repayable in quarterly installments within 3 years, with the first due in December 2017	-	4,794	-	-
10	Euribor 12M + 2.875	Repayable in monthly installments within 3 years, with the first due in June 2018	-	17,368	-	-
11	Euribor 12M + 2.65	Repayable in monthly installments within 3 years, with the first due in December 2018	12,619	38,954	-	-
12	Euribor 6M + 3.80	Repayable in semi-annually installments within 7 years, with the first due in January 2017	116,968	147,104	-	-
13	Euribor 12M + 2.80	Repayable in semi-annually installments within 4 years, with the first due in December 2021	311,132	448,209	-	-
14	Euribor 12M + 1.5	Repayable in monthly installments within 6 years, with the first due in July 2020	25,165	28,421	-	-

(Unit: Thousand Baht)						
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2022	2021	2022	2021
15	Euribor 12M + 1.5	Repayable in monthly installments within 6 years, with the first due in July 2020	25,165	28,421	-	-
16	Euribor 12M + 1.5	Repayable in monthly installments within 6 years, with the first due in August 2020	29,577	37,895	-	-
17	Euribor 3M + 1.5	Repayable in monthly installments within 6 years, with the first due in September 2020	17,186	18,947	-	-
18	Euribor 12M + 1.5	Repayable in monthly installments within 6 years, with the first due in September 2020	70,381	75,790	-	-
19	Euribor 12M + 1.5	Repayable in monthly installments within 6 years, with the first due in September 2020	19,336	22,737	-	-
20	Non-interest bearing	Repayable in semi-annually installments within 8 years, with the first due in November 2017	295,851	340,846	-	-
21	BIBOR 3M + 2.62	Repayable in quarterly installments within 4 years, with the first due in September 2021	187,500	262,500	187,500	262,500
22	MLR - 1.5	Repayable in quarterly installments within 4 years, with the first due in March 2022	1,000,000	1,200,000	1,000,000	1,200,000
23	MLR - 1.5	Repayable in monthly installments within 6 years, with the first due in July 2023	350,000	200,000	-	-
24	Euribor 3M + 1.75	Repayable in monthly installments within 5 years, with the first due in October 2022	30,689	37,895	-	-
25	Euribor 3M + 1.85	Repayable in monthly installments within 5 years, with the first due in July 2022	33,145	37,895	-	-

(Unit: Thousand Baht)						
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2022	2021	2022	2021
26	Euribor 6M + 1.85	Repayable in monthly installments within 5 years, with the first due in August 2022	18,770	21,070	-	-
27	3.65	Repayable in quarterly installments within 5 years, with the first due in June 2022	425,000	-	425,000	-
28	3.45	Repayable in monthly installments within 5 years, with the first due in June 2022	450,020	-	450,020	-
29	MLR - 2.73	Repayable in quarterly installments within 6 years, with the first due in March 2023	65,000	-	-	-
30	Euribor 3M + 2.50	Repayable in monthly installments within 2 years, with the first due in February 2022	43,409	-	-	-
31	Euribor 6M + 1.85	Repayable in monthly installments within 5 years, with the first due in July 2023	92,068	-	-	-
32	Euribor 6M + 1.85	Repayable in monthly installments within 5 years, with the first due in July 2023	92,068	-	-	-
Total			4,475,357	4,586,950	2,691,161	2,901,836
Less: Deferred financing fees			(6,187)	(7,674)	(4,687)	(5,925)
Long term loans - net			4,469,170	4,579,276	2,686,474	2,895,911
Less: Portion due within one year			(1,510,117)	(1,441,025)	(1,072,530)	(1,087,432)
Portion due more than one year			2,959,053	3,138,251	1,613,944	1,808,479

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

22.2 The movement in the long-term loans from banks account for the years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	4,586,950	5,306,105	2,901,836	3,988,462
Additions	1,526,039	443,721	1,000,000	-
Repayments	(1,593,829)	(1,267,277)	(1,208,350)	(1,131,670)
Transfer from other non-current liabilities	-	18,315	-	-
Effect from foreign exchange rate	(2,325)	45,044	(2,325)	45,044
Translation adjustments	(41,478)	41,042	-	-
Ending balance	4,475,357	4,586,950	2,691,161	2,901,836
Less: Deferred financing fees	(6,187)	(7,674)	(4,687)	(5,925)
Long-term loans from banks - net	4,469,170	4,579,276	2,686,474	2,895,911
Less: Portion due within one year	(1,510,117)	(1,441,025)	(1,072,530)	(1,087,432)
Portion due more than one year	2,959,053	3,138,251	1,613,944	1,808,479

23. Long-term debentures

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

(Unit: Thousand Baht)

Debentures	Interest rate (% per annum)	Term (years)	Due date	Consolidated/Separate financial statements	
				2022	2021
No. 1/2018	3.50	5	26 July 2023	300,000	300,000
No. 1/2019	3.95	3	29 March 2022	-	500,000
No. 2/2019	4.10	5	28 June 2024	800,000	800,000
Total debentures - at face value				1,100,000	1,600,000
Less: Deferred debenture issuing costs				(269)	(542)
Long-term debentures - net				1,099,731	1,599,458
Less: Portion due within one year				(299,958)	(499,972)
Portion due more than one year				799,773	1,099,486

23.2 Movements in the long-term debentures account for the years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2022	2021
Balance at beginning of year	1,600,000	2,200,000
Repayments	(500,000)	(600,000)
Balance at end of year	1,100,000	1,600,000
Less: Deferred debenture issuing costs	(269)	(542)
Long-term debentures - net	1,099,731	1,599,458
Less: Portion due within one year	(299,958)	(499,972)
Portion due more than one year	799,773	1,099,486

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

24. Provision for product warranty

(Unit: Thousand Baht)

	Consolidated financial statements
1 January 2021	19,230
Increase	19,690
Utilisation	(1,323)
Reversal	(5,574)
31 December 2021	32,023
Increase	6,061
Utilisation	(14,637)
Reversal	(8,883)
31 December 2022	14,564

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

25. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for retirement benefits	Provision for other long-term benefits	Total
1 January 2021	241,669	9,799	251,468
Included in the income statement:			
Current service cost	19,516	1,487	21,003
Interest cost	3,524	140	3,664
Transfer from a related party	337	-	337
Benefits paid during the year	(10,551)	(983)	(11,534)
31 December 2021	254,495	10,443	264,938
Included in the income statement:			
Current service cost	21,068	1,319	22,387
Interest cost	3,591	221	3,812
Past service cost	-	(535)	(535)
Included in the statement of comprehensive income:			
Actuarial loss (gain) arising from			
Demographic assumptions changes	6,178	-	6,178
Financial assumptions changes	(33,472)	-	(33,472)
Experience adjustments	(16,251)	-	(16,251)
Total	(43,545)	-	(43,545)
Benefits paid during the year	(17,634)	(2,908)	(20,542)
31 December 2022	217,975	8,540	226,515

(Unit: Thousand Baht)

Separate financial statements			
	Provision for retirement benefits	Provision for other long-term benefits	Total
1 January 2021	40,616	1,972	42,588
Included in the income statement:			
Current service cost	3,757	217	3,974
Interest cost	580	26	606
Transfer from a related party	270	-	270
Benefits paid during the year	(1,738)	(434)	(2,172)
31 December 2021	43,485	1,781	45,266
Included in the income statement:			
Current service cost	4,176	219	4,395
Interest cost	598	27	625
Past service cost	-	328	328
Included in the statement of comprehensive income:			
Actuarial loss (gain) arising from			
Demographic assumptions changes	(5,844)	-	(5,844)
Financial assumptions changes	(6,125)	-	(6,125)
Experience adjustments	4,636	-	4,636
Total	(7,333)	-	(7,333)
Benefits paid during the year	(2,462)	(535)	(2,997)
31 December 2022	38,464	1,820	40,284

25.2 As at 31 December 2022, the Group expects to pay Baht 7.8 million of long-term employee benefits during the next year (2021: Baht 14.9 million), the Company only: Baht 0.7 million (2021: Baht 2.7 million).

25.3 As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits is 9 years (2021: 11 years).

25.4 Significant actuarial assumptions

	Consolidated/Separate financial statements	
	2022	2021
	(% per annum)	(% per annum)
Discount rate	3.2	1.5
Salary increase rate	5.0	5.0

- 25.5 The result of sensitivity analysis for significant assumptions that affect the increase (decrease) in present value of long-term employee benefit obligations as at 31 December 2022 and 2021

(Unit: Thousand Baht)

	Provision for retirement benefits			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate				
Increase by 1%	(16,938)	(19,513)	(3,265)	(3,682)
Decrease by 1%	20,452	19,513	3,936	3,682
Salary increase rate				
Increase by 1%	20,645	23,338	3,981	4,232
Decrease by 1%	(16,757)	(17,888)	(3,223)	(3,182)

(Unit: Thousand Baht)

	Provision for other long-term benefits			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate				
Increase by 1%	(647)	(980)	(165)	(222)
Decrease by 1%	726	980	186	222

26. Government grants

A group of subsidiaries in Portugal has received grants from AICEP Portugal Global, a foreign investment promotion agency in forms of non-interest bearing loans, as discussed in Note 22 to the financial statements both reimbursable and non-reimbursable portions, to invest in fixed assets, intangible assets including training costs. Under the grants, the group of subsidiaries is required to fulfill conditions attaching to the recognised grants namely creating and maintaining a minimum number of employment jobs and targeted sales and gross value added, including the maintenance of equity-to-asset ratio. As at 31 December 2022 and 2021, the grants were recorded as deferred income which were presented under the caption of other non-current liabilities in the consolidated statement of financial position.

27. Share capital

On 23 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to decrease the registered capital of the Company by Baht 65,316 by eliminating the 65,316 unissued shares, and to increase the registered capital of the Company of Baht 32,258,384 from the existing registered capital of Baht 322,583,844 to a new registered capital of Baht 354,842,228 by issuing 32,258,384 new ordinary shares with a par value of Baht 1 per share to support the stock dividend payment totaling 32,258,384 shares.

28. Dividends paid

Dividends	Approved by	Dividend per share (Baht)	Total dividends (Thousand Baht)
Cash dividends for 2021	Annual General Meeting of the shareholders on 20 April 2022	0.47	166,586
Interim dividend for 2022	The Board of Directors' Meeting on 15 August 2022	0.58	205,719
Total dividend paid in 2022			<u>372,305</u>
Cash dividends for 2020	Annual General Meeting of the shareholders on 23 April 2021	0.15	48,388
Stock dividends for 2020	Annual General Meeting of the shareholders on 23 April 2021	0.10	32,258
Interim dividend for 2021	The Board of Directors' Meeting on 16 August 2021	0.47	166,775
Total dividend paid in 2021			<u>247,421</u>

29. Statutory reserve

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

30. Finance cost

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest expenses on loans and debentures	333,126	338,136	208,274	226,621
Interest expenses on lease liabilities	8,762	7,859	456	612
Total	<u>341,888</u>	<u>345,995</u>	<u>208,730</u>	<u>227,233</u>

31. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Raw materials and consumables used	12,969,131	10,142,418	2,159,759	1,441,959
Purchases of merchandise goods	8,162,524	5,842,579	-	-
Changes in finished goods and work in process	(459,682)	(528,086)	(12,963)	12,373
Salaries, wages and other employee benefits	2,582,975	2,345,208	247,594	224,141
Depreciation and amortisation	1,153,729	1,030,852	139,689	127,537
Transportation expenses	303,751	301,644	13,007	26,810
Loss on impairment of investments and goodwill	5,392	-	26,000	-

32. Promotional privileges

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

	Exemption from corporate income tax for the periods of		
	3 years	7 years	8 years
	commencing from	commencing from	commencing from
The Company			
Manufacture of stamping parts	7 January 2022	-	-
Manufacture of metal autoparts	-	-	1 July 2022
Subsidiaries			
AAPICO Hitech Parts Company Limited			
Manufacture of metal	18 August 2021	-	-
Manufacture of autoparts	Not yet utilised	-	-
AAPICO Hitech Tooling Company Limited			
Manufacture of die and grapple parts	-	-	8 January 2013
AAPICO Precision Company Limited			
Manufacture of autoparts	-	-	17 July 2014
AAPICO Plastics Public Company Limited			
Manufacture of plastic parts	Not yet utilised	-	-
Manufacture of plastic autoparts	Not yet utilised	-	-

	Exemption from corporate income tax for the periods of		
	3 years	7 years	8 years
	commencing from	commencing from	commencing from
AAPICO Structural Products Company Limited			
Manufacture of autoparts	-	1 October 2019	-
AAPICO Amata Company Limited			
Manufacture of autoparts	Not yet utilised	-	-
Manufacture of autoparts	-	1 April 2022	-
Manufacture of autoparts	20 November 2019	-	-
AAPICO Lemtech (Thailand) Company Limited			
Manufacture of metal parts	-	3 January 2017	-

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

(Unit: Thousand Baht)

	Separate financial statements			
	2022			
	Promoted operations	Promoted Operations 50%	Non-promoted operations	Total
Sales and service income				
Domestic	478,820	795,126	1,623,796	2,897,742
Export	44	2,166	160,880	163,090
Total	478,864	797,292	1,784,676	3,060,832

(Unit: Thousand Baht)

	Separate financial statements			
	2021			
	Promoted operations	Promoted Operations 50%	Non-promoted operations	Total
Sales and service income				
Domestic	-	797,799	1,211,290	2,009,089
Export	-	4,364	7,166	11,530
Total	-	802,163	1,218,456	2,020,619

33. Earnings per share

2022

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

2021

Basic earnings per share was calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares used to calculate earnings per share for the year ended 31 December 2021 in proportion to the change in the number of shares as a result of the distribution of the stock dividend of 32.26 million shares, following with the resolutions of the Annual General Meeting of the Company's shareholders on 23 April 2021 as if the stock dividend had been issued at the beginning of the earliest period reported.

	(Unit: Thousand Baht/Thousand shares)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Profit attributable to shareholders				
of the Company	1,823,648	1,023,968	1,530,086	1,197,922
Number of ordinary shares issued	354,842	354,842	354,842	354,842
Earnings per share (Baht)	5.14	2.89	4.31	3.38

34. Provident fund

The Company and certain subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Both employees who are member of the funds and the Company and certain subsidiaries contribute to the funds monthly at rates of 3% - 7% of wage or basic salary. The funds will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to Baht 44 million (2021: Baht 39 million), the Company only: Baht 7 million (2021: Baht 6 million) were recognised as expenses.

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2022 and 2021, the Group had capital commitments relating to the installation of computer software, acquisition of machinery and building from unrelated parties as follows.

Currency	(Unit: Million)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
THB	26.8	165.2	5.9	22.2
RMB	21.0	19.6	-	-
EUR	-	0.8	-	-

35.2 Uncalled portion of long-term investments commitment

As at 31 December 2022 and 2021, the Group had outstanding commitments in respect of uncalled portion of investments as follows.

(Unit: Million Baht)

Investment type	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Subsidiaries	-	-	77	77
Associate	25	25	25	25
Joint venture	143	68	143	68

35.3 Long-term service commitments

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

The fees for the year ended 31 December 2022 amounting to Baht 13 million (2021: Baht 13 million) were recognised as expenses under these agreements.

35.4 Guarantees

- As at 31 December 2022, the Company has guaranteed bank credit facilities of its local associate amounting to Baht 100 million (2021: the Company had guaranteed bank credit facilities of its foreign subsidiary amounting to RMB 10 million and its local associate amounting to Baht 100 million).
- As at 31 December 2022, two foreign subsidiaries have provided guarantees for bank credit facilities of another foreign subsidiary totaling RM 17 million (2021: RM 20 million).
- As at 31 December 2022 and 2021, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows.

Letter of guarantee	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Contractual performance	Baht 78 million	Baht 59 million	Baht 78 million	Baht 59 million
Electricity use and others	Baht 31 million	Baht 29 million	Baht 14 million	Baht 14 million
	RM 0.5 million	RM 0.5 million		

35.5 Contingent liabilities

A subsidiary in China calculates social welfare payments for employees based on the minimum rate stipulated by the Labour and Social Security Bureau in the precinct in which it is located. However, according to central government regulations on this issue, the subsidiary should pay social welfare based on the actual salary of staff, if those salaries are between the lowest and highest salary rates stipulated. The subsidiary could therefore potentially be at risk of additional assessment by the Chinese authorities, which the subsidiary's management has assessed, as at 31 December 2022, would not exceed RMB 24.3 million (2021: not exceed RMB 21.7 million). However, the subsidiary's management believes that the practice is in line with that of other international firms situated in the same precinct, and the likelihood of such assessment is remote.

36. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have 3 reported segments.

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

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

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

35.2 The following tables present revenues and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

(Unit: Million Baht)

	Manufacture of auto parts segment		Sales of automobiles and provision of automobiles repair service segment		Others		Total segments		Adjustments and eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from contracts with customers												
External customers	20,313	15,193	7,634	5,232	20	8	27,967	20,433	-	-	27,967	20,433
Inter-segment	2,013	1,462	942	882	20	18	2,975	2,362	(2,975)	(2,362)	-	-
Total revenues	22,326	16,655	8,576	6,114	40	26	30,942	22,795	(2,975)	(2,362)	27,967	20,433
Finance income	7	3	1	-	1	-	9	3	-	-	9	3
Depreciation and amortisation	1,044	944	107	83	3	4	1,154	1,031	-	-	1,154	1,031
Finance cost	289	298	52	47	1	1	342	346	-	-	342	346
Segment profit (loss)	1,529	871	32	(13)	4	1	1,565	859	-	-	1,565	859
Reversal of expected credit losses											12	10
Loss on impairment of investments and goodwill											(5)	-
Share of profit from investments in associates and joint ventures											452	281
Profit before income tax expenses											2,024	1,150
Income tax expenses											(177)	(113)
Profit for the year											1,847	1,037

36.3 Geographic information

(Unit: Million Baht)		
For the years ended 31 December		
	2022	2021
Revenues from external customers based on country of domicile		
Thailand	18,373	12,816
China	1,269	1,099
Malaysia	4,180	2,763
Portugal	4,145	3,755
Total	27,967	20,433

(Unit: Million Baht)		
As at 31 December		
	2022	2021
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	6,775	6,665
China	795	782
Malaysia	424	431
Portugal	5,427	5,707
India	2,694	2,728
Total	16,115	16,313

36.4 Major customers

For the year 2022, the Group had revenues from a major customer in amount of Baht 7,842 million (2021: Baht 5,053 million derived from 1 major customer), arising from the manufacture of auto parts segment.

37. Financial instruments

37.1 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, restricted bank deposits, trade receivables, loans to, investments, short-term and long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risks primarily with respect to trade receivables, loans to, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group has high concentrations of credit risk since it has a small customer base in automotive industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising interest rate risk and currency risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its debentures, interest-carrying loan receivable and payable. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

(Unit: Million Baht)

Consolidated financial statements

	Fixed interest rates						Floating		Non-interest		Total		Interest rate	
	Within 1 year		1 - 5 years		In over 5 years		interest rate		bearing				(% per annum)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial assets														
Cash and cash equivalents	164	195	-	-	-	-	254	148	349	347	767	690	Note 6	Note 6
Other current financial assets	-	-	-	-	-	-	-	-	-	52	-	52	-	-
Trade and other receivables	-	-	-	-	-	-	-	-	4,330	2,237	4,330	2,237	-	-
Loans to related parties	-	-	122	96	-	-	-	-	-	-	122	96	3.4 - 4.0	3.7 - 4.0
Restricted bank deposits	48	27	-	-	-	-	-	-	-	-	48	27	0.3 - 1.1	0.6
Total	212	222	122	96	-	-	254	148	4,679	2,636	5,267	3,102		
Financial liabilities														
Short-term loans from banks	1,929	1,710	-	-	-	-	-	-	-	-	1,929	1,710	Note 20	Note 20
Trade and other payables	-	-	-	-	-	-	-	-	7,010	4,884	7,010	4,884	-	-
Short-term loans from related parties	32	36	-	-	-	-	-	-	-	-	32	36	-	-
Long-term loans	424	312	882	402	-	-	2,867	3,525	296	340	4,469	4,579	Note 22	Note 22
Long-term debentures	300	500	800	1,099	-	-	-	-	-	-	1,100	1,599	Note 23	Note 23
Total	2,685	2,558	1,682	1,501	-	-	2,867	3,525	7,306	5,224	14,540	12,808		

(Unit: Million Baht)

Separate financial statements

	Fixed interest rates				Floating		Non-interest					
	Within 1 year		1 - 5 years		interest rate		bearing		Total		Interest rate (% per annum)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial assets												
Cash and cash equivalents	-	-	-	-	63	11	98	30	161	41	Note 6	Note 6
Other current financial assets	-	-	-	-	-	-	-	23	-	23	-	-
Trade and other receivables	-	-		-	-	-	1,869	1,390	1,869	1,390	-	-
Loans to related parties	-	-	1,985	1,893	2,131	2,321	-	-	4,116	4,214	3.4 - 4.0	3.7 - 4.0
Total	-	-	1,985	1,893	2,194	2,332	1,967	1,443	6,146	5,668		
Financial liabilities												
Short-term loans from banks	100	109	-	-	-	-	-	-	100	109	Note 20	Note 20
Trade and other payables	-	-	-	-	-	-	749	480	749	480	-	-
Short-term loans from related parties	-	-	-	-	1,059	1,298	-	-	1,059	1,298	3.6	3.7
Long-term loans	335	270	675	135	1,676	2,491	-	-	2,686	2,896	Note 22	Note 22
Long-term debentures	300	500	800	1,099	-	-	-	-	1,100	1,599	Note 23	Note 23
Total	735	879	1,475	1,234	2,735	3,789	749	480	5,694	6,382		

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and purchasing fixed assets that are denominated in foreign currencies and loans to related parties. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and banks and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 765 million (2021: Baht 637 million). The Group has assessed the concentration of risk with respect to refinancing its debts and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

Financing management

As at 31 December 2022 and 2021, the credit facilities of the Group which have not yet been drawn down are summarised below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term credit facilities	4,356	4,313	2,925	2,916
Total	4,356	4,313	2,925	2,916

Maturity of financial liabilities

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows.

(Unit: Million Baht)

	2022					
	Consolidated financial statements					
	On demand	Less than 1 year	1 to 5 years	In over 5 years	Total	Carrying amount
Non-derivatives						
Short-term loans from banks	1,680	304	-	-	1,984	1,929
Trade and other payables	-	7,010	-	-	7,010	7,010
Short-term loans from related parties	32	-	-	-	32	32
Long-term loans	-	1,674	2,995	202	4,871	4,469
Debentures	-	339	816	-	1,155	1,100
Lease liabilities	-	121	192	84	397	345
Total	1,712	9,448	4,003	286	15,449	14,885

(Unit: Million Baht)

	2021					
	Consolidated financial statements					
	On demand	Less than 1 year	1 to 5 years	In over 5 years	Total	Carrying amount
Non-derivatives						
Short-term loans from banks	1,459	278	-	-	1,737	1,710
Trade and other payables	-	4,884	-	-	4,884	4,884
Short-term loans from related parties	36	-	-	-	36	36
Long-term loans	-	1,632	3,168	180	4,980	4,579
Debentures	-	548	1,155	-	1,703	1,599
Lease liabilities	-	109	179	10	298	285
Total	1,495	7,451	4,502	190	13,638	13,093

(Unit: Million Baht)

2022						
Separate financial statements						
	On demand	Less than 1 year	1 to 5 years	In over 5 years	Total	Carrying amount
Non-derivatives						
Short-term loans from banks	101	-	-	-	101	100
Trade and other payables	-	749	-	-	749	749
Short-term loans from related parties	1,078	-	-	-	1,078	1,059
Long-term loans	-	1,161	1,692	-	2,853	2,686
Debentures	-	339	816	-	1,155	1,100
Lease liabilities	-	4	5	-	9	9
Total	1,179	2,253	2,513	-	5,945	5,703

(Unit: Million Baht)

2021						
Separate financial statements						
	On demand	Less than 1 year	1 to 5 years	In over 5 years	Total	Carrying amount
Non-derivatives						
Short-term loans from banks	110	-	-	-	110	109
Trade and other payables	-	480	-	-	480	480
Short-term loans from related parties	1,323	-	-	-	1,323	1,298
Long-term loans	-	1,176	1,894	-	3,070	2,896
Debentures	-	548	1,155	-	1,703	1,599
Lease liabilities	-	7	9	-	16	15
Total	1,433	2,211	3,058	-	6,702	6,397

37.2 Fair values of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, short-term loan receivables and payables, their carrying amounts in the statement of financial position approximate their fair value.
- For equity and debt securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- For fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

As at 31 December 2022 and 2021, the Group had the assets that were measured at fair value using different levels of inputs as follows.

(Unit: Thousand Baht)

Consolidated financial statements					
2022					
Carrying amount	Fair value				Total
	Level 1	Level 2	Level 3		
Assets measured at fair value					
Investment in debt instrument - open-end fund	95	-	95	-	95

(Unit: Thousand Baht)

Consolidated financial statements					
2021					
Carrying amount	Fair value				Total
	Level 1	Level 2	Level 3		
Assets measured at fair value					
Investment in debt instrument - open-end fund	51,679	-	51,679	-	51,679

(Unit: Thousand Baht)

Separate financial statements					
2021					
Carrying amount	Fair value				Total
	Level 1	Level 2	Level 3		
Assets measured at fair value					
Investment in debt instrument - open-end fund	23,000	-	23,000	-	23,000

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

38. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Group manages its capital position with reference to their debt-to-equity ratio in order to comply with a condition in long-term loan agreements with financial institutions and issuance of debentures, which require the Group to maintain a debt-to-equity ratio of not more than 1.75:1 and 2.00:1, respectively.

As at 31 December 2022 and 2021, the Group had debt-to-equity ratios as below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
Total liabilities	15,539,543	13,907,695
Less: Cash and cash equivalents	(767,259)	(690,391)
Net debt	14,772,284	13,217,304
Total equity	9,929,491	8,814,799
Less: Non-controlling interests of subsidiaries	(318,452)	(301,796)
Net equity	9,611,039	8,513,003
Debt-to-equity ratio	1.54	1.55

No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 2021.

39. Events after the reporting period

On 28 February 2023, the Company's Board of Directors Meeting passed resolutions approving the following matters:

- A decrease in the registered share capital of PUREM AAPICO Company Limited from Baht 205.0 million to Baht 141.0 million by reducing 6,400,000 ordinary shares with a par value of Baht 10 each, resulting in the reduction in the number of shares held by the Company from 10,045,000 to 6,909,000 shares, with the original shareholding percentage to be maintained at 49%.
- Loans of Baht 186.2 million to be granted to PUREM AAPICO Company Limited in proportion to the Company's shareholding.
- A proposal for dividend of Baht 0.96 per share to be paid to holders of 354,842,012 shares, or a total amount not exceeding Baht 340.6 million, from the Company's operating results for the accounting period from 1 July 2022 to 31 December 2022 to be submitted to the Annual General Meeting of the Company's shareholders for further approval. The dividend is to be paid and recorded after approval granted by the Annual General Meeting of the Company's shareholders.

40. Reclassification

Certain amounts in the statement of financial position as at 31 December 2021 and the income statements for the year then ended have been reclassified to conform with the current year's classification as follows.

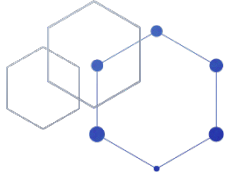
	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	As previously reported	As previously reported
	As reclassified	As reclassified
Statement of financial position		
Trade and other payables	5,080,829	4,883,735
Other current liabilities - Others	68,185	265,279

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As	As	As	As
	reclassified	previously reported	reclassified	previously reported
Income statements				
Administrative expenses	1,196,901	1,207,315	253,571	254,888
Expected credit losses (reversal)	-	(10,415)	-	(1,317)

The reclassifications had no effect to previously reported profit or shareholders' equity.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2023.

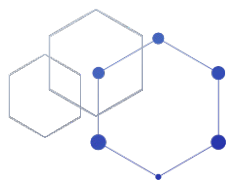


Part 4:

Enclosures

- Enclosure 1: Details of Directors, Executives, and Company Secretary
- Enclosure 2: Details on Directorship of Directors and Executives in Subsidiaries, Associated Companies and Joint Venture
- Enclosure 3: Details about the Head of Internal Audit
- Enclosure 4: Assets for Business Operation and Details about the Appraisal Items
- Enclosure 5: Policy and Practice of Corporate Governance and Business Ethics
- Enclosure 6: Report of Sub-Committees





Enclosure 1:

Details of Directors, Executives and Company Secretary

1. Mr. Yeap Swee Chuan

President and Chief Executive Officer
Chairman and Executive Director
Authorized Director

Age: 74 Years
Date of Appointment: 1 August 2002
AH Shareholding:

- **Individual:** 13.68%
- **Spouse:** 9.86%

Education:

- Bachelor's Degree in Technology (Industrial Management), Massey University, New Zealand

Training Program:

- Director Certification Program (DCP103/2008) *Thai Institute of Directors (Thai IOD)*
- Capital Market Academy Class 8 (CMA8) *The Stock Exchange of Thailand (SET)*

Experience:

2017 - Present	Honorary Chairman <i>Malaysian-Thai Chamber of Commerce</i>
2010 - Present	Vice Chairman <i>Peace Network of Thailand</i>
2000 - Present	Independent Director Member of Audit Committee Chairman of Nomination and Governance Committee <i>Goodyear (Thailand) PLC</i>
2002-Present	Chairman and Executive Director <i>AAPICO Hitech PLC</i>
1996 - Present	President and CEO Authorized Director <i>AAPICO Hitech PLC</i>
2010 - 2018	Director <i>Board of Trade</i>
2005 - 2017	Chairman <i>Malaysian-Thai Chamber of Commerce</i>

Position(s) in Other Listed Companies:

2000 - Present	Independent Director Member of Audit Committee Chairman of Nomination and Governance Committee <i>Goodyear (Thailand) PLC</i>
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Position(s) in Non-Listed Companies:

2017 - Present	Honorary Chairman <i>Malaysian-Thai Chamber of Commerce</i>
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2010 - Present	Vice Chairman <i>Peace Network of Thailand</i>
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Family Relationship Between Other Directors and Executives:

- Spouse of Mrs. Teo Lee Ngo
- Father of Ms. Yeap Xin Rhu

2. Mrs. Teo Lee Ngo

Authorized Director
Executive Director

Age: 72 Years
Date of Appointment: 1 August 2002
AH Shareholding:

- **Individual:** 9.86%
- **Spouse:** 13.68%

Education:

- Bachelor's Degree in Commerce (Industrial and Business Management), Nanyang University, Singapore

Training Program:

- None

Experience:

2003 - Present	Authorized Director <i>AAPICO Forging PLC</i>
2003 - Present	Authorized Director <i>AAPICO Plastics PLC</i>
1996 - Present	Authorized Director Executive Director <i>AAPICO Hitech PLC</i>
1996 - Present	Authorized Director <i>Able Sanoh Industries (1996) Co., Ltd.</i>
1992 - Present	Authorized Director <i>AAPICO Amata Co., Ltd.</i>

Position(s) in Other Listed Companies:

- None

Position(s) in Non-Listed Companies:

- None

Family Relationship Between Other Directors and Executives:

- Spouse of Mr. Yeap Swee Chuan
- Mother of Ms. Yeap Xin Rhu

3. Mr. Kenneth Ng

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

Age: 53 Years
Date of Appointment: 1 December 2008
AH Shareholding:
• **Individual:** None
• **Spouse:** None

Education:

- Bachelor of Science in Biotechnology (Honor), King's College London University, UK
- Qualified Chartered Accountant, Institute of England & Wales, UK

Training Program:

- Director Certification Program (DCP189/2014)
Thai Institute of Directors (Thai IOD)

Experience:

2015 - Present	Commissioner <i>PT Catur Sentosa Adiprana, Indonesia</i>
2013 - Present	Director <i>Playground 360 Co., Ltd.</i>
2008 - Present	Independent Director <i>AAPICO Hitech PLC</i>
2005 - Present	Director <i>KNKN Co., Ltd.</i>
2005 - Present	Director <i>NT Asset (Thailand) Co., Ltd.</i>
2018 - 2020	Chairman of the Board <i>Holmusk, Singapore</i>
2016 - 2019	Independent Director <i>Pushfor</i>
2007 - 2013	Director <i>Bun Co., Ltd.</i>
2003 - 2005	Director <i>Macquarie Securities (Thailand) Co., Ltd.</i>
1996 - 2003	Head of Research/Equity Analyst <i>ING Securities (Thailand) Co., Ltd.</i>
1993 - 1996	Equity Research <i>Worldsec Securities / UMBC Securities Malaysia</i>
1990 - 1993	Auditor <i>Ernst & Young, London</i>

Position(s) in Other Listed Companies:

2015 - Present	Commissioner <i>PT Catur Sentosa Adiprana, Indonesia</i>
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Position(s) in Non-Listed Companies:

2013 - Present	Director <i>Playground 360 Co., Ltd.</i>
2005 - Present	Director <i>KNKN Co., Ltd.</i>
2005 - Present	Director <i>NT Asset (Thailand) Co., Ltd.</i>

Family Relationship Between Other Directors and Executives:

- None

4. Mr. Wichian Mektrakarn

Independent Director
Member of Audit Committee
Chairman of Risk Management Committee

Age: 68 Years
Date of Appointment: 27 April 2015
AH Shareholding:
• **Individual:** 0.01%
• **Spouse:** None

Education:

- Bachelor of Science in Electrical Engineering (BS EEE) (Honors), California State Polytechnic University, Pomona, USA

Training Program:

- IT Governance and Cyber Resilience Program (ITG 13/2020)
Thai Institute of Directors (Thai IOD)
- Advance Audit Committee Program (ACCP 36/2020)
Thai Institute of Directors (Thai IOD)
- Ethical Leadership Program (ELP 12/2018)
Thai Institute of Directors (Thai IOD)
- Role of Chairman (RCP40/2017)
Thai Institute of Directors (Thai IOD)
- Board that Makes the Difference (BMD3/2016)
Thai Institute of Directors (Thai IOD)
- Director Certification Program (DCP107/2008)
Thai Institute of Directors (Thai IOD)
- Capital Market Academy Class 8 (CMA8)
The Stock Exchange of Thailand (SET)
- Advance Certificate Course in Politics and Governance in Democratic Systems for Executives Class 17
College of Politics and Governance, King Prajadhipok's Institute
- Advance Executive Program
Kellogg School of Management, Northwestern University, USA
- Mini MBA for Shinawatra Executives
Chulalongkorn University

- Advanced Technical in Microwave
California State University, Northridge, USA

Experience:

2019 - Present	Chairman of Audit Committee <i>Thanachart Insurance PLC</i>
2016 - Present	Director Member of Executive Committee Member of Nomination and Remuneration Committee <i>Pruksa Holding PLC</i>
2015 - Present	Independent Director <i>AAPICO Hitech PLC</i>
2015 - Present	Chairman of the Board of Directors <i>Aira & Aiful PLC</i>
2014 - Present	Director <i>Thanachart Insurance PLC</i>
2014 - 2019	Member of Audit Committee <i>Thanachart Insurance PLC</i>
2016 - 2018	Chairman of the Board of Directors <i>CS LoxInfo PLC</i>
2014 - 2018	Director <i>Pruksa Real Estate PLC</i>
2011 - 2016	Member of Executive Committee <i>Intouch Holdings PLC</i>
2014 - 2016	Advisor <i>Advanced Info Service PLC</i>
2014 - 2016	Director <i>International School of Engineering, Chulalongkorn University</i>
2009 - 2014	Chief Executive Officer <i>Advanced Info Service PLC</i>
2006 - 2009	President <i>Advanced Info Service PLC</i>

Position(s) in Other Listed Companies:

2016 - Present	Director Member of Executive Committee Member of Nomination and Remuneration Committee <i>Pruksa Holding PLC</i>
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Position(s) in Non-Listed Companies:

2019 - Present	Chairman of Audit Committee <i>Thanachart Insurance PLC</i>
2015 - Present	Chairman of the Board of Directors <i>Aira & Aiful PLC</i>
2014 - Present	Director <i>Thanachart Insurance PLC</i>

Family Relationship Between Other Directors and Executives:

- None

5. Mrs. Vachira Na Ranong

Independent Director

Member of Risk Management Committee

Member of Nomination and Remuneration Committee

Age:	68 Years
Date of Appointment:	14 August 2017
AH Shareholding:	
• Individual:	0.01%
• Spouse:	None

Education:

- Bachelor's Degree in Finance and Banking, Chulalongkorn University
- Master's Degree in Finance and Business Administration, Marshall University, USA

Training Program:

- Director Accreditation Program (DAP61/2007)
Thai Institute of Directors (Thai IOD)
- Role of Compensation Committee (RCC2/2007)
Thai Institute of Directors (Thai IOD)
- Director Certification Program (DCP124/2009)
Thai Institute of Directors (Thai IOD)
- Capital Market Academy Class 8 (CMA8)
The Stock Exchange of Thailand (SET)

Experience:

2019 - Present	Advisor <i>Thai Investors Association</i>
2017 - Present	Independent Director <i>AAPICO Hitech PLC</i>
2017 - Present	Vice President Chairman of Audit Committee <i>S11 Group PLC</i>
2013 - Present	Independent Director <i>S11 Group PLC</i>
2012 - 2019	President and Director <i>Thai Investors Association</i>
2003 - 2010	Assistant Secretary General <i>Government Pension Fund</i>
2002 - 2003	Researcher <i>Fiscal Policy Research Institution</i>
1998 - 2002	Assistant Secretary General <i>Financial Sector Restructuring Authority</i>
1989 - 1997	Assistant Managing Director <i>Finance One PLC</i>
1988 - 1989	Vice President <i>SICCO</i>
1979 - 1987	Manager <i>TISCO</i>

Position(s) in Other Listed Companies:

2017 - Present	Vice President Chairman of Audit Committee <i>S11 Group PLC</i>
2013 - Present	Independent Director <i>S11 Group PLC</i>

Position(s) in Non-Listed Companies:

2019 - Present	Advisor <i>Thai Investors Association</i>
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Family Relationship Between Other Directors and Executives:

- None

6. Mr. Arvind Mathew

Director

Member of Risk Management Committee

Age:	62 Years
Date of Appointment:	20 April 2022
AH Shareholding:	
• Individual:	None
• Spouse:	None

Education:

- Bachelor of Science (Mechanical Engineering), Birla Institute of Technology and Science, India
- Master of Science (Mechanical Engineering), University of Michigan, Ann Arbor, USA
- Master of Business Administration, Operations & Finance, University of Michigan, Ann Arbor, USA

Training Program:

- None

Experience:

2022 - Present	Director <i>AAPICO Hitech PLC</i>
2016 - 2021	Chief of International Operations <i>Mahindra & Mahindra (M&M), India</i>
2015 - 2016	Chief Executive Officer <i>Mahindra Electric Mobility Limited, India</i>

Position(s) in Other Listed Companies:

- None

Position(s) in Non-Listed Companies:

- None

Family Relationship Between Other Directors and Executives:

- None

7. Mr. Jianhui Shi

Independent Director

Member of Audit Committee

Member of Nomination and Remuneration Committee

Age:	50 Years
Date of Appointment:	29 June 2022
AH Shareholding:	
• Individual:	None
• Spouse:	None

Education:

- Bachelor of Mechanical Design, Zhejiang University of Technology, China
- Executive Master of Business Administration, Cheung Kong Graduate School of Business, China
- Executive Master of Business Administration, Shanghai Advanced Institute of Finance, China

Training Program:

- None

Experience:

2022 - Present	Independent Director <i>AAPICO Hitech PLC</i>
2022 - Present	Director <i>Shanghai Shijia Technology Co., Ltd</i>
2021 - Present	Chairman <i>Hangzhou Haomian Technology Co., Ltd</i>
2020 - Present	Independent Director <i>Zhejiang Sanhua Intelligent Control Co., Ltd</i>
2020 - Present	Director <i>Rubbermaid Dikang Environmental Engineering (Shanghai) Co., Ltd</i>
2020 - Present	Chief Executive Officer <i>Ningbo Smart Venture Capital Partnership (L.P.)</i>
2017 - Present	Chief Executive Officer <i>Ningbo Meishan Free Trade Port Xiaozhi, Investment Management Partnership (L.P.)</i>
2016 - 2017	Chairman and Chief Executive Officer
2005 - 2016	Chief Executive Officer <i>Minth Group</i>

Position(s) in Other Listed Companies:

2020 - Present	Independent Director <i>Zhejiang Sanhua Intelligent Control Co., Ltd</i>
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Position(s) in Non-Listed Companies:

2022 - Present	Director <i>Shanghai Shijia Technology Co., Ltd</i>
2021 -Present	Chairman <i>Hangzhou Haomian Technology Co., Ltd</i>
2020-Present	Director <i>Rubbermaid Dikang Environmental Engineering (Shanghai) Co., Ltd</i>
2020 - Present	Chief Executive Officer <i>Ningbo Smart Venture Capital Partnership (L.P.)</i>
2017 - Present	Chief Executive Officer <i>Ningbo Meishan Free Trade Port Xiaozhi, Investment Management Partnership (L.P.)</i>

Family Relationship Between Other Directors and Executives:

- None

8. Ms. Yeap Xin Rhu

Chief Financial Officer
Company Secretary

Age:	43 Years
Date of Appointment:	
Company Secretary	14 August 2019
Chief Financial Officer	28 February 2018
AH Shareholding:	
• Individual:	7.90%
• Spouse:	1.19%

Education:

- Bachelor's Degree in Business Administration (BBA), Accounting and Finance, Thammasat University

Training Program:

- Executive Development Program (EDP6)
Thai Listed Companies Association
- Leadership Development Program 4: Enhancing the Competitiveness of Thai Companies, IMD program
Thai Listed Companies Association
- Strategic CFO in Capital Markets Program
Thailand Securities Institute, The Stock Exchange of Thailand
- Certificate in Investor Relations 2017
Thai Listed Companies Association
- The Leadership ACT Program
Slingshot Group

Experience:

2022-Present	Chief Financial Officer <i>AAPICO ITS Co., Ltd.</i>
2020-2022	General Manager <i>AAPICO ITS Co., Ltd.</i>
2019-Present	Company Secretary <i>AAPICO Hitech PLC</i>
2018-Present	Chief Financial Officer <i>AAPICO Hitech PLC</i>
2014-Present	Director: Information Technology Department <i>AAPICO Hitech PLC</i>
2014-Present	Vice President <i>Thai Auto Parts Manufacturers Association (TAPMA)</i>
2002-Present	Purchasing Director <i>AAPICO Hitech PLC</i>
2014-2018	Director: Financial & Accounting <i>AAPICO Hitech PLC</i>
2002-2018	P.A. to the President & CEO <i>AAPICO Hitech PLC</i>
2012-2019	Chief Operating Officer <i>AAPICO Forging PLC</i>

Position(s) in Other Listed Companies:

- None

Position(s) in Non-Listed Companies:

2014-Present	Vice President <i>Thai Auto Parts Manufacturers Association (TAPMA)</i>
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Family Relationship Between Other Directors and Executives:

- Daughter of Mr. Yeap Swee Chuan and Mrs. Teo Lee Ngo

9. Mr. Sattha Peth-In

General Manager, Sales and Marketing

Age:	55 Years
Date of Appointment:	1 June 2020
AH Shareholding:	
• Individual:	0.01%
• Spouse:	None

Education:

- Bachelor's Degree in Engineering, King Mongkut's University of Technology North Bangkok

Training Program:

- None

Experience:

2020-Present	General Manager, Sales and Marketing <i>AAPICO Hitech PLC</i>
2017-Present	Director <i>AAPICO Forging PLC</i>
2016-2020	Assistant General Manager, Sales and Marketing <i>AAPICO Hitech PLC</i>
2014-2015	Assistant General Manager, Accounting and Finance <i>AAPICO Hitech PLC</i>
2010-2013	Assistant General Manager, Production <i>AAPICO Hitech PLC</i>

Position(s) in Other Listed Companies:

- None

Position(s) in Non-Listed Companies:

- None

Family Relationship Between Other Directors and Executives:

- None

10. Mr. Yong Xiang Li

Assistant General Manager, Accounting

Age: 50 Years
Date of Appointment: 1 February 2020
AH Shareholding:
 • **Individual:** None
 • **Spouse:** None

Education:

- Bachelor's Degree in Accounting, East China University of Science and Technology, China

Training Program:

- None

Experience:

2020-Present	Assistant General Manager, Accounting <i>AAPICO Hitech PLC</i>
2010-2018	Plex System Manager <i>Minth AAPICO (Thailand) Co., Ltd</i>

Position(s) in Other Listed Companies:

- None

Position(s) in Non-Listed Companies:

- None

Family Relationship Between Other Directors and Executives:

- None

11. Mr. Tiwa Boonthem

Assistant General Manager, Production

Age: 57 Years
Date of Appointment: 1 February 2020
AH Shareholding:
 • **Individual:** 0.00001%
 • **Spouse:** None

Education:

- Bachelor's Degree in Management Science, Sukhothai Thammathirat University

Training Program:

- None

Experience:

2020-Present	Assistant General Manager, Production <i>AAPICO Hitech PLC</i>
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Position(s) in Other Listed Companies:

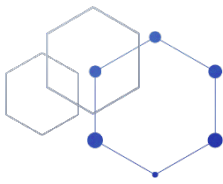
- None

Position(s) in Non-Listed Companies:

2020-Present	Assistant General Manager, Production <i>AAPICO Hitech Parts Company Limited</i>
2020-Present	Assistant General Manager, Production <i>AAPICO Lemtech Company Limited</i>

Family Relationship Between Other Directors and Executives:

- None



Enclosure 2:

Details on Directorship of Directors and Executives in Subsidiaries, Associated Companies, and Joint Ventures

Company Name		Mr. Yeap Swee Chuan	Mrs. Teo Lee Ngo	Mr. Kenneth Ng	Mr. Wichian Mektrakarn	Mrs. Vachira Na Ranong	Mr. Arvind Mathew	Mr. Jianhui Shi	Ms. Yeap Xin Rhu	Mr. Satttha Peth-in	Mr. Yong Xiang Li	Mr. Tiwa Boonthem
Company	AH	x, //	//	///	///	///	/	///	o	o	o	o
Subsidiaries	AA	x, //	//	-	-	-	-	-	//	-	-	-
	ASP	x, //	//	-	-	-	-	-	//	-	-	-
	AF	x, //	//	-	-	-	-	-	//	/	-	-
	APC	x, //	//	-	-	-	-	-	//	-	-	-
	AP	x, //	//	-	-	-	-	-	//	-	-	-
	AHP	x, //	//	-	-	-	-	-	-	-	-	-
	AMK	x, //	-	-	-	-	-	-	-	-	-	-
	AL	x, //	//	-	-	-	-	-	-	-	-	-
	AHT	x, //	//	-	-	-	-	-	-	-	-	-
	KCX	x, /	/	-	-	-	-	-	/	-	-	-
	NESC	x, /	/	-	-	-	-	-	//	-	-	-
	AM	x, /	/	-	-	-	-	-	//	-	-	-
	NESM	x, /	/	-	-	-	-	-	-	-	-	-
	TSR	x, /	/	-	-	-	-	-	-	-	-	-
	AITS	x, //	//	-	-	-	-	-	//	-	-	-
	AERP	-	-	-	-	-	-	-	//	-	-	-
	AIPL	/	/	-	-	-	-	-	/	-	-	-
	AT	x, //	//	-	-	-	-	-	-	-	-	-
	AB	x, //	//	-	-	-	-	-	//	-	-	-
	ATC	x, //	//	-	-	-	-	-	//	-	-	-
	AV	x, //	//	-	-	-	-	-	//	-	-	-
	SGAH	/	/	-	-	-	-	-	/	-	-	-
	AMI	/	-	-	-	-	-	-	/	-	-	-
	AAG	/	-	-	-	-	-	-	/	-	-	-
	AGG	-	-	-	-	-	-	-	-	-	-	-
	AMPK	/	/	-	-	-	-	-	/	-	-	-
	AMPT	/	/	-	-	-	-	-	/	-	-	-
	AMSB	/	/	-	-	-	-	-	-	-	-	-
	AHA	/	/	-	-	-	-	-	-	-	-	-
	AMKSB	/	/	-	-	-	-	-	-	-	-	-
	AMTSB	/	/	-	-	-	-	-	-	-	-	-
	AMMG	/	/	-	-	-	-	-	/	-	-	-
Associated Companies and Joint Ventures	ASICO	x, /	/	-	-	-	-	-	-	-	-	-
	MA	x, /	/	-	-	-	-	-	-	-	-	-
	SI	/	-	-	-	-	-	-	-	-	-	-
	TTSC	x, /	-	-	-	-	-	-	/	-	-	-
	HM	-	-	-	-	-	-	-	/	-	-	-
	EA	/	/	-	-	-	-	-	-	-	-	-
	SA	/	/	-	-	-	-	-	-	-	-	-
	ASD	/	/	-	-	-	-	-	-	-	-	-
	AEC	/	-	-	-	-	-	-	/	-	-	-
	VROOM	/	-	-	-	-	-	-	-	-	-	-
	PA	/	-	-	-	-	-	-	/	-	-	-

Remarks: x = Chairman / = Director // = Executive Director /// = Independent Director o = Executive

Subsidiaries

OEM Automotive Parts Manufacturing Business

AA	=	AAPICO Amata Co., Ltd.
AAG	=	AAPICO Águeda, S.A.
AF	=	AAPICO Forging PLC
AHA	=	AAPICO Hitech Automation Co., Ltd.
AHP	=	AAPICO Hitech Parts Co., Ltd.
AHT	=	AAPICO Hitech Tooling Co., Ltd.
AL	=	AAPICO Lemtech (Thailand) Co., Ltd.
AMI	=	AAPICO Maia, S.A.
AMK	=	AAPICO Mitsuike (Thailand) Co., Ltd.
AP	=	AAPICO Plastics PLC
APC	=	AAPICO Precision Co., Ltd.
ASP	=	AAPICO Structural Products Co., Ltd.
KCX	=	Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.
SGAH	=	Sakthi Global Auto Holdings Limited
AGG	=	AAPICO Germany GmbH
PA	=	Purem AAPICO Co., Ltd.

Car Dealership Business

AM	=	Able Motors Co., Ltd.
AMKSB	=	AAPICO Motors (Kuantan) Sdn. Bhd.
AMSB	=	AAPICO Motors Sdn. Bhd.
AMMG	=	MG Able Motors Co., Ltd.
AMPK	=	Able Motors Pakkret Co., Ltd.
AMPT	=	Able Motors Pathumthani Co., Ltd.
AMTSB	=	AAPICO Motors (Temerloh) Sdn. Bhd.
NESC	=	New Era Sales Co., Ltd.
NESM	=	New Era Sales (M) Sdn. Bhd.
TSR	=	Tenaga Setia Resources Sdn. Bhd.

IOT Connectivity and Mobility Business and Others

AERP	=	A ERP Co., Ltd.
AIPL	=	AAPICO Investment Pte. Ltd.
AITs	=	AAPICO ITS Co., Ltd.
AT	=	AAPICO Technology Co., Ltd.
ATC	=	AAPICO Training Center Co., Ltd.
AV	=	AAPICO Venture Co., Ltd.
AB	=	AAPICO BIKE Co., Ltd.

Associates and Joint Ventures

OEM Automotive Parts Manufacturing Business

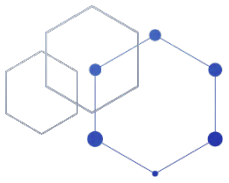
ASICO	=	Able Sanoh Industries (1996) Co., Ltd.
MA	=	Minth AAPICO (Thailand) Co., Ltd.
SI	=	Sanoh Industries (Thailand) Co., Ltd.
TTSC	=	Thai Takagi Seiko Co., Ltd.
EA	=	Edscha AAPICO Automotive Co., Ltd.
SA	=	Sumino AAPICO (Thailand) Co., Ltd.
ASD	=	AAPICO Sodecia (Thailand) Co., Ltd.

Car Dealership Business

HM	=	Hyundai Motor (Thailand) Co., Ltd.
VROOM	=	Vroom Co., Ltd.

IOT Connectivity and Mobility Business and Others

AEC	=	AAPICO Electronics Co., Ltd.
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Enclosure 3:

Details about the Head of Internal Audit

AAPICO Hitech Public Company Limited ("The Company") has appointed Mr. Ramachandran Balasubramanian to be the Head of Internal Audit since 2021 to perform the duties of the Company's internal auditors, which include auditing and assessing the internal control system's sufficiency and reporting the audit results to the Audit Committee at least once a year. Due to his independence and expertise in completing internal audits, the Audit Committee has determined that Mr. Ramachandran Balasubramanian is qualified to execute such activities.

The Internal Auditor is responsible for implementing the Company's internal control practices in accordance with the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET") laws, rules, regulations, policies, and procedures, which can be summarized as follows:

- 1) Assess the risks associated with the transactions to be audited and schedule the audited work for each transaction to be in accordance with plan.
- 2) Examine the working document as well as the preparation of the audit's observations.
- 3) Organize an internal meeting with the team to discuss the audit's progress.
- 4) Monitor improvement plans to decrease the risk of observation or to avoid the spread of risks, as well as supervise meetings with those being audited on the concerns identified in the audit.
- 5) Report the audited result of the adequacy of the internal control system to the Company's Audit Committee on a quarterly basis.

Mr. Ramachandran Balasubramanian

Age: 50 Years
Position: Head of Internal Audit
Nationality: Indian
AH Shareholding:

- **Individual:** None
- **Spouse:** None

Education:

- Bachelor of Commerce, University of Madras, India
- Chartered Accountant (ACA), Institute of Chartered Accountants of India (ICAI)

Certifications:

- Certification on "Forensic Accounting and Fraud Examination" (2020)
West Virginia University
- Certification on "Google Analytics for Power Users" (2020)
Data Analytics Certification
- Certification with Honors on "Financial Markets" (2020)
Yale University

Experience:

2018 - Present	Financial Co-Ordinator <i>AAPICO Hitech PLC</i>
1998 - 2018	Audit Senior Manager <i>Deloitte India, United States of America and United Kingdom offices</i>

Position(s) in Other Listed Companies:

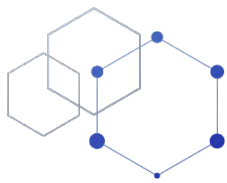
- None

Position(s) in Non-Listed Companies:

- None

Family Relationship Between Other Directors and Executives:

- None



Enclosure 4:

Assets for Business Operation and Details about the Appraisal Items

4.1. Assets for Business Operation

The Company and its subsidiaries possess land, office and factory buildings, machinery, and equipment for operation. This also includes vehicles and office equipment. The net book value as of December 31, 2022, shows the following categories:

Lists of Fixed Assets	Proprietary Type	(Net) Book Value (Unit: Baht mn)	Obligation
Tangible Assets			
Land	Owner	1,158.32	The Company's two overseas subsidiaries have mortgaged the land, building and machinery with the net book value as of 31 December 2022 of Baht 1,055 million in bank credit.
Building & Building Improvements and Apartment	Owner	1,794.65	
Building on Leasehold Land	Owner	107.54	
Machinery and Factory Equipment	Owner	3,789.61	
Motor Vehicles and Office Equipment	Owner	446.13	
Building under construction, Machinery and Factory Equipment under production and installation	Owner	616.36	None
Right-of-use assets			
Land	Operating lease	273.12	None
Building & Building Improvements and Apartment	Operating lease	224.61	None
Machinery and Factory Equipment	Finance Lease/ Operating lease	144.97	None
Motor Vehicles and Office Equipment	Finance Lease/ Operating lease	94.11	None
Intangible Assets			
Computer Software	Owner	16.58	None
Product Development Cost	Owner	62.94	None
Development Cost for Production Enhancement	Owner	1,413.91	None
Works under Development	Owner	29.15	None

4.1.1 Long Term Lease Agreement (Right-of-use assets)

1) Lease Agreement of Land and Building for Ford Showroom in Thailand

Counterparties	Mr. Monthawat Puangsalee and New Era Sales Co., Ltd.
Location	Title deed no. 102276, land no. 3677, Ramintra KM 7 road, area of approximately 1 rai 2 ngan 21 sq.wah
Contract Date	1 November 2021
Contract Period	3 Years (31 October 2024)

2) Lease Agreement of Land for Car Parking at Ford Showroom in Thailand

Counterparties	P.S.T. Property Co., Ltd. and New Era Sales Co., Ltd.
Location	Title deed for business purposes, Ramintra road, area of approximately 184 sq.wah
Contract Date	1 November 2021
Contract Period	3 Years (31 October 2024)

3) Lease Agreement of Land and Building for Ford Showroom in Thailand

Counterparties	Everest Estate Co., Ltd. and New Era Sales Co., Ltd.
Location	Title deed no. 86435, no. 5823, Bang Mueang Subdistrict, Mueang District, Samutprakarn Province
Contract Date	7 August 2017
Contract Period	11 Years (6 August 2028)

4) Agreement of Land and Building for Ford Showroom in Thailand

Counterparties	PPS. AUTO TRADE Co., Ltd. and New Era Sales Co., Ltd.
Location	Deed No. 907, No. 8/9 Moo 7, Phaholyothin-Lam Luk Ka Road, Lat Sawai Subdistrict, Lam Luk Ka District, Pathum Thani Province
Contract Date	4 July 2022
Contract Period	15 Years (13 July 2037)

5) Lease Agreement of Land for Mazda Showroom in Thailand

Counterparties	Mrs. Wanlapa Yansomboon and Able Motors Co., Ltd.
Location	Title deed no. 1731, land no. 7, dealing file no. 321, Khlong Nueng Subdistrict, Khlong Luang District, Pathum Thani Province
Contract Date	1 January 2014
Contract Period	10 Years (Renew the contract every 3 years until the expiration date)

6) Lease Agreement of Land for Mitsubishi Showroom in Thailand

Counterparties	Mr. Chalophon Huabcham and Able Motors Co., Ltd.
Location	Title deed no. 105204, land no. 514, dealing file no. 18298, Racha Thewa Subdistrict, Bang Pli District, Samutprakarn Province
Contract Date	1 March 2021
Contract Period	18 Years 1 Month (8 April 2039)

7) Lease Agreement of Land for MG Showroom in Thailand

Counterparties	Y L N Co., Ltd. and MG Able Motors Co., Ltd.
Location	Title deed no. 76263, land no. 199, dealing file no. 9301, Bangpoorn Subdistrict, Mueang Pathum Thani District, Pathum Thani Province
Contract Date	1 July 2021
Contract Period	3 Years (30 June 2024)

8) Lease Agreement of Land for Honda Showroom in Malaysia

Counterparties	MOSAT LAND and New Era Sales (M) Sdn. Bhd. (Malaysia)
Location	No. 39821, Jalan Semenyi Kajang, Selangor 43000, Malaysia
Contract Date	1 April 2020
Contract Period	3 Years (31 March 2023)

9) Lease Agreement of Building for Honda Showroom in Malaysia

Counterparties	AAPICO Engineering Sdn. Bhd. and Tenaga Setia Resources Sdn. Bhd. (Malaysia)
Location	No. 10, Jalan 51/217, Petaling Jaya, Selangor 43000, Malaysia
Contract Date	1 January 2022
Contract Period	2 Years (31 December 2023)

10) Lease Agreement of Proton Automobile Repair and Services Center in Malaysia

Counterparties	Hicom Hartanah Sdn. Bhd. and AAPICO Motors (Kuantan) Sdn. Bhd. (Malaysia)
Location	No. 7138, Semambu Industrial Estate, Kuantan, Pahang 25350 Malaysia
Contract Date	1 October 2020
Contract Period	3 Years (30 September 2023)

11) Lease Agreement of Land and Building for Proton Showroom in Malaysia

Counterparties	Hicom Hartanah Sdn. Bhd. and AAPICO Motors (Kuantan) Sdn. Bhd. (Malaysia)
Location	No. B4342 & B4344, Jalan Beserah, Kuantan, Pahang 25300, Malaysia
Contract Date	1 October 2020
Contract Period	3 Years (30 September 2023)

12) Lease Agreement of new car storage in Malaysia

Counterparties	Teck Seong Automotive Sdn. Bhd. and AAPICO Motors (Temerloh) Sdn. Bhd. (Malaysia)
Location	No. 2142 Batu 1, Jalan Temerloh-Mentacab, Temerloh, Pahang 28000, Malaysia
Contract Date	1 December 2020
Contract Period	3 Years (30 September 2023)

13) Lease Agreement of Building for Proton Showroom in Malaysia

Counterparties	Teck Seong Automotive Sdn. Bhd. and AAPICO Motors (Temerloh) Sdn. Bhd. (Malaysia)
Location	No. 339, Jalan Tengku, Ismail Temerloh, Pahang 28000, Malaysia
Contract Date	1 September 2020
Contract Period	3 Years (30 September 2023)

14) Lease Agreement of Lands and Building for Proton Showroom in Malaysia

Counterparties	Teluk Mestika Sdn. Bhd. and AAPICO Motors Sdn. Bhd. (Malaysia)
Location	No. 4523(D) Batu 4 ½, Jalan Cheras, Kuala Lumpur 56100, Malaysia
Contract Date	1 April 2022
Contract Period	3 Years (31 March 2025)

15) Lease Agreement of new car storage in Malaysia

Counterparties	AAPICO Engineering Sdn. Bhd. and Tenaga Setia Resources Sdn. Bhd. (Malaysia)
Location	PT 9A, Jalan 51A/223, Petaling Jaya, Selangor 46100, Malaysia
Contract Date	1 April 2022
Contract Period	3 Years (31 December 2024)

16) Lease Agreement of Land, Factory and Building in China

Characteristics	Land, Factory and Office
Location	No. 405 Yunqi Road, Kunshan City, Jiangsu Province, China
Contract Date	19 April 2011
Contract Period	50 Years (26 March 2061)

4.2 Policy on Investment in Subsidiary and Associate Companies

The Company has a policy of investing in businesses relevant to the automotive sector both domestically and internationally in order to focus on improving and strengthening the company's technology-potential manufacturing processes and management. The amount of investment or joint venture is determined by the Company's demands for participation in management and the establishment of business standards and management agreements with business partners.

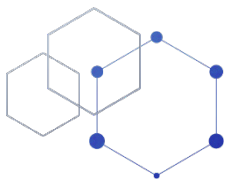
The Company's subsidiaries, associated companies, and joint ventures investment is primarily for the purpose of collaborating and exchanging experiences, as well as leveraging expertise and collaboration in technology, production, marketing, and management to support business expansion. This also includes promoting and pushing the Company to achieve its goal of becoming one of the global leaders in automotive parts manufacturers. The Board of Directors has set standards and criteria for evaluating the Company's investments, taking into account the Company's goals and the viability of business initiatives, which also include the financial return from the investment at a reasonable level for the best interest of the Company and shareholders.

In addition to the core business investment, the Company has formed a subsidiary with the goal of efficiently managing the AAPICO Group's services and

lowering the company's overall costs, such as operating systems, resource planning, and training course activities for Group employees, among other things. Moreover, the Company intends to increase its investments in the automotive-related technology, such as transportation management vehicles, tracking systems, and smart city management systems. For business expansion prospects, the Company has been interested in investing in venture capital enterprises in start-up businesses that may disrupt the Company's business operations going forward. The Company also promote the development of new innovations in order to generate a sustainable return.

4.3 Details about the Appraisal Items

None

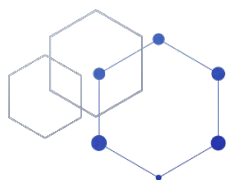


Enclosure 5:

Policy and Practice of Corporate Governance and Business Ethics

AAPICO's Corporate Governance Policies and Practices and Business Ethics are available for viewing on the company's website, www.aapico.com. This is under the "Investor Relations" section, "Corporate Governance" subsection, or may scan the QR code.





Enclosure 6:

Report of Sub-Committees

Report of the Audit Committee

The Audit Committee consists of 3 qualified, experienced, strong, knowledgeable, and independent professional directors who have been tasked by the main board in furthering the collective goal of providing high quality, reliable financial information to investors and the market and to report any findings to the main board. The Audit Committee is chaired by Mr. Kenneth Ng as the Chairman of the Committee, with Mr. Wichian Mektrakarn and Mr. Jianhui Shi serving as the members of the Committee. The role of the Audit Committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements before submission to the Board, review of adequacy of internal control system, findings of internal audit, whistle blower mechanism, review of related party transactions, review of investments made, review of compliance with the provisions of regulatory compliances and review of effectiveness of audit process.

In the year 2022, the Audit Committee held 4 meetings with executive directors, auditors, internal auditor and concerned parties to consider various agenda items and express their opinions. Further, as a good Corporate Governance practice, a separate discussion of the Audit Committee with the Statutory Auditors and the Internal Auditors without the presence of the Management team was held. The Internal Auditors report directly to the Audit Committee for the purpose of audit conducted by them.

Audit Committee's key duties can be summarized as follows:

- 1) Review of Financial Statements.** The Audit Committee reviewed the quarterly and annual financial statements including the disclosure of notes to financial statements. The Committee reviewed the preparation of financial statements for its correctness, adequacy and its adherence to generally accepted financial reporting standards and regulatory requirements. Audit Committee reviewed the audit plan for its appropriateness, coverage and sufficiency. Audit Committee reviewed the audited financial statements to ensure adequate information was disclosed in such statements for the benefit of users. The Audit Committee invited external auditors to present their audit report and observations at Audit Committee meetings. Additionally, they also met exclusively with external auditors in the absence of the management to discuss their comments and concerned issues of the audit and review of financial statements, the auditors' independence, and their professional views with a focus on accurate, complete, and adequate presentation of data. With the above in mind, the Audit Committee reviewed and considered that the Company's financial statements for the year 2022 was prepared according to the Thai Financial Reporting Standards (TFRS) and contained sufficient disclosure in the notes to the financial statements, and thereby approved the financial statements in which external auditors have reviewed and audited without reservation.
- 2) Review of internal control system and internal audit.** The Committee reviewed the findings of the audit reports of Internal Audit and the external auditor concerning assessment of the internal control system; ensured sound risk management practices with comprehensive risk assessment; and supported and counseled on corporate governance tasks. The Committee encourages that the Company continues to further enhance established preventive control system in the operational procedures in an adequate manner. With the certification of the IATF 16949 quality management standard and the result of internal control

assessment, the Audit Committee was assured that the Company's internal control system was appropriate and at a sufficient level without significant deficiencies. The Audit Committee also conducted review meetings and approved the annual audit plan of internal auditors. The Committee has provided recommendations and follow up improvements according to the internal audit report to ensure good corporate governance and enhance greater efficiency of the Company's operations.

- 3) Review of related transactions and transactions of potential conflict of interest.** The Audit Committee reviewed related transactions that arose in the ordinary course of business for the benefit of the AAPICO Group or transactions with potential conflicts of interest, associated transactions within the organization. The Committee reviewed these transactions for their reasonableness and transparency s and ensured all transactions were properly considered and disclosed in compliance with regulatory requirements and good corporate governance principles evaluate the procedure for receiving complaints and reporting any indications of corruption (Whistleblowing).
- 4) Review of compliance with relevant laws and regulations.** The Audit Committee reviewed the Company's operations and reporting to comply with relevant laws, regulations, the notifications of SET and SEC, and regulatory requirements. The Committee reviewed management's conducts of the Company's business such that it was in compliance with the good corporate governance practices, business ethics, the anti-corruption policy and other policies according to the guidance of the Board of Directors. There were misconducts reported for the fiscal year 2022
- 5) Appointment of external auditor.** The Audit Committee considered the appointment of the external auditor and the auditor's remuneration based on knowledge, experience, ability, adequacy of resources, and the level of independence. In view of the quality of their services, the Audit Committee resolved to recommend the re-appointment of EY Office Limited to be the Company's auditor for the fiscal year 2022, and also proposed to the Board of Directors for consideration and concurrence this proposal for submission to the Annual General Meeting of shareholders to consider and approve.

In summary, the Audit Committee has performed its duties with adequate knowledge, competence, prudence, and independence for equal benefits of all stakeholders without any restriction in obtaining information, resources, and with cooperation from management. It views that the Company has improved its good corporate governance, internal control, and audit system in appropriate, adequate and efficient manners. The Company's financial statements were accurate, credible, and presented fairly in accordance with general accepted accounting standards. The disclosure of information was adequate. The Audit Committee has assessed its performance of duties and responsibilities in the past year as effective, efficient, and achieved the objectives as assigned by the Board of Directors.

On behalf of the Audit Committee



Mr. Kenneth Ng
Chairman

Report of Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 independent directors, with Mr. Kenneth Ng as the Chairman of the Committee, Mrs. Vachira Na Ranong, and Mr. Jianhui Shi as members of the Committee. The Nomination and Remuneration Committee carried out its duties and performed other tasks as assigned by the Board of Directors.

For directors' nomination, the Committee is responsible for reviewing the structure and composition of the board for its suitability to the business by taking into consideration the appropriateness of diversity, size and directors' knowledge and experience. The Committee considers and nominates persons from different professions with the qualifications as required by relevant laws and regulations. It screens persons who are eligible for director positions on the basis of their capability, knowledge, experience, and expertise relating to the Company's business strategy. The qualified candidates must also possess necessary skills and be able to devote time and handle duties for the best interest of the Company.

For directors' remuneration, the Committee carefully analyzed the remuneration of the Board of Directors and the committees. The Committee made recommendations to the Board of Directors by taking into consideration assigned duties and responsibilities of directors and by benchmarking with other listed companies that are in the same industry or have comparable business size, profits, and directors' accountability.

For the year 2022, the Nomination and Remuneration Committee held meetings to consider the appointment of directors replacing those resigning and retiring by rotation, directors' remuneration and other matters. During the year, Mr. John Parker, and Mr. Kaikhushru (Kai) Taraporevala tendered their resignation due to retirement. The committee approved the retirement of Mr. John and Mr. Kai and expressed appreciation to them for their invaluable contribution to AAPICO. In their stead, Mr. Arvind Mathew and Mr. Jianhui Shi were proposed to the board and approved to be appointed as Directors of the Company given their knowledge and experience which would be beneficial to the Company.

For the directors' remuneration, the Committee proposed to maintain both the attendance fee for the Board of Directors and committees and annual remuneration and incentive bonus payable to independent directors as in the year 2021. These proposals were approved by the Board of Directors and subsequently the Annual General Meeting of shareholders for the year 2022. In addition, the Committee had reviewed the progress and provided guidance on the succession planning of directors and executives in key positions.

The Nomination and Remuneration Committee has reviewed the criteria and providing the right to minority shareholders to nominate persons to be directors and the agenda of the Annual General Meeting of Shareholders 3 months in advance. Also, the Committee has considered and reviewed the Nomination and Remuneration Committee's Charter to ensure that the topic and policies are in line with the CG Code.

The Nomination and Remuneration Committee has performed its duties with prudence and due care for the best benefit of the Company and shareholders. The Committee has assured that its performance in the past year was effective, efficient, and transparent as in accordance with the principles of good corporate governance of the Stock Exchange of Thailand. The Committee also disclosed the remuneration of directors in the Form 56-1 One Report.

On behalf of the Nomination and Remuneration Committee

A handwritten signature in blue ink, appearing to read "Kenneth Ng", with a horizontal line underneath.

Mr. Kenneth Ng
Chairman

Report of Risk Management Committee

The Risk Management Committee is assigned by the Board of Directors to oversee and manage the risk management process. The Committee is responsible for identifying and assessing potential risk situations and proposing the preventive and corrective actions to mitigate the impact to operations and financials of these risks to an acceptable level. The Board of Directors had appointed 3 independent directors as the Risk Management Committee, comprising of Mr. Wichian Mektrakarn as the Chairman, Mr. Arvind Mathew and Mrs. Vachira Na Ranong as the Committee's members.

The Risk Management Committee sets out the Company's risk management policy and determines the general principles for assessing and monitoring the Company's key risk factors. The Committee held two meetings during the year 2022 to review and assess the potential risk factors of the organization covering all key risks including strategic, business, operational, financial, compliance, environmental and emerging risks. The Committee identified, analyzed, and reviewed the likelihood of occurrence and impact of each risk and ensured sufficient control measures are in place to prevent and mitigate such impact.

In 2022, the Company faced various challenges such as supply chain disruption, semiconductor shortage, raw material price volatility and rising of energy prices. The company took the situation very seriously and monitored the circumstance closely and assessed the potential impact as well as implementing various actions to mitigate the impact from those situations. The Risk Management Committee is assured that the risks of the organization are properly monitored and managed under the internal control system that covers the entire organization and conducts business according to international standards. Details of key corporate risks are disclosed in the Risk Factor section in the Form 56-1 One Report of 2022.

The Risk Management Committee is committed to utilize their knowledge and experiences in overseeing and monitoring the Company's operations to ensure sustainable growth for the organization and boost shareholders' confidence and enhance values through effective and efficient risk management processes. The Committee performed its duties with prudence and due care for the best benefit of the Company and shareholders. The Committee has assured that its performance in the past year was effective, efficient, and achieved the objectives assigned by the Board of Directors.

On behalf of the Risk Management Committee



Mr. Wichian Mektrakarn
Chairman



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