



Annual Report 2017

Growth
Innovation **Future**





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Message from the Chairman of the Board



In the year 2017, the Board of Directors Synergetic Auto Performance Public Company Limited has been operating under the principle of good corporate governance. We are aware of the role and responsibility of the Board as an organization leader. In defining objectives Company Goal Strengthen the development of board knowledge recruitment and development executive to promote innovation and

responsible business. The risk management and internal control systems have been properly supervised to maintain financial credibility and accurate disclosure. In order to focus on the benefits to the Company and shareholders, it is important

For an overview of the auto industry, sales of cars in 2017 totaled 870,000 units, a 13% growth from 2016, and it is expected that in 2018, 900,000 new cars will be sold. Good with business Corporate Car Rental

By 2017, the company had 11,133 vehicles, comprising 9,970 long-term rental cars, 410 short-term rental cars, 410 rental cars, 130 rental cars and The number of 574 replacement vehicles is as follows :

- car rental long term, The Company is a front line company long-term corporate car rental and the company maintains a large customer base. The major customers of the company have continuously expanded the number of car rental companies.
- Short-term car rental Currently, the company has short-term car rental at seven international airports, including Chiang Mai International Airport , Chiang Rai Airport , Don Muang Airport Suvarnabhumi Airport ,Hat Yai Airport , Phuket Airport And U-Tapao Airport. In 2018 , the company will be ready to connect with the world's major online booking services. The company has developed an application with a group of Start up, which uses the name asap Go, which is available to provide hourly rental car. The company has expanded more than 50 parking spots in 2017



Lastly, on behalf of the Board of Directors, Synergetic Auto Performance Public Company Limited would like to thank the shareholders for their trust in the operation company. We would like to thank all of our sponsors for their good support. We look forward to your continued support and goodwill. The Company adheres to good corporate governance with emphasis on all elements. To balance the benefits of all stakeholders, whether it be shareholders, partners and partners.

In addition, we would like to thank the management and employees of all companies. The company has been working diligently and actively in the work that has strengthened the company's operations in the year 2017, making the company stable and able to grow sustainably. And achieve the goals of the organization

(Mr. Yol Phokasub)

Chairman

Vision

We are seek to be the leader of the industry who provides excellence services with the most technologically advanced platform by a professional team

Mission

The Synergetic Auto Performance Public Company Limited, To provide a total solution car rental service that delivers at world-class standard and beyond customer expectations Through effective technology



General Information

Company Name (Thai)	บริษัท ซินเนอร์เจติก ออโต้เพอร์ฟอร์แมนซ์ จำกัด (มหาชน)
Company Name (English)	Synergetic Auto Performance Public Company Limited
Business Characteristics	Car Rental Business
Company Registration Number	0107559000371
Authorized share capital	660,000,000.00 Baht
Paid-up share capital	As of 31 December 2017, 660,000,000.00 Baht
Authorized share capital (ordinary shares)	660,000,000.00 ordinary shares
Issued and paid-up share capital	As of 31 December 2017, 660,000,000.00 ordinary shares
Par	Bath 0.50 par value
Head Office Address	149 Moo 3, Theparak Road, Theparak, Muang, Samut Prakan 10270
Telephone	0-2091-8000
Fascimile	0-2091-8111
Website	www.asapcarrent.com

Securities Registrar	<p>Thailand Securities Depository Co., Ltd.,</p> <p>93 , Floor 14 Stock Exchange of Thailand Building,</p> <p>Ratchadapisek Road, Din Daeng, Bangkok 10400</p> <p>Telephone: 02-0099000, Call Center : 02-0099999</p> <p>E-mail : TSDCallCenter@set.or.th www.set.or.th/tsd</p>
Auditor	<p>Siam Truth Audit Co., Ltd.</p> <p>338 Preecha Complex Building A, 8th Floor,</p> <p>Ratchadaphisek Road, Samsennok, Huaykwang, Bangkok,</p> <p>10310, Thailand</p> <p>Telephone : 02-2759599 and 094-559-3894</p> <p>E-mail : audit@siamtruth.com</p> <p>Mr.Bunjong Pichayaprasat CPA Registration 7147,</p> <p>Miss Khaymanundt Chaichuen CPA Registration 8260,</p> <p>Mr.Kraisit Silapamongkonkul CPA Registration 9429,</p>



Significant Financial Information

1. Tables Summarizing Financial Statements

Statement of Financial Position

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current Assets</u>						
Cash and cash equivalents	16.12	0.44	6.70	0.11	40.17	0.46
Current investments	-	-	-	-	3.40	0.04
Trade and other receivables	93.54	2.55	185.43	2.91	201.81	2.30
Inventories ¹	18.87	0.51	18.54	0.29	66.42	0.76
Other current assets	58.13	1.59	108.50	1.70	251.15	2.87
Total current assets	186.66	5.09	319.16	5.01	562.95	6.43
<u>Non-current assets</u>						
Restricted bank deposits	5.51	0.15	10.08	0.16	12.95	0.15
Long-term receivables from finance leases	0.45	0.01	1.56	0.02	-	-
Investment property	-	-	-	-	120.79	1.38
Property plant and equipment ¹	3,404.84	92.90	5,929.04	93.01	7,909.91	90.33
Intangible assets	1.66	0.05	3.69	0.06	17.52	0.20
Deferred tax assets	-	-	-	-	28.47	0.33
Other non-current assets	66.10	1.80	111.07	1.74	104.46	1.19
Total non-current assets	3,478.56	94.91	6,055.44	94.99	8,194.12	93.57
Total assets	3,665.22	100.00	6,374.60	100.00	8,757.06	100.00
<u>Liabilities and shareholders' equity</u>						
<u>Current liabilities</u>						
Bank overdraft and short-term loans from financial institutions	-	-	35.82	0.56	47.22	0.54
Trade and other payables	202.97	5.54	249.51	3.91	131.86	1.51
Short-term loans from related party	115.40	3.15	174.40	2.74	-	-
Current portion of debts	738.48	20.15	1,033.03	16.21	1,435.00	16.39
Other current liabilities	5.59	0.15	13.10	0.21	15.87	0.18
Total current liabilities	1,062.43	28.99	1,505.86	23.62	1,629.95	18.61
<u>Non-current liabilities</u>						
Long-term loans from financial institutions	1.09	0.03	295.46	4.63	1,311.91	14.98

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Long-term liabilities under finance leases	1,937.27	52.86	3,817.05	59.88	4,400.94	50.26
Deferred tax liabilities	66.37	1.81	86.07	1.35	-	-
Employee benefit obligations	1.39	0.04	1.95	0.03	2.35	0.03
Other non-current liabilities	2.49	0.07	4.20	0.07	6.50	0.07
Total non-current liabilities	2,008.61	54.80	4,204.73	65.96	5,721.70	65.34
Total liabilities	3,071.04	83.79	5,710.59	89.58	7,351.64	83.95
<u>Shareholders' equity</u>						
Authorized share capital						
660,000,000 ordinary shares in year 2017, Baht 0.50 par value, 330,000,000 ordinary shares in year 2016, Baht 1 par value, and 22,500,000 ordinary shares in year 2015, Baht 10 par value	225.00	6.14	330.00	5.18	330.00	3.77
Issued and paid-up share capital						
660,000,000 ordinary shares in year 2017, 225,000,000 ordinary shares in year 2016, and 22,500,000 ordinary shares in year 2015, fully paid-up	225.00	6.14	225.00	3.53	330.00	3.77
Premium on share capital	-	-	-	-	510.95	5.83
Retained earnings						
Appropriated - legal reserve	-	-	3.49	0.05	11.03	0.13
Unappropriated	369.19	10.07	435.52	6.83	553.44	6.32
Total shareholders' equity	594.19	16.21	664.01	10.42	1,405.42	16.05
Total liabilities and shareholders' equity	3,665.22	100.00	6,374.60	100.00	8,757.06	100.00

Remarks: ¹ The company recategorized some items in the statement of financial position for the year ending 31 December 2015 in order to ensure consistency with the presentation of items in the statement of financial position for the year ending 31 December 2016 and 2017 as follows:

(Unit: Thousand Baht)	Before Recategorization	Recategorized	After Recategorization
Statement of Financial Position			
Inventories	76	18,794	18,870
Property and equipment	3,423,636	(18,794)	3,404,842



Comprehensive Profit and Loss Statement

Item	For the Year Ending 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales and services	1,068.90	100.00	1,437.33	100.00	2,112.12	100.00
Cost of sales and services	858.37	80.30	1,126.68	78.39	1,661.12	78.65
Gross profit	210.53	19.70	310.65	21.61	451.00	21.35
Other income	17.19	1.61	22.11	1.54	29.79	1.41
Selling and service expenses	9.05	0.85	19.39	1.35	33.92	1.61
Administrative expenses	37.28	3.49	66.06	4.60	110.24	5.22
Earning before finance costs and income tax expenses	181.39	16.97	247.31	16.95	336.63	15.94
Finance costs	109.63	10.26	157.78	10.98	246.11	11.65
Profit before income tax	71.76	6.71	89.53	6.23	90.52	4.29
Tax income (expense)	(15.72)	1.47	(19.71)	1.37	60.27	2.85
Profit for the year	56.04	5.24	69.83	4.86	150.79	7.14
Other comprehensive income (loss)	-	-	-	-	1.06	0.05
Total comprehensive income	56.04	5.24	69.83	4.86	151.85	7.19
Weighted average number of ordinary shares (million shares)	116.30		450.00		611.10	
Basic earnings per share (baht per share)	0.48		0.16		0.25	

Cash Flow Statement

(Unit: Million Baht)

Item	For the Year Ending 31 December		
	2014	2015	2016
<u>Cash flows from operating activities</u>			
Profit before income tax	71.76	89.53	90.52
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities			
Depreciation and amortization	414.58	595.90	914.55
Interest income	(0.43)	(0.20)	(1.16)
Interest expenses	109.63	157.38	245.74
Doubtful accounts (reversal)	(0.09)	0.94	0.23
Loss on impairment of assets (reversal)	0.67	2.93	(1.12)
Unrealized gain from revaluation of current investments	-	-	(0.00)
Loss on devaluation of inventories	-	1.39	-
Loss on sales of assets	0.21	0.25	(0.01)
Provisions incurred from employee benefit obligations	0.31	0.56	1.72
Cash flow before changes in working capital	596.63	848.68	1,250.47
Changes in operating assets (increase) / decrease			
Trade and other receivables	4.10	(92.83)	(16.61)
Receivables from finance leases	0.76	(1.11)	1.56
Inventories	265.38	290.85	398.62
Other current assets	2.19	(50.37)	(142.65)
Restricted bank deposits	(5.30)	(4.57)	(2.88)
Other non-current assets	(3.23)	(2.17)	(1.60)
Changes in operating liabilities increase / (decrease)			
Trade and other payables	11.86	(111.53)	(136.29)



(Unit: Million Baht)

Item	For the Year Ending 31 December		
	2014	2015	2016
Other current liabilities	(0.11)	7.51	2.77
Other non-current liabilities	1.39	1.71	2.30
Cash generated from the operations	873.67	886.19	1,355.70
Income interest	0.43	0.20	1.16
Income tax refunded	24.81	-	20.50
Income tax paid	(35.66)	(42.80)	(70.03)
Net cash provided from operating activities	863.25	843.59	1,307.32
<u>Cash flows from investing activities</u>			
Purchase of current investments	-	-	(334.04)
Sale of current investments	-	-	330.65
Purchase of plant and equipment	(6.04)	(289.41)	(1,507.25)
Sales of assets	0.02	0.01	0.03
Purchase of intangible assets	(0.99)	(2.32)	(14.62)
Net cash used in investing activities	(7.01)	(291.71)	(1,525.24)
<u>Cash flows from financing activities</u>			
Increase in bank overdraft and short-term loans from financial institutions	(49.72)	35.82	11.40
Proceeds from short-term loans from related party	163.00	448.51	113.00
Repayment of short-term loans from related party	(342.50)	(389.51)	(287.40)
Proceeds from long-term loans from financial institutions	-	341.12	1,295.57
Repayment of long-term loans from financial institutions	(10.61)	(19.20)	(60.69)
Repayment of liabilities under finance leases	(677.28)	(833.52)	(1,139.14)
Interest paid	(104.60)	(144.51)	(271.57)
Cash receipt from increase in ordinary shares	175.00	-	615.95
Dividend Payment	-	-	(25.74)

(Unit: Million Baht)

Item	For the Year Ending 31 December		
	2014	2015	2016
Net cash used in financing activities	(846.71)	(561.30)	251.39
Net increase (decrease) in cash and cash equivalents	9.53	(9.42)	33.47
Cash and cash equivalents at the beginning of the year	6.59	16.12	6.70
Cash and cash equivalents at the end of the year	16.12	6.70	40.17

2. Tables Showing Significant Financial Ratios

Financial Ratios	For the Year Ending 31 December		
	2015	2016	2017
<u>Liquidity Ratios</u>			
Current Ratio (times)	0.18	0.21	0.35
Quick Ratio (times)	0.10	0.12	0.15
Operating Cash Flow Ratio (times)	0.83	0.66	0.83
Account Receivable Turnover (times)	11.62	10.93	11.39
Average Collection Period (days)	30.99	32.94	31.60
Account Payable Turnover (times)	20.62	9.39	11.84
Average Payment Period (days)	17.45	38.33	30.42
<u>Profitability Ratios</u>			
Gross Profit Margin (%)	19.70	21.61	21.35
Operating Profit Margin (%)	16.97	17.21	15.94
Cash Flow Margin (%)	4.76	3.41	3.88
Net Profit Margin (%)	5.16	4.78	7.04
Returns on Equity(%)	11.71	11.10	14.57
<u>Efficiency Ratios</u>			
Returns on Assets (%)	1.77	1.39	1.72
Asset Turnover (times)	0.34	0.29	0.24
<u>Financial Policy Ratios</u>			
Debt to Equity Ratio (times)	5.17	8.60	5.23
Interest Coverage Ratio (times)	8.97	6.63	6.52
Debt Service Coverage (times)	0.76	0.50	0.40
Dividend Payout Ratio (%)	-	-	17.51

Board of Directors



Mr. Yol Phokasub

Chairman / Director



Mr. Songvit Titipunya

Vice Chairman / Chief Executive Officer



Mrs. Parinda Vongvitavat

Director / Nomination & Remuneration
Committee



Associate Professor Pachara Pacharavanich
Independent Director / Chairman of the Audit
Committee



Mr. Surapong Uthaichalanond
Independent Director / Audit Committee
Chairman of the Nomination &
Remuneration Committee



Board of Directors (Continued)



Mr. Chairat Kamonoratep
Director and Managing Director



General Siravudhi Sukanthanark
Independent Director and Audit Director



Mr. Pratarn Aranyakananda
Independent Director and Audit Director



Mr. Tanachai Bunditvorapoom
Director

1. Policies and Business Overview

1.1 Overview of the Company's Business

Synergetic Auto Performance Public Company Limited ("Company") operates a car rental business that provides the best solutions to meet customer needs under the "asap" brand. The company's business vision is to "We are seek to be the leader of the industry who provides excellence services with the most technologically advanced platform by a professional team". At present, the company offers 4 types of rental cars: 1) comprehensive operating leases for serving corporate customers; most of these involve 4- to 5-year contracts with customers; operating lease are composed of various services such as fleet procurement, fleet-tailored modification, fleet maintenance, replacement cars and other related services; 2) Short-term car rental services for serving ordinary customers; 3) Limousine rental services are aimed at operating rental for corporate customers who prefer to lease cars with chauffeur services; this type provides the same services as operating rental but with the added services of chauffeurs and car and chauffeur management and 4) Car rental via mobile application, which is principally focused on a short-term rental to corporate clients of the company and individual clients in the form of sharing platform.

For comprehensive operating car rental, the company has improved its services and expanded customer base. This has led to continuous growth in the company's business. Presently, as the company enters its 12th year of business, the company has a total of 9,970 cars for lease (information as of 31 December 2017). Meanwhile, short-term rental is a new business of the company that has only opened for service at the end of 2015. Currently, it is still in its early stages and being expanded, and the company has a total of 410 cars for rental (information as of 31 December 2017). The company's limousine rental business has begun service in July 2016, and the company has a total of 130 cars for rental (information as of 31 December 2017). Lastly, car rental via mobile application has 2 projects: 1) The asap GO project has begun in July 2017 and has a total of 29 cars for rental (information as of 31 December 2017) and 2) The Joint Project with Haupcar has begun in December 2017 and has a total of 20 cars for rental (information as of 31 December 2017).

Business Objectives

The company is committed to providing car rental services in addition to other services as solutions to meet customer needs with excellent service quality and maximize customer satisfaction in order to build confidence and trust in the company's car rental business. The company's strategy is long-term with the aim of continuously building good customer relations. Furthermore, with the extensive business knowledge, expertise and experience of the executive team, the company is confident that it will be able to continuously create car rental opportunities with new customers while maintaining its service quality and good customer and trade partner relations in order to achieve sustainable growth. The company's business objectives are as follows:

- Services - The company intends to create growth and sustainability in the car rental business through additions to the characteristics and channels of service and application of modern technologies and



innovations in service provision. The purpose is to ensure that the company's services are modern and accommodating to changing business environments and consumer behaviors. These changes include consumers who prefer to conduct their own transactions on devices such as mobile telephones and trends facilitating the sharing of economic structure where people and organizations share excess assets in their possession for others to use via various platforms such as online networks, etc. The company's actions are aimed at creating positive experiences for the company's customers. Furthermore, the company aims to maintain its existing customer base in tandem with establishing new customer bases through continuous service improvements and development in order to ensure confidence that the company's services can meet customer needs and give the best impressions to customers, which will lead to good long-term relationships between the company and customers.

- **Management**—The company aims to continuously increase income and profitability. The company intends to increase growth in revenues from operating rental services, which is currently the company's primary business, such as increased revenues from existing customers and gaining new customers in the same target group to expand customer bases and reach other target groups, etc. Furthermore, the company intends to gain and increase revenues and income ratios from new services such as new businesses in which the company has already made investment such as short-term car rental and limousine rental and from new services in which the company never made investment. The objective is to create new services that increase remunerations when compared with existing services offered by the company. Furthermore, the company aims to continuously improve and develop its cost management in various aspects to become more effective such as by increasing channels for sales of vehicles under contracts or retired vehicles to increase gross profit from the sales of the aforementioned vehicles.

Accordingly, the growth trend in the car rental industry and opportunities created by Thailand's entry into the ASEAN Economic Community (AEC), which gives the company confidence that trade between Thailand and other ASEAN nations will become more fluid and achieve greater growth, have given the company the determination to expand its car rental business. This might occur in the form of investments to expand business, procurement of business allies, joint ventures with business allies and/or mergers. For these expansions, the company will conduct studies and evaluate feasibility, including the benefits/drawbacks of projects, in order to maximize benefits for the company, shareholders and all other people involved.

1.2 Company Background and Significant Developments

The company registered its establishment on 10 April 2006 with initial registered and paid up capital of 5.00 million baht composed of 500,000 shares at a marked price of 10.00 baht per share to operate a car rental business. The company's background and significant developments of the Company could be summarized as follows:

Month-Year**Event**

- April 2006: : The company registered its founding on 10 April 2006 with a registered and paid up capital of 5.00 million baht to operate a car rental business, beginning with comprehensive operating car rental services under the brand name asap catering to corporate customers.
- July 2006: : The first service was provided to a leading worldclass postal and shipping service company.
- December 2008: : Services were offered to other types of customers such as government agencies and famous private companies operating businesses such as retail/wholesale and shipping businesses, etc.
- April 2009: : The company increased its registered and paid up capital from 5.00 million baht to 50.00 million baht on 30 April 2009 to accommodate business expansion.
- December 2009: : An additional 554 cars for operational rental became available, and the customer base expanded to include communications businesses.
- December 2011: : An additional 1,800 cars became available for operating rental, and the customer base expanded to include businesses in the manufacturing sector.
- December 2015: : An additional 4,748 cars became available for operating rental.
- : Registered and paid up capital increased to 225.00 million baht in preparation for listing on the Stock Exchange of Thailand and repayment of loans from Toyota @ United , a major shareholder in the company.
- : Business was expanded to include short-term car rental services under the asap brand name; asap counters were established to offer short-term car rental services at various airports and services were launched for the first time at Phuket Airport.
- January 2016: : An asap counter was opened for short-term car rental at Chiang Mai Airport.
- March 2016: : An asap counter was opened for short-term car rental at Chiangrai Airport and Don Muang Airport.
- July 2016: : On 4 July 2016, the extraordinary general meeting of the shareholders passed a resolution to authorize a change in the marked share value from 10.00 baht per share to 1.00 baht per share. Furthermore, the extraordinary general meeting of the shareholder also passed a resolution to increase registered capital from 225.00 million baht to 330.00 million baht by the issuance of 105.00 million capital increase ordinary shares



at 1.00 baht marked price per share for offering to the public for the first time. Additionally, the company's ordinary shares were listed on the Stock Exchange of Thailand.

- : An asap counter was opened for short-term car rental at Hat Yai Airport.
- : The company registered its transfer to become a public limited company on 28 July 2016.
- : Business expanded to include limousine rental.

September 2016: : An asap counter was opened for short-term car rental at Suvarnabhumi Airport.

November 2016 : The Board of Directors' Meeting No. 4/2559 passed a resolution to rebrand the company for asap to be used as the only brand name in all of the company's car rental services. The company expects the rebranding to become asap to complete by early 2017.

February 2017 : On 11 February 2017, the extraordinary general meeting of the shareholder passed a resolution to authorize the change in the company's marked share price from 1.00 baht per share to 0.50 baht per share, leading the company's shares to increase from 330,000,000 shares to 660,000,000 shares.

March 2017 : The Company was listed in the Stock Exchange of Thailand ("SET") and had first trading day on 30 March 2017.

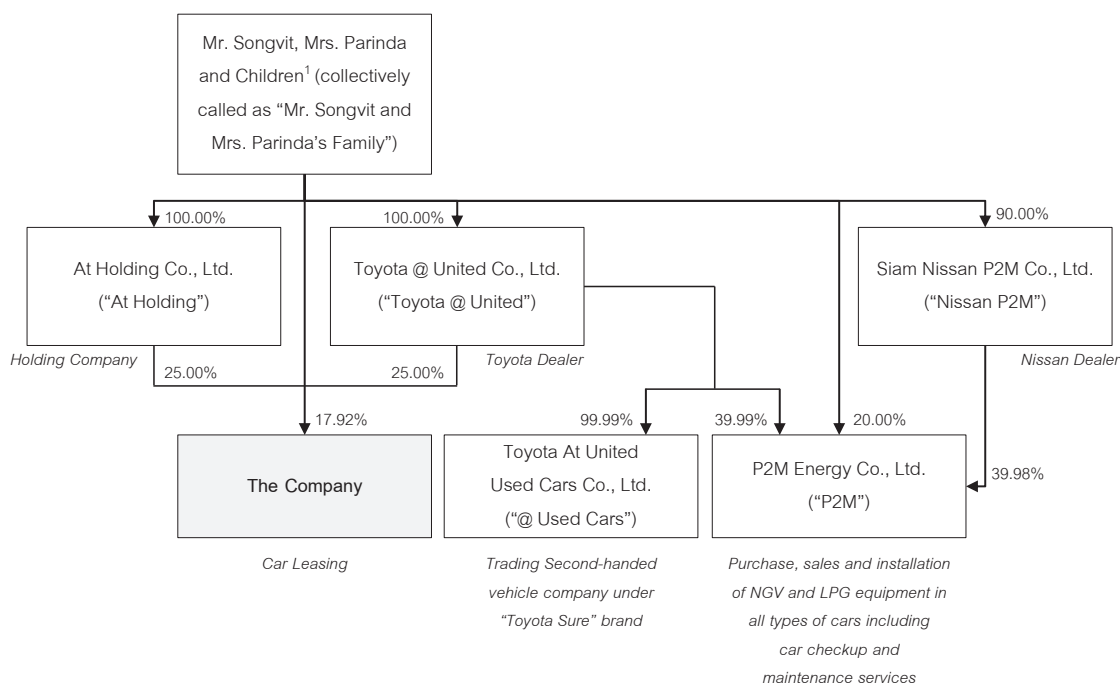
June 2017 : An asap counter was opened for short-term car rental at U-Tapao International Airport.

July 2017 : Business expanded to car rental via mobile application service (asap GO) .

1.3 Company Share Structure

As of 31 December 2017, the company does not hold shares in subsidiaries and joint companies.

1.4 Relationships with the Businesses of Major Shareholders



Remark: ¹ The children of Mr. Songvit and Mrs. Parinda are 1) Mr. Sarut Titipunya, 2) Miss Pitchapat Titipunya and 3) Miss Pimpisa Titipunya.

As of 31 December 2017, the company's major shareholders consisted of the following: 1) At Holding, which held 25.00 percent of the company's registered and paid up capital; 2) Toyota @ United, which held 25.00 percent of the company's registered and paid up capital and 3) Mr. Songvit and Mrs. Parinda, who held 17.92 percent of the company's registered and paid up capital (if indirect holding of shares through At Holding and Toyota @ United are considered, in which the family of Mr. Songvit and Mrs. Parinda hold 100 percent of registered and paid up capital in both of the aforementioned companies, the total percentage of shares held by Mr. Songvit and Mrs. Parinda's family in the company equals 67.92 percent of registered and paid up capital).

The business group of Mr. Songvit and Mrs. Parinda's family consists of car dealers and other related businesses. Therefore, the company has transactions with companies in the business group of Mr. Songvit and Mrs. Parinda's family as part of the company's normal business activities. These transactions have been occurring since the past and are expected to continue in the future. The significant business relationships between the company and Mr. Songvit and Mrs. Parinda's family business group can be summarized as follows: 1) The company purchases cars significantly from Toyota @ United (a major Toyota car dealer in Thailand) to service customers because Toyota @ United is able to quickly provide cars that meet the characteristics and quantities needed by the company. 2) The company purchases Nissan cars from Nissan P2M (which is a Nissan car dealer) mostly to



service customers in short-term rental because Nissan P2M is generally able to provide better discounts than other Nissan sales representatives. 3) The company employs P2M (which operates a business to provide installation of NGV and LPG equipment for vehicles of all types in addition to car check-up and maintenance services) to install gas equipment for a small number of the company's cars for modifications to meet customer specifications because P2M can quickly provide service according to schedules set by customers and produces consistently good service quality. As for other business transactions between the company and the Mr. Songvit and Mrs. Parinda's family business mentioned above, additional details can be found in Connected Transactions.

Regardless, in order to prevent conflicts of interest, the company submits the aforementioned business relationships to the Audit Committee to render opinions (see details in Connected Transactions) and proposes that the Board of Directors consider granting approval in principle. Furthermore, the company has created a policy for connected transactions and policy on prevention of conflict of interest in order to ensure that the various business relationships with the businesses of major shareholders occur for the greatest benefits of the company and shareholders.

2. Business Characteristics

2.1 Revenue Structure

The company's revenue structure from 2015 to 2017 are shown in the following table:

Item	For the Year Ending 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Car Rental						
1) Revenue from Operating Lease:						
– Private Companies:						
Retail/Wholesale Businesses.	310.62	28.60	310.53	21.28	384.30	18.09
Transportation Businesses.	107.81	9.93	130.18	8.92	109.91	5.17
Other Businesses.	231.58	21.32	421.10	28.85	710.95	33.48
Including Private Companies.	650.01	59.85	861.81	59.05	1,205.17	56.74
– Government Agencies And State Enterprises.	136.91	12.61	222.32	15.23	364.88	17.18
– Ordinary Persons	2.43	0.22	1.96	0.13	0.86	0.04
Total Revenue From Operating Lease	789.35	72.68	1,086.09	74.42	1,570.90	73.95
2) Revenue From Short-Term Rental.*	0.16	0.01	18.83	1.29	54.24	2.55
3) Revenue From Limousine Rental*	-	-	28.09	1.92	56.45	2.66
4) Revenue From Car Rental via Mobile Application	-	-	-	-	0.03	0.00
Total Revenue from Car Rental	789.51	72.69	1,133.00	77.63	1,681.63	79.17
Revenue from Car Sales	279.38	25.72	304.32	20.85	430.49	20.27
Other Revenue**	17.19	1.58	22.11	1.51	12.06	0.57
Total Revenue	1,086.09	100.00	1,459.43	100.00	2,124.18	100.00

Remarks: *The company began to offer short-term rental in December 2015, limousine rental in July 2016 and car rental via mobile application in July 2017.

**Other revenues consist of revenues from insurance claims of car scraps, revenues from lease contract termination fines and others.

2.2 Product and Service Characteristics

The company operates a car lease business that provides solutions that meet customer needs under the asap brand with the following 4 types of car rental services: 1) comprehensive operating rental; 2) short-term rental; 3) limousine rental; and 4) car rental via mobile application (asap GO). The details of all services offered are as follows:

Number of Available Vehicles for Service as of 31 December from 2015 to 2017

Unit: Cars

Item	As of 31 December		
	2015	2016	2017
Vehicles for Lease:			
Operating Lease	4,748	7,080	9,970
Short-term Lease	22	304	410
Limousine Lease	-	128	130
Lease via Mobile Application	-	-	49
Total Vehicles for Lease	4,770	7,512	10,559
Leased Vehicles pending Delivery	73	320	207
Replacement Vehicles	382	510	574
Other Vehicles*	67	63	55
Total Vehicles	5,292	8,405	11,395

*Remark: Other cars are car scraps pending insurance company claims.

Types of Vehicles Available for Lease as of 31 December from 2015 to 2017

Unit: Cars

Item	As of 31 December		
	2015	2016	2017
Passenger Cars of Various Sizes:			
Small Passenger Cars	839	1,273	1,686
Medium Passenger Cars	632	1,722	2,705
Large Passenger Cars	722	1,273	1,758
Total Passenger Cars	2,193	4,268	6,149
Executive Cars	79	89	128
Pickup Trucks	1,987	2,335	3,294
Vans	511	820	988
Total Vehicles Available for Lease	4,770	7,512	10,559

The details of service for each of the 4 types of the company's car rental services are as follows:

2.2.1 Comprehensive Operating Lease

A comprehensive operating lease is a service that provides solutions to meet customer needs with maximum convenience in car usage. A comprehensive operating lease is aimed at providing services to corporate customers, most of whom enter into 4- to 5-year contracts with the company. Nevertheless, some customers are private individuals, who are usually managers of juristic persons using the company's car rental services who need to use cars for general transportation or are ordinary persons who need cars for operating their businesses.

A comprehensive operating lease covers various services such as fleet procurement, fleet-tailored modification, fleet maintenance, replacement cars and other related services. Their details are as follows:

1) Fleet Procurement

The company has the capacity and readiness to procure cars quickly based on customer specifications and schedules, regardless of the quantity of the procurement, which can range from only one vehicle to over a hundred vehicles. Additionally, vehicles are procured based on customer specifications. The company can form standard fleets composed of vehicles with no additional modifications or equipment installations, and modified fleets that are designed, modified and installed with additional equipment tailored to meet customer needs. The company procures various types of cars, brands and models, ranging from small passenger cars to medium and large and even executive cars, pickup trucks and vans of various brands such as Toyota, Honda, Nissan, Isuzu, Ford, Chevrolet, Mercedes-Benz, BMW and Volvo.

In terms of fleet procurement, when a customer needs vehicles for any purpose, all the customer has to do is state the requirements, usage objectives and other conditions. Then the company will make all of the arrangements to procure a fleet to be ready for the customer to use. This saves customers time in the process of procuring the cars. Furthermore, the company's fleet procurement services covers activities from studies of requirements and usage objectives under the conditions set by customers, followed by presentation for customer consideration. For example, a customer requires cars for vegetable and fruit transportation that occasionally involves long-distances and time-consuming trips. The customer is then concerned about preserving the quality of the transported products. In such cases, the company will present pickup trucks that are suitable for long-distance freighting. Modifications are made by installing refrigerators with appropriate temperature specifications to additionally preserve the quality of fruits and vegetables for extended periods. If the customer agrees to the company's proposal, the company will contact car sales representatives to negotiate the specifications and number of cars required. Before accepting cars from the aforementioned car sales representatives, the company will inspect the specifications of the cars to ensure accuracy and completeness based on the required specifications. The cars are then delivered to the customer at a designated place and time. Furthermore, the company will provide assistance in relation to documentation processes in order to ensure that cars are ready for use, e.g., registration with the Department of Land Transportation, creation and/or renewal of insurance pursuant to the Road Victim Accident Protection Act of 1992 and obtain and/or renew insurance policies and vehicle registration stickers, etc.

2) Fleet-tailored Modification

Because customers sometimes need cars with unique specifications to suit business or aesthetic objectives, the company provides fleet-tailored modification for customers. The company pays attention to wide-ranging and fast vehicle modifications to meet the different requirements of each customer. Accordingly, the company provides interior vehicle design and modifications. On usage, this includes installations of refrigerators, freezers and pickup truck cap racks. In terms of appearance for uniqueness or aesthetics, these include attachments of customer company logos and spoilers, etc. As for drive power, modifications include NGV/LPG equipment installations.

Examples of Pickup Trucks with Dry Compartment Installations



For modifications and additional equipment installations, the company contacts experts on each aspect of modification or installation personally, except for specific cases where the customer explicitly states that they would like modifications or installations to be carried out by a specific expert. After each contact and after the details of requirements are provided to the expert, the company will inform the car sales representative to proceed to send cars for modifications or installations with the expert(s) contacted by the company. The company subsequently inspects the accuracy and completeness of modifications and installations to ensure that customers receive cars that meet their requirements. Generally, modifications and equipment installations take about two–three months of time, depending on the difficulty and number of cars.

3) Fleet Maintenance

While customers use the company's car rental services, the company provides notification services for car maintenance to customers, e.g., scheduled service plans, oil changes, etc. The call center department makes calls to notify each vehicle user directly once due dates are reached. Furthermore, if customers have inquiries or problems concerning usage problems in any case whatsoever, including damaged vehicles, customers can contact the company's call center at any time throughout all 24 hours. The company's call center team are prepared to reply to any inquiries and coordinate with the agencies involved to take action

toward quickly resolving customer issues. In cases where the customer would like to send cars for repairs at a service center, the call center facilitates customers by coordinating with various car service and maintenance centers to schedule appointments for sending the customer's vehicles for repairs as soon as possible. At present (as of 31 December 2017), the company's customers can send cars for services at over 1,000 car repair and maintenance centers across Thailand. These consist of one company-owned car service center and 1,096 others owned by external parties ("external centers") such as service centers of various brands of cars from which the company purchased cars and specialized car service centers and others.

The company's own car repair and maintenance center is located at the company's main office. There, a team of expert mechanics of various systems are ready to provide services, e.g., on gas systems, air conditioners, electrical systems and lower bodies. The company regularly provides training on cars to the teams of mechanics to create knowledge and new techniques for repairs. Meanwhile, external centers are composed of car repair and maintenance centers of various brands of cars to which the company leased cars and include centers for installing specialized centers for installations and repairs of various car parts, e.g., tire installation and repair centers, gas equipment installation and repair centers, etc. These centers are distributed across Thailand for customer convenience.

For maintenance services, when a customer wants to send their cars for repairs and has expressed that intention to the call center team, the call center team will find the car repair and maintenance center that is most convenient for the customer and schedule the date and time for the customer to send cars for repairs. For standard cars, the company will arrange for the customer to seek repairs at the car repair and maintenance center of the brand currently used by the customer. However, if the cars have modifications, e.g., cars with gas equipment or dry containers, the company will recommend the customer to send their cars to the company's own car repair and maintenance center, or a specialized repair center, because repair and maintenance centers for ordinary cars of various brands might not offer repair services for certain custommade equipment.

Aside from repairs and maintenance at the company's own car repair and maintenance center and external centers, the company also offers mobile service centers. As of 31 December 2017, the company had 8 mobile service cars for conducting preventive maintenance, e.g., scheduled checkups, electrical systems, brake systems, etc. The company sends mobile service centers out to service customers when it is not convenient for customers to send their cars to service centers, e.g., a company operating a transportation business that uses cars to operate its business during the day every day. In such cases, the company sends its mobile service centers to service customers when cars are parked for engine breaks to conduct preventive maintenance for the cars in use.



4) Replacement Cars

Replacement cars are another important company feature. Because the majority of customers use their cars to operate business daily, customers' businesses might be affected if cars encounter problems and become unusable. Therefore, the company provides car replacement services to help offer maximum convenience to customers concerning car usage. If the cars used by customers encounter problems and customers need to use the cars at that time, the company will provide temporary replacement cars of the same models and characteristics as those used by the customers in order to allow customers to operate their business normally. As of 31 December 2017, the company has a total of 574 replacement cars composed of various types, models and specifications to accommodate replacements for vehicles used by customers. Nevertheless, the company monitors repairs to ensure completion as soon as possible to allow normal usage by customers and so the company can recall replacement cars for subsequent usage.

5) Other Related Services

Other related services are services the company offers to customers for special cases based on the requirements of customers, e.g., safe driving courses for explaining safe car usage and driving, etc.

2.2.2 Short-term Lease

In addition to comprehensive operating leases aimed at serving corporate customers, the company also offers short-term rental for serving ordinary customers who need to lease cars for short periods of time ranging from daily to monthly leases for general transportation.

Because the company perceived an increased demand for short-term car rental in customers and wanted to establish a new customer base consisting of ordinary persons to most efficiently use the company's resources and existing customer base with perceived opportunities from Thailand's entry to the ASEAN Economic Community (AEC) and Thailand's opportunities for growth, the company expanded its business to include short-term rental. The objective is to serve ordinary customers who need cars for general transportation such as tourists and entrepreneurs. In December 2015, the company began establishing asap counters to provide short-term rental services at various airports across the nation. As of 31 December 2017, the company has a total of six asap counters open to provide services at various airports, namely, Phuket Airport, Chiang Mai Airport, Chiangrai Airport, Don Muang Airport, Hat Yai Airport, Suvarnabhumi Airport and U-tapao Airport to meet different customer requirements and impress customers. The company is determined to provide new vehicles with low mileage of various sizes and brands to customers ranging from small, medium and large passenger cars to executive cars and vans of various brands such as Toyota, Honda, Nissan, Mercedes-Benz, etc.

Examples of asap Counters



In addition to short-term rental services, the company offers other auxiliary services to facilitate and provide safety to customers during travels such as car seats for babies, GPS navigators, bicycle holders and first-class car insurance services.

2.2.3 Limousine Lease

Limousine rental is one aspect of the company's determination to provide car rental services that meet customer requirements in all areas. The company focuses on providing long-term leases for corporate customers that need to lease cars with chauffeurs. In July 2016, the company officially began providing limousine rental services for the first time and was entrusted to provide services to a well-known private company.

For limousine rental, the company offers various services for customer convenience and time savings in finding cars and drivers in addition to other related actions. Limousine rental is accompanied by the same services as operating leases, e.g., fleet procurement, fleet-tailored modification, fleet maintenance and replacement cars with the addition of chauffeurs and daily car and chauffeur management based on the usage requirements of customers. The company procures chauffeurs through direct employment and outsourcing. Accordingly, the company trains chauffeurs to drive with proper manners and etiquette and in compliance with traffic laws in order to maintain the image of each customer. As of 31 December 2016, the company had up to 130 cars available for limousine rental with a total of 153 chauffeurs (115 directly employed and 38 outsourced), which exceeds the number of cars available for rental in order to support situations where any employee is unable to perform work.



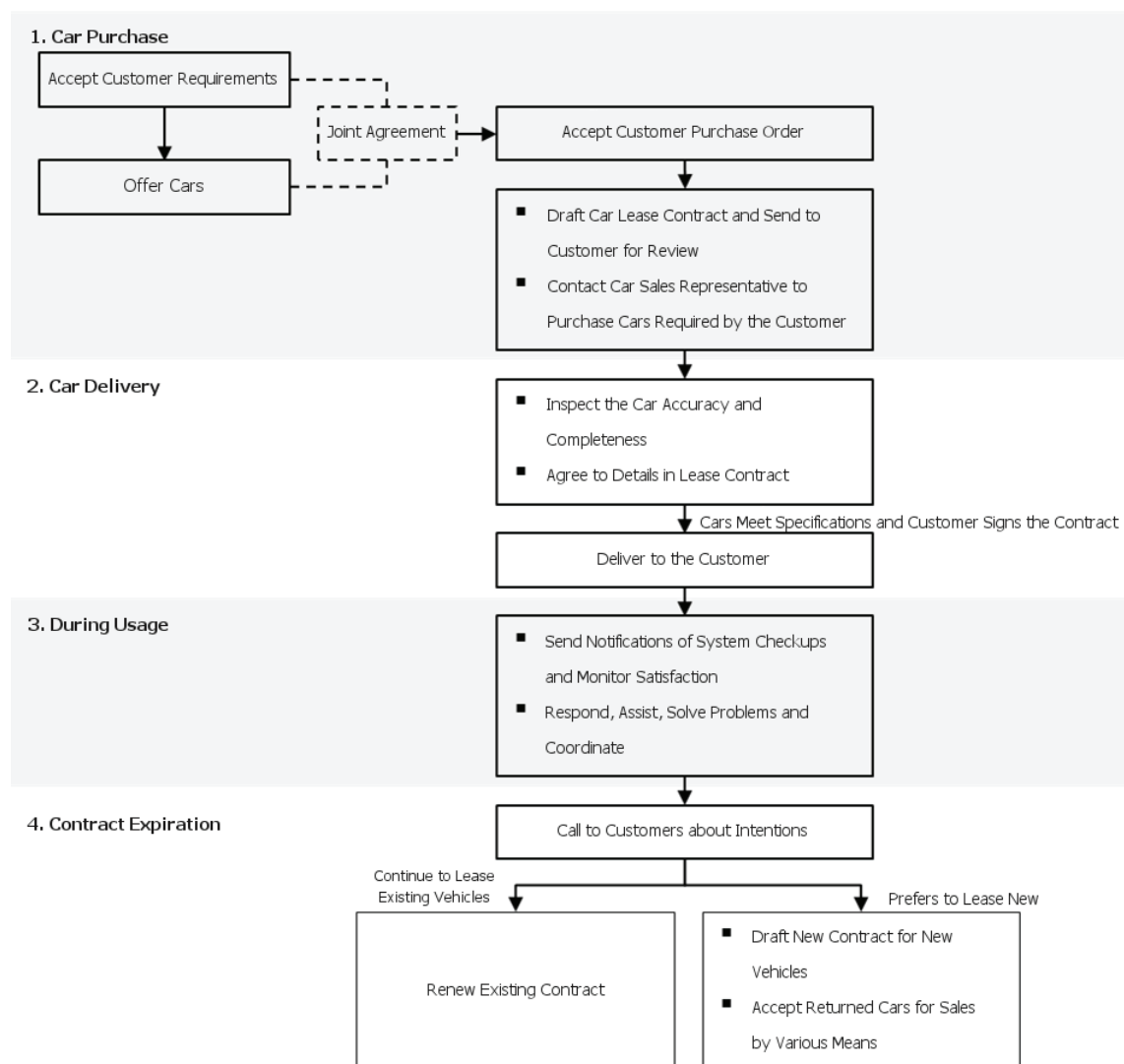
2.2.4 Car Rental via Mobile Application (asap GO)

Car lease service via mobile application is a new service that the company launched in July 2017 to fill a gap of long-term lease of the company. Due to corporate customers who already used long-term lease service of the company frequently confronted with a problem of insufficient cars for their staff at certain times. If those corporate customers lease additional cars as reserves, this shall waste and exceed the needs of customers. Therefore, the company uses some of replacement cars of the company, parking at office buildings where corporate customers of the company are located. When they are necessary to use additional cars, reservation can be made through application on mobile phone. It is also designed to use mobile phone to unlock the car. When finished, customers simply bring the cars back to the original parking lots and push stop function, the application will calculate total service fees based on actual distance and duration of use.

In addition to serving the needs of corporate customers, the company expands car lease service via mobile application to individual customers since December 2017. Individual customers can subscribe and confirm information via application easily and conveniently. As of 31 December 2017, the company had lease cars via mobile application in a total amount of 49 cars with 35 parking spots throughout Bangkok.

2.2.5 The Company's Rental Service Processes

1) The processes for operating lease can be summarized as follows:



1.1) Car Purchase - Once the company has negotiated the specifications and quantities of cars for lease by any customer and has already received the purchase order (or “PO”) from the customer to confirm the customer’s intention to lease cars, the company will draft a car lease contract and send it to the customer for review while procuring the cars required by the customer by contacting the sales representative of the car brand required by the customer in order to make purchase. It takes approximately one month for the care sales representative to prepare standard cars and no more than 2–3 months for modified cars.



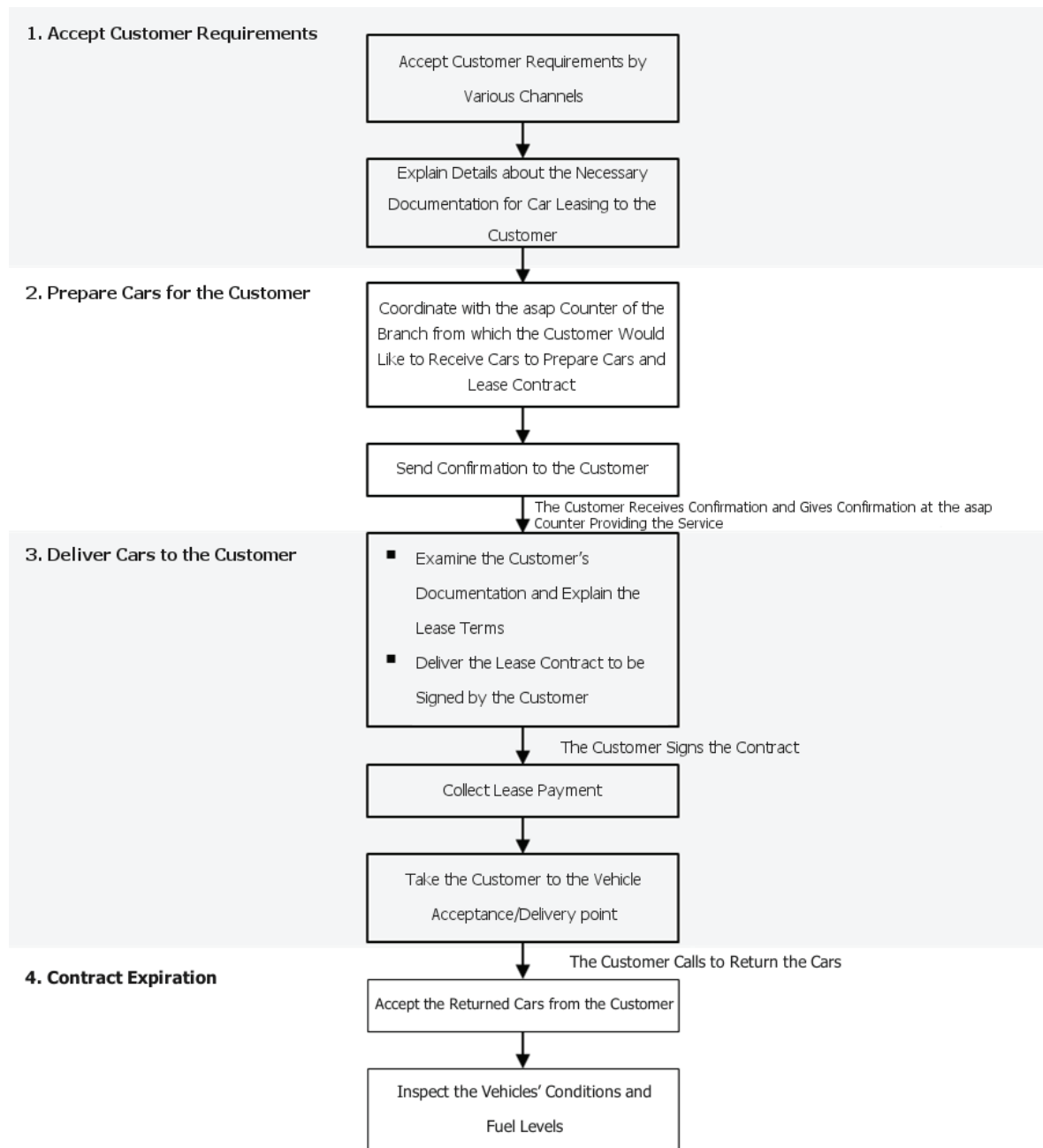
- 1.2) Vehicle Delivery** - The company verifies the accuracy and completeness of the car specifications and quantities required by the customer before accepting them from the car sales representative. Once the company has already inspected the accuracy and completeness of the vehicles required by the customer and agreed to the details in the car lease contract with the customer, the company will send the car lease contract to the customer for signing. Subsequently, the company delivers the vehicles to the customers for inspection and additional signing of acceptance. In general, the company assigns the company's employees to drive the cars and deliver them to the customer. However, if the quantity of the cars is large and/or if the delivery has to be made in provincial areas, the company might employ trailers or slides in transportation with the company's employees following to deliver the cars to the customer.
- 1.3) During Usage** - Once the customer has accepted the vehicles and the vehicles are being used, the call center will call users to notify them about scheduled checkups according to standards in addition to other maintenances. If the user encounters a problem during usage or requires assistance, the user can call the company's call center any time 24 hours a day. Additionally, the company tracks user performance and satisfaction. The Customer Relations Department will directly make calls to inquire about user satisfaction. If users encounter problems or have any complaints, the Customer Relations Department will pass the issue to related departments for acknowledgement and corrections.
- 1.4) Contract Expiration** - Two months before contract expiration, the company will ask the customer if the customer wishes to continue rental cars and whether the customer would like to use the same cars or replacements. If the customer would like to continue using the same cars, the company will renew the contract and allow the same cars to be leased. However, if the customer would like to lease new cars, the company will make preparations to accept used and returned cars from the customer and negotiate new details such as the types and quantities of the cars, lease fees and other conditions, etc. and then draft a new contract and purchase new cars. However, if the customer does not wish to continue rental cars, the company will ask the customer/user whether they would like to purchase the cars they have used. If they would like to do so, the company will sell the aforementioned cars to the customer/user once the contract expires. Otherwise, the company will prepare to receive the cars returned by the customer.

Once the lease contract expires, the company will examine the integrity and characteristics of the cars before accepting their return. Once the vehicles are returned, the company will sell them by various channels based on the year of sale, mileage and condition. If the year of sale of the vehicle is not significantly distanced from the present year, the car has low mileage or the car is in excellent condition, the company will examine whether or not the car had encountered an accident. If not, the company will directly set the sales price of the car and sell the car through various channels. If

returned vehicles are not in a condition that can be directly sold by the company, the company might send the vehicle to a vehicle auction park if the number of returned vehicles is few, or organize the company's own auction if the number of returned vehicles is rather high. Bidders include ordinary individuals, second-hand car tent managers and regular second-hand car dealers. In the future, the company is likely to sell vehicles from expired contracts via asap Auto Park and auction parks of well-known outside parties due to the high demand of buyers, which can raise the sales prices in line with market prices.



2) The processes for short-term lease can be summarized as follows:

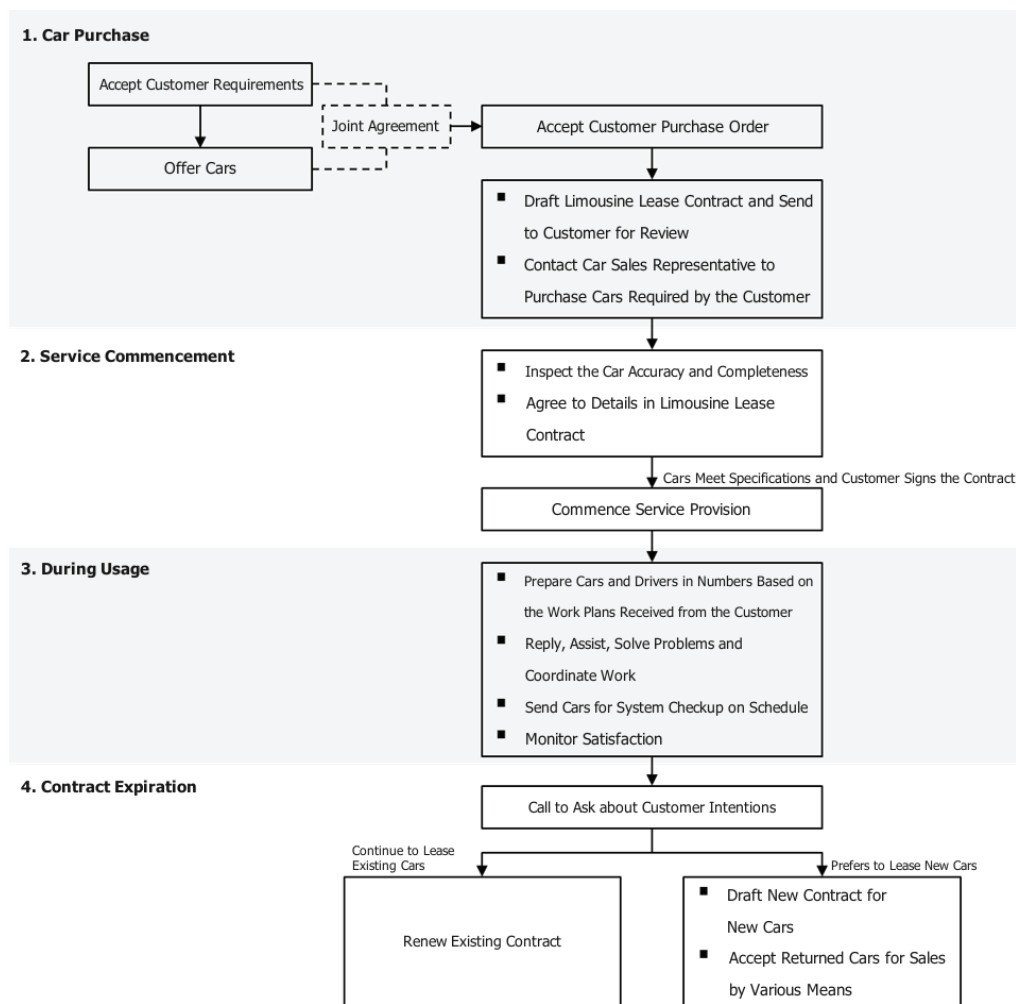


2.1) Receive Customer Demands - Once a customer wishes to use the company's short-term rental services, the customer can express the aforementioned intention in advance by a number of channels such as the company's main office, telephone, the LINE application to asap's account and the company's website or direct walk-in at an asap counter in an airport. The company will inquire for details about the customer's requirements and state the necessary documents that will be used in the lease to the customer.

- 2.2) Prepare Cars for the Customer** - Once the company is aware of the customer's requirements, the company will coordinate with the asap counter of the branch from which the customer would like to lease cars to prepare the cars required by the customer and the lease contract and then return a confirmation to the customer.
- 2.3) Deliver Cars to the Customer** - Once the customer receives the confirmation, the customer and visits the asap counter of the branch from which the customer would like to lease cars and informs the counter staff of confirmation, the staff will examine the customer's documentation and explain the lease conditions to the customer, then take the lease contract to be signed by the customer. Once the customer has signed in the contract, the staff will use the customer's credit card to pay for the lease fee and block a financial limit as collateral. Subsequently, the staff will guide the customer to the car acceptance/delivery point, whereupon both the customer and staff will jointly inspect the cars. Once the customer completes inspection of the cars, the customer will sign in acceptance of the cars in a car acceptance/delivery form before using the cars.
- 2.4) Acceptance of Returned Cars from the Customer** - Once the contract expires, the customer will notify asap's counter staff to return the cars to the company at the car acceptance/delivery point. The returned cars must have full tanks of gas, which are equivalent to the amount on the initial date of use.



3) The processes for limousine rental can be summarized as follows:



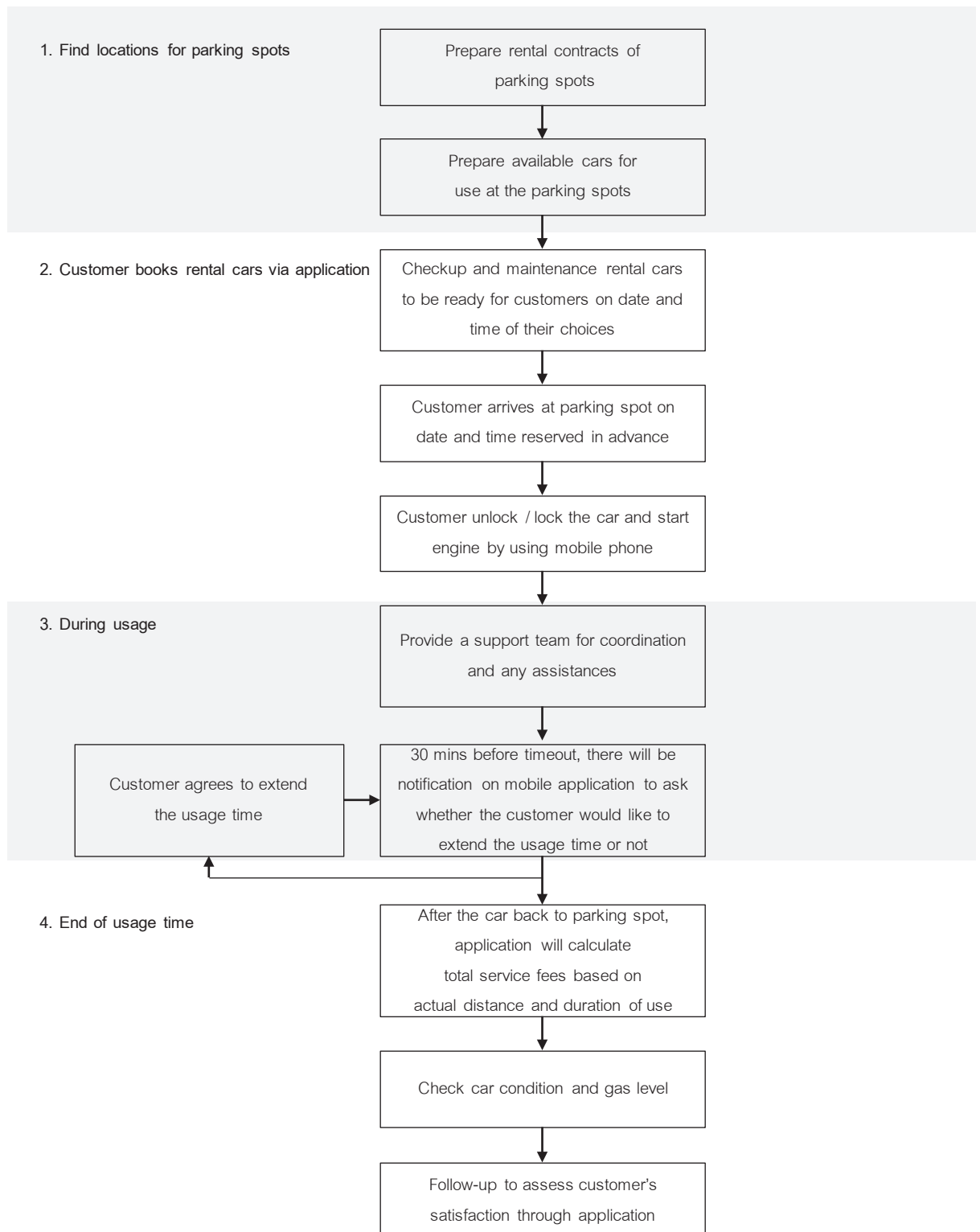
3.1 Car Purchase - Similar to the same process for comprehensive operating lease.

3.2 Commencement of Service Provision - The company verifies the accuracy and completeness of the car specifications and quantities required by the customer prior to accepting them from the car sales representative. Once the company has already inspected the accuracy and completeness of the cars required by the customer and agreed to the details in the limousine lease contract with the customer, the company will invite the customer to examine the cars and send various documentation related to the cars to the customer for examination, e.g., car registration book and copy of insurance policy. Subsequently, the company sends the contract to the customer for signing to commence service.

- 3.3 During Usage**—The company will arrange the number of cars and chauffers stated by the work plan received by the customer daily. And in order to ensure fluid and flexible service, the company maintains a staff of company employees to wait to provide service at the customer's place of business with assistance and solutions for problems in service provision (if any) in addition to supervising all scheduled car inspection issues. In addition, the customer relations team makes random calls to ask for the satisfaction of car service users each day on various aspects such as manners in the service of drivers, punctuality in driving cars to service, cleanliness and others in order to apply the recommendations obtained from users in subsequent service improvements.
- 3.4 Contract Expiration**—The procedures are the same as for comprehensive operating lease.



4) The processes for car rental via mobile application can be summarized as follows:



- 4.1) Find locations for parking spots** – The company will select office buildings, condominiums, community malls and other parking spots that are suitable for being parking spots for car lease service via mobile application. Then, the company will coordinate and prepare space lease contracts with the owners of the area. When parking spots are in place, the company will prepare available cars for use at the parking spots.
- 4.2) Customer reserves through application** – The company will check car conditions on a regular basis and confirm a customer reservation on the date and time required by customer. When the aforementioned date and time are reached, customer can unlock and start engine by using mobile application.
- 4.3) During usage** – The company provides a support team which will provide assistance and coordination for any events such as accident, etc. Prior to the end of usage time, application will notify the customer by inquiring whether the customer desires to extend the usage time in order to prevent the overlap reservation on the car that is already in use.
- 4.4) End of usage time** – Subsequent to the customer brought the lease car back to the parking spot, application will calculate total expenses based on actual distance and duration of use. For individual customer, the company will charge expenses via credit card that the customer registered with the company. For corporate customer, the company will submit an invoice to the corporate customer that registered with the company based on billing cycle of the corporate customer. In addition, the company will follow up to evaluate customers' satisfaction through mobile application.

2.3 Industrial and Competitive Conditions

2.3.1 Industry Conditions

Car Rental Industry Overview

The car rental business provides an option for transportation services and travel for ordinary persons and companies that do not want to buy their own cars for various reasons such as lack of desire to spend large sums of money to pay for the full price of cars, desire to reduce car maintenance responsibilities or intention to use cars for short periods, etc. The car rental industry can be divided into two categorized, namely, 1) short-term rental and 2) long-term rental.

The short-term rental industry providers temporary car rental services with service durations lasting less than one year such as daily, weekly or monthly leases. The majority of customers who use this type of service are tourists and entrepreneurs from Thailand and abroad who travel by plane or other public transportation services for business or leisure in various provinces such as Bangkok, Chiang Mai, Phuket and Krabi. There are many service providers in this industry ranging from local small-scale entrepreneurs to medium and large companies with service centers in many provinces nationwide.



Meanwhile, the long-term rental industry constitutes car leases with lease durations of at least one year. In this industry, customers gain from reduced financial burdens due to not having to make large investments in fully purchasing cars. The long-term rental industry can be divided into 1) financial rental and 2) operating rental. Financial rental is a form of loan service in which lessees agree to pay car installment prices as agreed in lease contracts and the lessor will transfer the car proprietary right to the lessee according to the terms and specifications in the lease contract. The operators in this industry are usually large companies in the financial institute sector such as TISCO Bank Public Company Limited, Thanachart Bank Public Company Limited and Ayudhya Capital Auto Lease Public Company Limited or are captive finance companies such as Toyota Rental (Thailand) Company Limited and Honda Rental (Thailand) Company Limited. Meanwhile, operating leases are composed of operators who provide car procurement services for lessees with service durations prescribed in lease contracts. Once lease contracts expire, the proprietary rights to cars stay with the lessor. Therefore, lessors are able to sell or lease out cars from expired contracts to other customers. The majority of this type of car lease operators are medium to large companies capable of rental out large numbers of cars and usually provide other supplementary services to facilitate customers such as car repair and maintenance services and replacement cars during emergencies, etc. Accordingly, corporate customers can enter car rental expenses in their accounts as expenses and obtain tax deductions. Due to the aforementioned benefits, operating rental is presently gaining in popularity among private companies and government agencies and state enterprises.

The company operates a car rental business that offers the following three types of rental services: 1) comprehensive operating lease aimed at serving corporate customers with services covering customer requirements in various aspects from fleet procurement to fleet-tailored modification, fleet maintenance, replacement cars and other related services; 2) short-term lease aimed at serving individuals customers who would like short-term rental; 3) limousine lease aimed at servicing corporate customers who require long-term rental with chauffeur services; and 4) car rental via mobile application aimed at serving short-term rental service to corporate customers of the company and individual customers via sharing platform.

The operating and short-term leases have industry-impacting factors that can be summarized as follows:

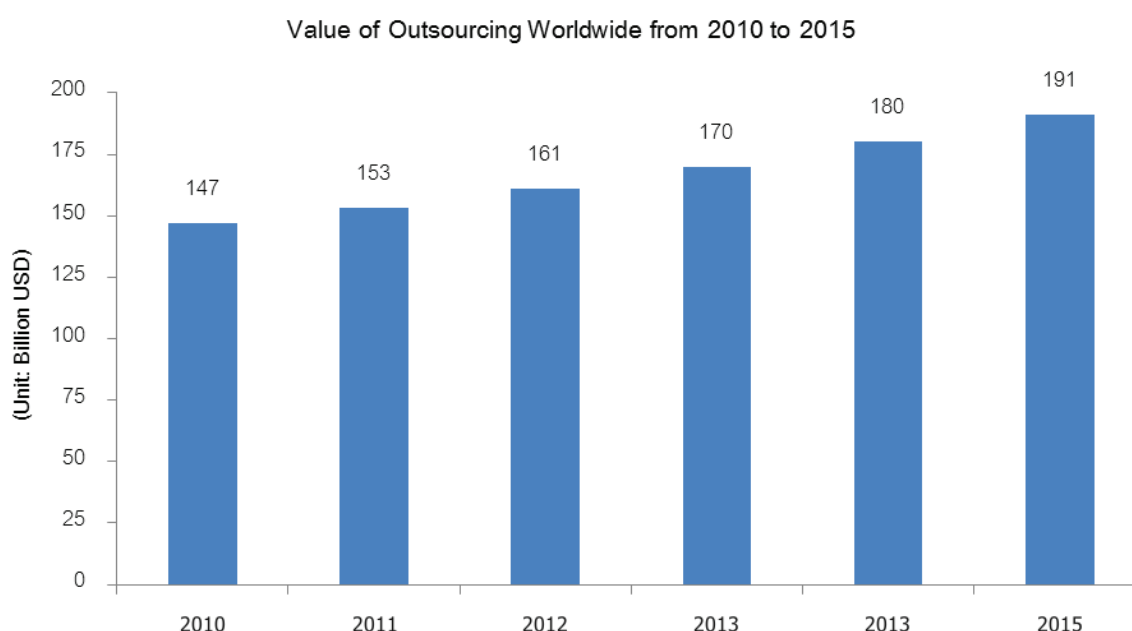
1) Outsourcing Trends

Outsourcing (“outsourced services”) is another form of business whereby the company that is employing the service assigns a part of its work processes such as product design, building cleaning, shipping and freighting, etc. to a service provider company that specializes in the respective work process. Car rental for corporate customers is a form of outsourcing, by which the company employing the service assigns fleet management to the service provider company; such services cover fleet procurement, fleet maintenance and related document and administrative tasks.

Outsourced services is rapidly gaining in popularity. Data from the Business Briefing Series: 20 Issues on Outsourcing and Offshoring prepared by Ernst and Young, a leading worldclass company in audit, financial consultation, risk management and tax management services, and the Institute of Chartered Accountants in

Australia stated the many benefits of outsourcing, e.g., outsourcing saves companies up to 20–55 percent of operating cost and boosts operating effectiveness by around 5–15 percent. Additionally, outsourcing also enables companies to fully dedicate their capital and resources to their main businesses and reduces operating losses because services are provided by experts.

Outsourcing has been growing steadily. The aforementioned report stated that from 2010 to 2015 the average growth of outsourcing worldwide will be approximately 5.3 percent per year with worldwide market value for outsourcing in 2015 at about 191 billion USD.



Remarks: The value of outsourcing worldwide from 2012 to 2015 are estimates.

Source: Business Briefing Series: 20 Issues on Outsourcing and Offshoring prepared by Ernst & Young and the Institute of Chartered Accountants in Australia.

The rapid growth in outsourcing naturally creates a good opportunity for companies that provide outsourcing services. This includes many companies in the car rental industry. The company is categorized as one of the outsourcing service providers with successive increases in the number of corporate customers. As of 31 December 2016, the company has a total of 379 corporate customers, an increase from the 175 corporate customers by 31 December 2014.

2) Consumer Behavior on Cars

In the past, the consumer behavior on cars for the majority of consumers was outright purchase. Later on, this behavior began to change, with greater inclinations for car rental. The Global Automotive Finance and Rental: The Role of Product Diversification and Emerging Markets in Future Growth, which was prepared by KPMG International Cooperative, a leading worldclass company in accounting, financial consultation, risk management and tax management services, stated that the consumer behavior of cars worldwide is changing from prioritization on car ownership more toward car usership. A key factor for this is the development of services of car rental operators, which offer comprehensive and diverse range of services to appeal to greater numbers of consumers. These services include car repair and maintenance services and fleet management services.

The aforementioned report also stated that the aforementioned worldwide change in consumer behavior is resulting in massive growths in the car rental industry aimed at corporate customers when compared to the car sales sector, especially in many countries in Asia such as China, Russia and India.

Compound Annual Growth Rate (CAGR) from 2012 to 2015 Of the Car Sales and Car Rental Industries for Corporate Customers

Country/Group	Compound Annual Growth Rate (CAGR) from 2012 to 2015 (%)		
	Outright Purchase	Financial Rental	Operating Rental
China	17.0	27.0	28.0
Russia	3.0	21.0	25.0
India	6.0	14.0	18.0
Western Europe ¹	0.0	1.0	3.0
USA	0.0	2.1	1.9

Remarks: ¹ Countries in Western Europe consists of Austria, Belgium, Denmark, Finland, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

Source: Global Automative Finance and Rental: The Role of Product Diversitification and Emerging Markets in Future Growth prepared by KPMG.

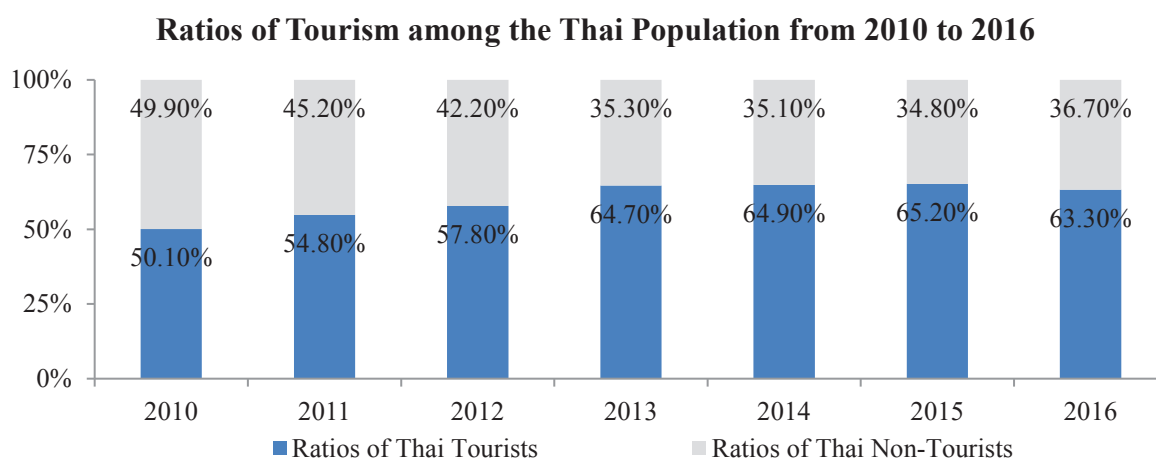
In Thailand, the aforementioned change in consumer behavior is largely found in private entrepreneurs, government agencies and state enterprises. These groups of customers prefer to lease cars rather than purchase cars for use because of several benefits such as the following: 1) management benefits, e.g., increased car management effectiveness within the organization as a result of reduced operating responsibilities in the organization, whether on car maintenance, documents and administrative tasks or risks from uncertain residual value; 2) financial and accounting benefits, e.g., reduced financial burdens by not being required to make large investments to pay full prices of cars leading to increased cash flow for investments in primary businesses, absence of obligations in loan and insurance procurements with financial institutes, saves on costs from loan interests and ability to precisely control expenses related to cars covering all expenses in lease contract and services without

financial impacts from increases in assets and/or liabilities (off-balance sheet); 3) tax benefits, i.e., car lease fees can be used to deduct tax expenses; and 4) business continuity benefits, e.g., in cases where a car encounters an accident or malfunctions, the car lease service provider will provide a replacement car, leading to service users having replacement cars to continue operating business without interruptions.

3) Tourism Industry Growth

Growth in tourism is one of the factors that are impacting the short-term car rental industry. Presently, tourists can conveniently access car rental services through daily car rental services for trips to provincial tourist destinations such as Bangkok, Chiang Mai, Phuket, Krabi, etc. Tourism in Thailand is continuously growing due to Thai and foreign tourists.

Information from the “Survey of Tourism Behaviors of the Thai People of 2015” prepared by the National Statistical Office and the Tourism Authority of Thailand reveals that tourism is becoming more popular with the Thai people. In 2015, over 65.20 percent of the Thai people had went on a trip over the past year. This is a large increase when compared to the data for 2010 in which only 50.10 percent of the Thai people went on a trip over the previous year.



Remarks: ¹ Survey results of tourism behaviors among the Thai population aged 15 years and up.

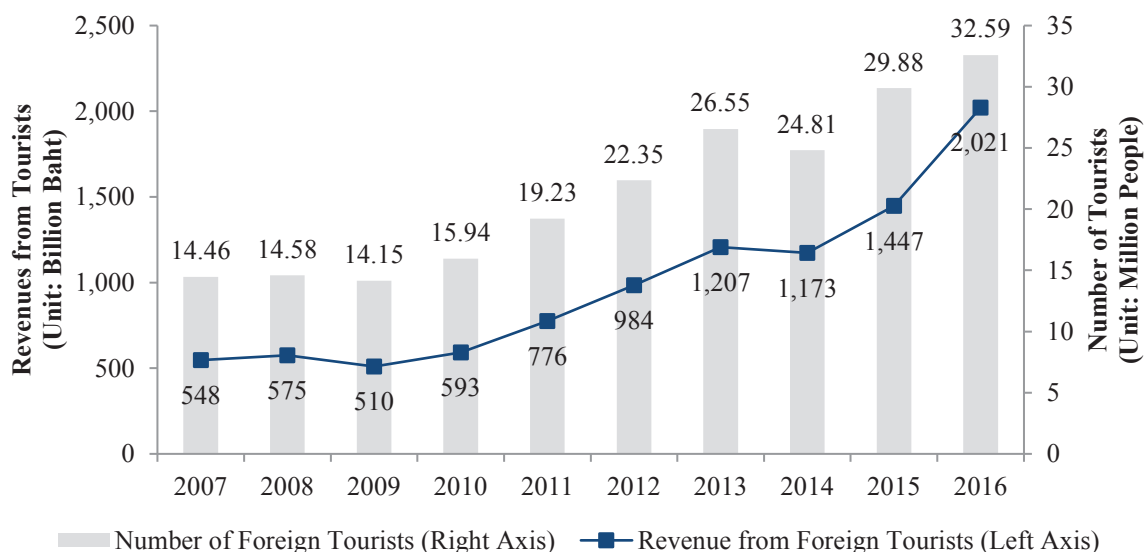
Source: National Statistical Office.



As for tourism by foreign tourists, data from the Department of Tourism, Ministry of Tourism and Sports, state that in 2016 about 32.59 million foreign tourists visited Thailand, producing about 2,020.96 billion baht of revenue from tourism. These are increases by 9.08 percent and 39.67 percent when compared to the same period in the previous year, respectively. Furthermore, when the period from 2007 to 2016 was considered, the compound annual growth rate (CAGR) for tourist numbers and tourism revenue were 9.45 and 15.60 percents, respectively.

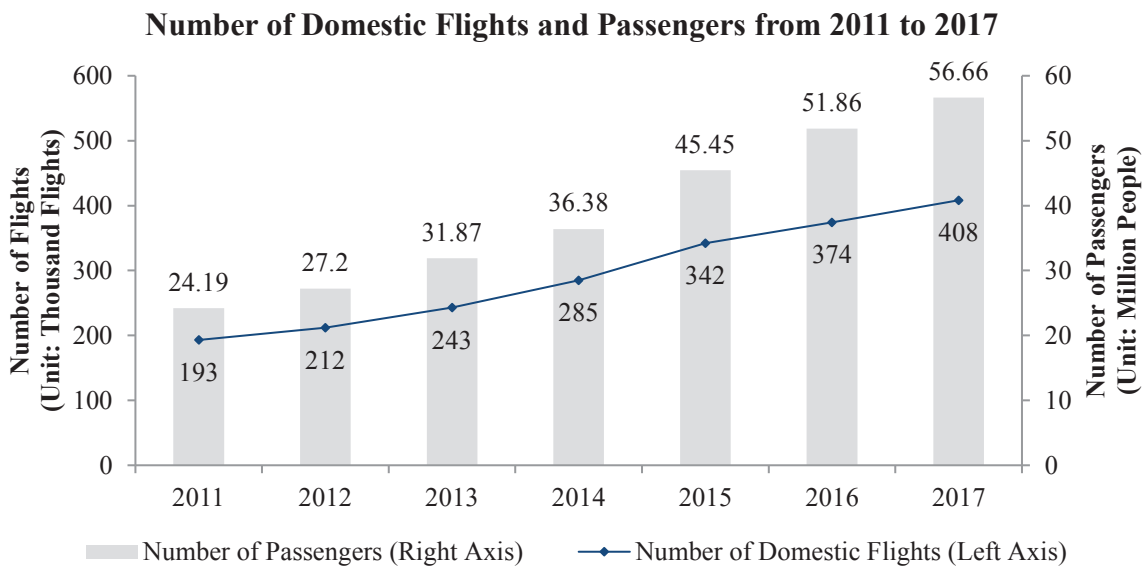
The tourism industry is continuously growing. Data from the “Thai Tourism Scenario 2020” prepared by the Market Research Division of the Tourism Authority of Thailand (TAT) showed that the United Nations World Tourism Organization (or UNWTO) projects that by 2020 the number of international tourists worldwide will number over 1,600 million with Southeast Asia being one of the popular tourist destinations. If Thailand’s growth in tourism is equal to the projected growth rate for the Asia Pacific region at 6.5 percent, by 2020 Thailand will have over 41.5 million tourists.

**Number of Foreign Tourists and Revenue from Foreign Tourists
from 2007 to 2016**



Source: Department of Tourism, Ministry of Tourism and Sports

In addition, information from Airports of Thailand Public Company Limited shows continuous increases in flight and passenger volumes inside the country from 2011 to 2017. In 2017, there were approximately 408,236 domestic flights with approximately 56.66 million domestic flight passengers. From 2011 to 2017, the compound growth rate of domestic flights equaled 13.30 percent per year with domestic compound growth rate of domestic flight passengers at 15.24 percent per year.



Source: Form 56-1 of Airports of Thailand Public Company Limited.

Recent growth and the likelihood for continued growth in the tourist industry with the increases in domestic flights and passengers mentioned above are factors that should contribute to the future growth of short-term rental.

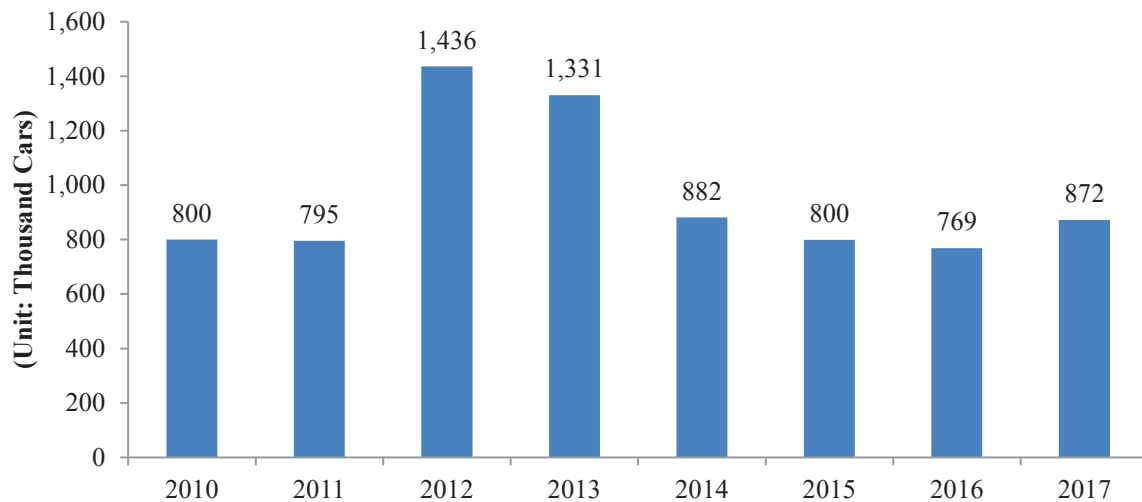
4) State of Second-hand Car Prices

Second-hand car prices affect the car rental industry in at least two aspects as follows: 1) Second-hand car prices impact the sales prices of cars from expired contracts; if second-hand car prices are low or significantly fluctuate, the revenues of car rental operators from the sales of cars from expired contracts might also dwindle or fluctuate. 2) The prices of second-hand cars impact the service fees of lease cars; car rental operators use second-hand car prices as a factor in determining service fees; for example, if car rental operators expect the prices of cars from expired contracts to be low, the operators might consider raising service fees from lessees to compensate for the loss of income and risks of losses from sales of expired cars.

Second-hand car prices depend on many factors, including the number used cars entering the second-hand car market, which can be estimated by the total sales of new cars in the country. In other words, if there is a large number of new cars being sold, the number of consumers who would like to purchase second-hand cars might decrease due to new car purchases. Additionally, there also could be a large number of consumers selling their old cars and leading to a large volume of used cars entering the second-hand car market, which decreases second-hand car prices.



Domestic Car Sales from 2010 to 2017



Source: The Federation of Thai Industries.

According to the Federation of Thai Industries, the data on domestic car sales indicates that the number of cars sold in Thailand from 2010 to 2017 significantly fluctuated. In 2011, approximately 795,250 cars were sold. This is a slight decline when compared to 2010 and was caused by the tsunami disaster in Japan in early 2011, which slowed the car manufacturing industry due to shortages of important manufacturing parts and major floods in many provinces of Thailand near the end of 2011. Later on in 2012, however, the figures for domestic new car sales increased to 1.44 million cars, the highest recorded number of car sales in Thailand, or an increase by 80.61 percent when compared to the sales total in 2011. This was primarily caused by the government's first car policy, which was a tax return measure for car buyers based on set conditions that lasted from 1 October 2011 up to 31 December 2012. Accordingly, information from the article entitled "Index of Second-hand Car Prices and Financial Lease Port" of the Bank of Thailand stated that the first car policy reduced second-car prices because the public became more interested in purchasing first-hand cars, leading to second-hand car prices in the market to drop by 25–30 percent.

Subsequent to the conclusion of the first car policy, domestic car sales continuously dropped: domestic car sales from 2013 to 2016 were approximately 1.33 million cars, 0.88 million cars, 0.80 million cars and 0.77 million cars, respectively, or decreases of 7.36 percent, 33.73 percent, 9.32 percent and 3.86 percent, respectively, when compared to the same period during the preceding years. The decrease in domestic car sales also reduced the amount of used cars entering the second-hand car market, leading to improved prices of second-hand cars. Additionally, data from the "Index of Second-hand Car Prices and Financial Lease Port" of the Bank of Thailand revealed that after the conclusion of the first car policy, second-hand car prices nevertheless continued to decrease, with the lowest point being around 2014, and then improved in the first quarter of 2015.

The conclusion of the first car policy and the improvements in the prices of second-hand cars should play a part in decreased fluctuations in the prices of second-hand cars, leading to car lease operators to be able to better estimate the prices of cars from expired contracts and reduces losses from the sales of cars from expired contracts.

2.3.2 Competition

Overview of Competition

Due to the supporting factors for growth in the car rental industry such as the growth trend of outsourcing and changing consumer behaviors leaning toward car rental and growth in the tourism industry, the car rental industry of Thailand is likely to experience sustained and continuous growth, and this should be an opportunity for existing operators to make plans to expand investment and for many new entrepreneurs with interest in this industry to join in.

Competition in the car rental industry depends on the market segment of the business. The characteristics of entrepreneurs, business types and customer groups all are key factors affecting competition. In short-term rental, competition is rather heavy with the target customers consisting of tourists and ordinary individuals, which prioritize prices, leading to intense competition in short-term car rental. However, the company provides short-term car rental services without emphasizing competition by prices but instead with emphasis on additional services to facilitate and enhance safety for customers during their trips, e.g., babyseat, GPS navigator, bicycle holder and first-class car insurance. As for long-term rental with emphasis on operating rental, competition is not very fierce. This is because there are few operators in this type of business, with services mostly provided to government agencies, state enterprises, private companies and large multinational corporations. These customers have wide-ranging service requirements. Therefore, quality and services that provide solutions to problems and cover customer requirements in all areas are the important factors for achieving long-term competitiveness.

Accordingly, the company operates a car rental business providing services that cover comprehensive operating rental, short-term rental and limousine rental with flexibility in service modifications to meet the various needs of customers, ranging from fleet procurement and fleet-tailored modifications to repairs and maintenance throughout the duration of service contracts, emergency car replacements and other related services. Due to the aforementioned emphasis on quality and comprehensive accommodation of customer requirements, the company continues to maintain long-term competitiveness and is one of the leading car rental operators in Thailand. A summary of examples of companies in the operating lease and short-term lease industries is as follows:



Examples of Companies in the Operating Lease Industry

Company	Total Revenue (Million Baht) For the Year Ending on 31 December		
	2015	2016	2017
Phatra Rental Public Company Limited	3,704.60	4,174.43	3,857.05
Thai Orix Rental Company Limited ¹	3,621.08	3,870.38	N/A
True Rental Company Limited	2,388.28	2,434.16	N/A
Krungthai Car Rent and Lease Public Company Limited	1,945.79	2,002.97	2,092.39
Southeast Capital Company Limited	1,558.84	1,958.97	N/A
Thai Rent A Car (1978) Company Limited	1,459.52	1,349.37	N/A
Master Car Rental Company Limited	1,420.65	1,621.42	N/A
Synergetic Auto Performance Public Company Limited ("Company")	1,086.09	1,459.44	2,141.91
Thai V.P. Corporation Company Limited	992.07	942.93	N/A
Premier Inter Rental Company Limited	562.62	630.45	N/A
Japan Rent (Thailand) Public Company Limited	255.56	235.41	N/A

Source: Information from the Ministry of Commerce via Business Online Public Company Limited and the Stock Exchange of Thailand.

Remarks: ¹ Accounting period begins on 1 April and ends on 31 March of the following year.

Examples of Companies in the Short-term Lease Industry

Company	Trade Name	Total Revenue (Million Baht) For the Year Ending on 31 December		
		2015	2016	2017
Worldclass Rent A Car Company Limited	Budget	N/A	1,051.61	N/A
Thai International Rent A Car Company Limited	AVIS	427.83	520.12	N/A
Paragon Car Rental Company Limited	Hertz	451.54	514.50	N/A
S.M.T. Rent A Car Company Limited	National.	181.21	258.68	N/A

Remarks: The company is a new operator in the short-term rental industry and opened for service for the first time in December 2015. In addition, the company's revenues from short-term rental services amount to 0.16 million baht, 18.33 million baht and 54.24 million baht for year 2015 – 2017, respectively.

Source: Information from the Ministry of Commerce via Business Online Public Company Limited.

2.3.3 Target Customers


The company's target customers for comprehensive operating rental and limousine rental are corporate customers consisting of private companies of all business types and government agencies and state enterprises. The company intends to expand its base of large, medium and small corporate customers to cover all business types and to add new customers to each existing business group. As for short-term rental, the company's target customers are ordinary individuals who need short-term car rental services for general transportation. At the present, the company has established short-term car rental counters at various airports nationwide to reach target customers, e.g., tourists and entrepreneurs.

The customers that use the company's services currently consist of corporate and individual customers, although most are corporate customers or 98.32 percent of all car rental revenues (average for from 2015 to 2017). The customers that use the company's services can be classified into three categories as follows:

- 1. Private Companies** - These consist of large, medium and small private companies operating various businesses such as retail/wholesale trade, telecommunications/communications, manufacturing, etc. Most of these lease various sizes of cars for use by executives or employees for general transportation, including pickup trucks with modifications and equipment installations for use in operating business. The contracts with this group of customers are made with durations from about three years up to five years with regular renewals.
- 2. Government Agencies and State Enterprises** - These consist of customers that lease a wide range of cars from medium to large passenger cars, pickups and vans for general transportation and various activities. Contracts for this group of customers are made with durations from about three years to five years. Additionally, the company might be specified to submit a letter of guarantee issued by a financial institution as guarantee for contract performance.
- 3. Ordinary Individuals** - This group of customers need cars for general transportation and lease various sizes of passenger cars and executive cars. Ordinary individuals are managers of corporate customers for which the company provides comprehensive operating lease, ordinary individuals that need to lease cars for business and new customers stemming from short-term rental. For this type of customers, contract have short terms of days or months.

2.3.4 Distribution Channels

In providing service to corporate customers, the company's the operating lease team contacts customers directly. The customers contacted by the company might be customers for which the company sought channels to contact, or customers referred by existing customers, or trade partners, or business allies of the company. Accordingly, the operating lease team introduces the company and offers comprehensive operating rental services in addition to the company's limousine rental services to meet the requirements of customers in all areas, whether fleet procurement based on the specifications and quantities required by customers quickly and in a timely manner, or responding to/resolving problems encountered by customers. This includes quality service as guaranteed by



the company's extensive history of providing services to large, well-known customers. Furthermore, auctions are another channel by which the company distributes its services if the company's customer

is a government agency and/or large private company, whereby the customer might organize sealed bidding or e-auctions.

In service provision for customers who are ordinary persons, the company has a trained, experienced sales team from the Short-Term Car Rental Business Department to perform the duty of offering advice and proposing short-term car rental services at the company's counter at various airports. This includes visiting customers on-site to propose the aforementioned services to customers in the target group through various channels such as customer offices, department stores and other venues hosting events related to the company's service provision, etc. In addition, the company also has a website for making car reservations to facilitate customers.

2.3.5 Competitive Strategies

1) Ability to Provide Comprehensive Service Meeting Customer Requirements

The company prioritizes comprehensive rental services that meet customer requirements and facilitates customers in using their cars. This saves customers operating time. Additionally, customers find the company's services to be convenient, including fleet procurement for which all conveniences are provided to customers beginning with the selection of suitable vehicles for use or to meet customer requirements, on-time delivery of cars to customers or even taking responsibility for related document work; fleet-tailored modifications, for which modifications and installations are made to various equipment and includes modifications for appropriate usage, appearance modification and modification of drive power; car replacements in which cars are temporarily provided to customers for use when the customer's cars are undergoing repairs, to ensure that customers can have cars to use for normal business; and car repair and maintenance with nearly 1,000 service centers across Thailand. Additionally, the company has a call center for answering questions and providing notifications about various system checkups according to schedule 24 hours/day. In addition, the company provides other services related to customer requirements.

Due to the company's readiness to provide comprehensive operating leases, customers continuously and increasingly agree to use the company's car rental services every year. This is reflected in the company's existing customers who have been rental cars from the company for so long. They have confidence in the company's ability to maintain its quality standards. Additionally, this has led to long and positive relationships between the company and customers. At the same time, new customers initially experiment by using rather small quantities of the company's cars. Once the customers trust the company's services, they gradually increase the quantity of leased cars with the company until they exclusively lease cars from the company and continuously use the company's services.

2) Ability to Procure Cars that Meet Customer Requirements

The ability to procure cars is another essential aspect of the company's services. The company gives importance to procuring cars based on the specifications and quantities required by customers within the time frames set by the customers, or as soon as possible, in order to achieve customer satisfaction. The company is confident in its ability to procure cars that meet customer requirements in terms of characteristics or quantity, because the company has good relationships with many brands of car sales representatives. Additionally, one of the company's major shareholders is Toyota @ United Co., Ltd.

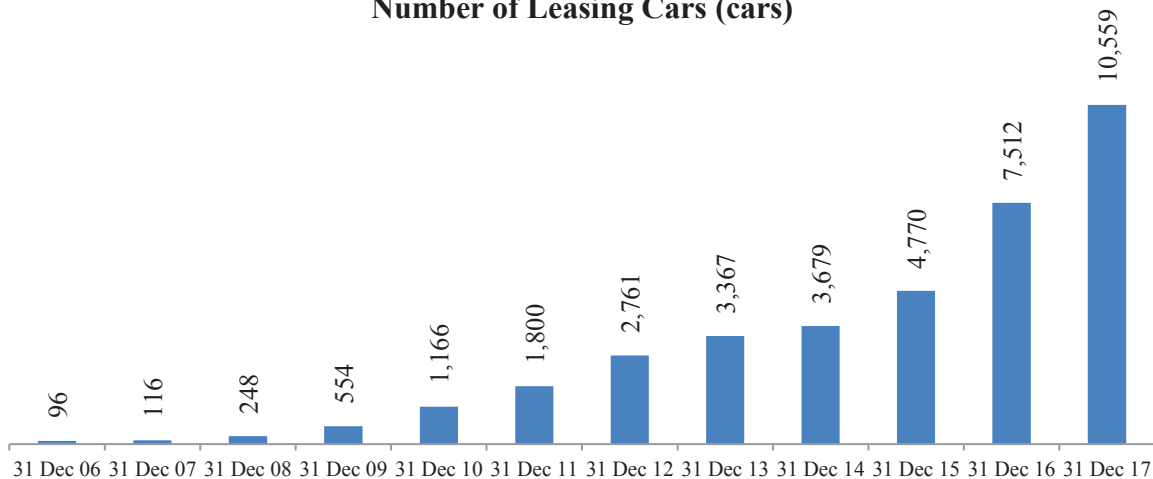
("Toyota @ United"), a major sales representative for Toyota cars in Thailand. Furthermore, in cases where Toyota @ United is unable to deliver cars based on the specifications or quantities needed by the company, the company is still able to procure Toyota cars from other Toyota car sales representatives, with which the company has long and positive relationships. As for brands other than Toyota, the company contacts car sales representatives to procure cars for the company with more than one company available for each brand. From past to present, the company has maintained good relationships with all car sales representatives and received excellent cooperation from all sales representatives in procuring cars based on the specifications and quantities required by the company in a timely manner and according to the schedule set by customers.

3) Excellent Service Quality

With attention, care and expertise in every step of services such as the fast and timely procurement of suitable vehicles that meet customer requirements; on-time response, assistance and solutions to problems; or responsibility for additional expenses in parts as extra services for customers, customers have become impressed and trust in the company's car rental services. Reputable customers continuously use the company's car rental services for more than nine years, and new customers increase every year, as indicated by the annual increases in the number of cars leased out to customers since the founding of the company until the present.



Number of Leasing Cars (cars)



The company's increased number of cars leased to customers and extensive and continuous use of the company's car rental services by customers reflect that customers are greatly impressed by the company's service quality. The cars currently used in the activities of some customers are leased entirely from the company.

4) Effective Cost Management

The company manages its finances and activities. In regard to financial cost management, the company procures financial sources from many financial institutes in order to maintain negotiability. In addition, the company manages periods of revenue to be consistent with expenses in order to prevent loss of operating liquidity. Financial lease contract terms are arranged in line with the terms for contracts made between the company and its customers. For the most part, the company arranges for financial lease contracts to have equal payments for every installment with a balloon payment for the final installment in order to ensure concurrence with monthly revenue from car rental and vehicle sales upon the expiration of contracts. Additionally, financial lease contracts are made to ensure that the company is clearly aware of interest rates, because the interest rates of the financial lease contracts are fixed rates. This leads to decreased risks from fluctuations in interest rates.

In terms of operating cost management, because the company arranges first-class insurance for all of the company's cars, the company has authority and the ability to negotiate insurance fees with insurance companies. Accordingly, the company contacts many insurance companies to propose insurance details. If the company deems any insurance company to propose the most satisfactory insurance fees and other proposals, the company would obtain a rather significant amount of insurance with the aforementioned insurance companies. As for the remaining cars, the company obtains insurance from other insurance companies in order to lower risks of dependence on any insurance company. Furthermore, the company is able to negotiate with external repair and maintenance centers for credit and discounts for repairs/parts fees, as the company has good relations from extensively conducting business with external centers.

Moreover, the company can procure certain parts that are regularly used at special prices, e.g., tire purchases from Yokohama, whereby the company receives special conditions for tire purchases as one of the retail representatives of Yokohama car tires.

5) Extensively Experienced Executive Team

The company's directors and executive team have extensive experience in operating businesses related to cars. In particular, Mr. Songvit Titipunya, Chief Executive Officer, has over twenty years of knowledge and expertise in operating car businesses as a sales representative of new cars, in management of residual value from cars from experience in being a sales representative of second-hand cars, and on the regular monitoring of the car market and factors with potential impact on car prices to allow accurate prediction of residual values. The company is confident that the knowledge, expertise and experience of the company's directors and executive team can lead to good visions and operating plans being set, leading to promotion of continuous and sustainable growth of the company.

2.4 Procurement of Products and Services

2.4.1 Fleet Procurement

In procuring cars required by customers, whether they are standard cars or modified cars, the company directly makes purchase from the sales representatives for each brand of cars. The company's ratios of values of purchase of various car brands are as follows:

Brand	Ratio of Purchase Value (%)		
	2015	2016	2017
Toyota	91.10	96.34	95.61
Honda	1.78	1.35	1.68
Nissan	2.42	1.35	1.09
Mercedes-Benz	1.08	0.35	0.44
BMW	0.20	0.17	0.11
Isuzu	0.76	0.11	0.53
Others	2.65	0.33	0.55

The company does not limit the number of car sales representatives from which the company makes purchases, in order to maintain the ability to procure cars according to the specifications and quantities required by customers, increase negotiability and decrease risks from dependence on any single representative.

For the most part, the company procures cars through financial leases made with several financial institutes with payments set in equal installments. Most of these have balloon payments in the final installment to concur with monthly revenues from car rental and revenues from car sales at contract expirations. In the selection of financial institutes for financial rental, the company primarily considers the stability of financial institutes with which the company enters financial rental contracts, in addition to financial rental conditions and interests.



2.4.2 Procurement of Parts for Repairs

The company is able to procure a wide range of high quality parts at required quantities because the company has good and extensive relations with distributors. The company directly orders parts from car manufacturing companies in order to obtain authentic and high quality parts for customers. Normally, the company always purchases regularly used parts such as tires, engine oil, batteries, air filters and engine oil filters in reserve to allow immediate usage.

2.5 Environmental Impact

- None -

Risk Factors


1. Risks in Business Operations

1.1 Risks from Unrealistic Projections of Sales Prices for Cars from Expired Contracts (Residual Value)

In operating the comprehensive operating rental business, which is the company's main business, the company enters into car rental contracts with each customer. The duration of most contracts averages at about 4–5 years with fixed monthly lease fees. In addition, once contracts expire, the company repossesses all cars for subsequent sales, except for specific cases in which the company has an agreement with the lessee or users of the lessee's cars that grants them the right to purchase the leased cars, which are state in their contracts. Therefore, the company's primary revenues from business activities are composed of monthly revenues from operating rental for the entire duration of each contract made with customers and revenues from car sales after contract expiration.

In calculating the monthly car lease fees collected from customers, the company estimates the residual value of the cars in addition to costs expected to occur in addition to service fees. Residual value is calculated as the projected future fair value of the aforementioned car sales when contracts with customers expire. In general, for the company's lease contracts lasting up to 4–5 years, most cars have about 40–50 percent of their value at the start of their contract, depending on usage. Projection of residual value is extremely important. If the company estimates residual value to be lower than reality, the company would over calculate its cost, leading to charging customers high monthly rental fees, which could discourage customers from rental the company's cars. On the other hand, if the company over estimates the residual value, the company would under calculate its cost, leading to under charging customers monthly rental fees, which can end up creating a loss for the company from car sales after contract expiration. Therefore, the company has risks from projections of residual value that deviates from reality, which can significantly impact the company's financial position and performance.

In studies and compilation of information for projecting residual value, the company conducts surveys and collects data about second-hand car prices in the market on a regular basis to analyze car market trends. In addition, the second-hand car prices estimated by financial institutes covering all car brands are also used as references. In any case, the majority of the company's cars for rental are Toyota cars. It is a popular brand that is widely used. Therefore, there is a high level of liquidity in purchases and sales with rather clear market prices. In addition, the company has a major shareholder that is a Toyota car sales representative. Hence, the company has information about new Toyota models that are released in the market in the future and might impact the prices of current car models. Furthermore, in addition to the aforementioned collection of information, the company estimates the conditions of cars in the future based on the usage characteristics of customers. For example, cars used for shipping and freighting are generally used more extensively than executive cars and so are more likely to have a smaller percentage of residual value than lightly used cars; this is also a factor that accompanies appropriate projections of the residual value of each car.



Furthermore, the company adjusts its projections of residual value congruently with actual conditions in the car market. This was evident in 2014 when the company was affected by great reductions in the prices of second-hand cars in the market. Consequently, the company incurred a loss from car sales. However, the company subsequently revised its residual value projections to reflect the expected market value for sales, which allowed the company to more effectively calculate costs and monthly lease fees. The company has a policy to track, review and revise the residual value of leased cars as approved by the company's Board of Directors' Meeting No. 4/2559 on 11 November 2016, whereby stipulations are made for the tracking and reviewing of the residual value of every car model on a quarterly basis followed by reporting to the company's Audit Committee and Board of Directors for acknowledgement every quarter. In cases where it is necessary to adjust residual value projections, the company would propose an agenda for the Audit Committee and Board of Directors to consider authorization for revising residual value from the existing value for all cars of the given model that are owned by the company at the time for use as the reference value for future residual value specifications for the aforementioned model.

1.2 Risks from Failure to Sell Cars after Contract Expiration or Delayed Sales or Sales at Prices Lower than Projected Residual Value

When rental contracts expire with customers, the company accepts all returned cars pending sales as second-hand cars by a number of distribution channels. As a result, the company has risks associated with car sales in many aspects as follows: 1) The company has risks from failure to sell cars, which can lead to a large surplus of second-hand cars pending sales, leading to loss of liquidity for the company; 2) When delayed sales occur, the company is at risk of loss of financial liquidity and depreciation of car value, i.e., the car sales price decreases over time and 3) The company has risks from the sales of cars at lower prices than projected residual values, which can lead to losses from sales and impacts to the company's performance.

Because cars are assets that ordinarily have a rather high level of liquidity in purchases and sales with a large supporting market, and because the majority of the company's cars are Toyota cars, a popular and widely used brand, there is a high level of liquidity in purchases and sales. Therefore, the company believes that risks from failure to sell cars and delayed sales are quite low. As for car sales prices, there are many factors upon which they are dependent, such as the situation of the car market at the time, car brand and model, condition of the car and distribution channel.

Car market conditions heavily influence the prices of second-hand cars. For example, second-hand car prices in 2014 significantly decreased because of impacts from the tax return policy for first-bought cars. In addition, car brands and models also impact the prices of second-hand cars. In other words, popular brands and models are likely to be sold at better prices and more quickly than unpopular models.


As for car condition, the company has set in place measures to reduce potential damages to vehicles that offered for service in order to maintain assets in good conditions. Hence, the company selects reliable customers such as international companies, large private companies, government agencies and state enterprises, which are inclined to demonstrate disciplined and attentive driving behaviors. Furthermore, the company provides safe driving training for customers in order to ensure safe driving on roads. Additionally, the company hands out car

user manuals for all customers and notifies customers to bring their vehicles for scheduled checkups and maintenance on a regular basis. This helps reduce potential damages and accidents to cars. As a result, the majority of the company's cars remains in rather good condition and less impact occurs to the sales prices of cars after contract expiration. Moreover, the company has numerous effective distribution channels for choosing depending on the conditions of cars. The company might set its own auction and announce car sales directly by various channels or might distribute the cars for auction at a central auction park or through asap Auto Park or directly organize auctions by inviting bidders such as external parties, second-hand car tents or Toyota Sure, which is a Toyota used car sales representative.

1.3 Risks from Dependence on a Major Supplier that is also a Connected Person

From 2015 to 2017, the company's car sales was valued at 1,536.83 million baht, 3,400.46 million baht and 3,377.58 million baht, respectively. The purchases of cars from Toyota, the main brand chosen by customers, was valued at 1,400.09 million baht, 3,275.94 million baht and 3,191.62 million baht, respectively, or calculated as 91.10 percent, 96.34 percent and 94.49 percent of total car purchases. Most Toyota cars are purchased from Toyota @ United Co., Ltd. ("Toyota @ United"), which is a major shareholder in the company. This is because Toyota @ United is one of the top Toyota sales representatives in Thailand that is able to deliver cars to the company quickly, even for large purchases. Furthermore, the aforementioned company can modify cars correctly and completely based on the specifications reported by the company. From 2015 to 2017, the company purchased Toyota cars from Toyota @ United at the values of 1,386.18 million baht, 3,062.27 million baht and 3,152.66 million baht, or calculated as 90.20 percent, 90.05 percent and 93.34 percent of total car purchases, respectively. Therefore, the company is at risk for dependency on Toyota @ United, which is a major supplier. If Toyota @ United is unable to procure and deliver cars required by the company's customers at appropriate prices, quantities and schedules, significant damage might occur to the company's business activities and performance. Furthermore, because the company purchases nearly all Toyota cars from Toyota @ United, which is a major shareholder and a connected person to the company, the company is at risk for transactions failing to meet the arm's length standard if internal control is inadequate.

However, the company does not limit the number of suppliers for each brand of car from which the company makes purchases in order to ensure the existence of many channels for procuring cars to meet customer requirements. Accordingly, the company gives primary consideration to the suppliers offering cars that meet required specifications with delivery in a timely manner, in addition to discounts from purchases. Therefore, if Toyota @ United is unable to deliver cars meeting the required specifications and quantities, the company can purchase cars from other Toyota suppliers because the company has good relationships with many Toyota suppliers and has always received cooperation in the procurement of required cars. Hence, the company is confident that the risk of failure to procure cars meeting the requirements of customers is low. Moreover, the company has never encountered the aforementioned problem.



Furthermore, in purchasing Toyota Cars from Toyota @ United, which is a major shareholder and a connected person to the company, the company has set in place policy and practice regulations for the purchase of cars from Toyota @ United in particular with greater stringency of inspection and reporting than the policies and practice regulations for ordinary purchases. The policy and practice regulations for the purchase of cars from Toyota @ United Co., Ltd. (revised volume) (“Toyota @ United Car Purchase Policy”) was approved by the Board of Directors’ Meeting No. 3/2559 on 17 October 2016.

The aforementioned Toyota @ United car purchase policy specifies methods for calculating prices clearly for the purchase of cars from Toyota @ United. The prices for the purchase of cars from Toyota @ United use the Manufacturer’s Suggested Retail Prices (MSRPs) as reference subtracted by discounts Toyota @ United offers the company in line with agreements in addition to the processing fees per car of Toyota @ United as per agreements. Accordingly, the aforementioned discounts have a clearly specified formula for calculations with consideration of all discount types received by Toyota @ United from the manufacturing company at the time, which consist of gross discount, model-specific sales promotion discount, major customer discount (fleet customers) and special discount (if any). Meanwhile, processing fees are specified as fixed figures for each car with consideration to the processing costs of Toyota @ United directly related to the cars sold to the company plus the profits from the aforementioned process at appropriate amounts. Agreed processing figures are set for review at least once every quarter or immediately upon the occurrence of events that significantly change processing fees. Reviews and changes (if any) are brought to the Audit Committee and Board of Directors for consideration of approval.

Furthermore, the Toyota @ United Car Purchase Policy stipulates for the verification of price quotations in writing as received from Toyota @ United before every purchase. Furthermore, proposed prices are compared to prices of other Toyota car supplies, and once each car purchase is complete, records are made and related information to the aforementioned purchase are stored systematically to ensure convenient inspection. Furthermore, the end of every quarter has been set for the company to collect information and documents for submission to the internal auditor and/or persons assigned by the Audit Committee to verify their accuracy and prepare summarized reports for submission to the Audit Committee for acknowledgement and evaluation of the propriety of transactions on a quarterly basis. Therefore, the company is confident that the risk of non-arm’s length transactions is low.

1.4 Risks from Monthly Principle and Interest Payment Obligations pursuant to Financial Lease Contracts

In operating the car rental business, the financial sources for the purchase of cars according to customer requirements are entirely debt financing through loans from financial institutes, whereby the company enters into financial lease contracts with financial institutes. Meanwhile, approximately 65–75 percent of cash flow results from business activities in operating rental as received on a monthly basis throughout the entire contract duration with customers; most contracts have a duration of four to five years; and the remaining 25–35 percent of cash flow results from sales of cars after contract expiration. Due to the aforementioned cash flow characteristics,


the company enters into financial lease contracts with terms of approximately four to five years and makes payment for principles and interests in equal monthly installments. The majority of contracts include a final balloon payment in the final installment in concurrence with cash flow characteristics. In any case, the company continues to have risks from received cash flow becoming inconsistent with payment installment in financial lease contracts if unusual circumstances occur, which can occur as a result of 1) renewal request by customers at contract expiration; 2) the customer makes late payment, fails to make payment or suddenly terminates the contract and 3) the company is unable to sell cars from expired contracts in a timely manner.

In cases where the customer requests a contract renewal, makes late payment, fails to make payment or suddenly terminates the contract; or when events occur that prevent the company from selling cars from expired contracts within a reasonable amount of time, which directly impacts the company's received cash flow from activities, the company will still have short-term loans from financial institutes that amount to 65 million baht (as of 31 December 2017) in reserve for use in cases where the company temporarily lacks liquidity. Nevertheless, there are only few cases in which the customer requests a contract renewal and usually only for three to six months. Moreover, in cases where the customer abruptly terminates contract, the company receives cash flow from fines collected from customers pursuant to contracts. However, the company is unable to collect fines from government agencies and state enterprises that suddenly terminate contracts, because lease contracts with government agencies and state enterprises specify conditions that allow the lessee to terminate the contract without any demands of damages by the lessor. Nevertheless, the company has never encountered the problem of suddenly interrupted contract from government agencies and state enterprises.

Meanwhile, as for delayed payment, failure to make payment, sudden termination of contract and the company's failure to sell cars from expired contracts in a timely manner, even though these situations have occasionally occurred in the past, most cases were of low value. This is because the company has strict and cautious measures for selecting customers. Before work is proposed to customers, apart from examining their reputation in the industry, the company analyzes the past-to-present performance and financial position of all customers in order to assess reliability and their ability to pay service fees to accompany service fees offered to each customer. Additionally, all of the company's customers are major operators consisting of reputable Thai and international corporations as well as government agencies and state enterprises, which are reliable and have strong financial positions. Hence, it is credible that the company has only a low possibility of encountering liquidity problems to an extent such that the company is unable to meet financial rental obligations. Moreover, throughout the past, the company has never missed payment of debts in any financial lease contract.

1.5 Risks from Over Dependence on a Few Main Customers

The company's revenues from car rental amounts to 789.51 million baht, 1,133.00 million baht and 1,681.63 million baht from 2015 –2017, respectively. Presently, the aforementioned revenues are generated by car rental services offered to over 400 customers. Nevertheless, revenues generated from the rental of cars by the top five primary customers ("Primary Customers") constitute up to 50.28 percent, 36.37 percent and 33.84 percent of all revenues from car rental from 2015 –2017, respectively. This shows that the company is dependent on



the aforementioned customers. Therefore, if any or several of the aforementioned customers cancel their contract and/or does not renew their contract with the company, the company's financial position and performance will be significantly affected.

Accordingly, the company's primary customers are large private Thai and international companies with over 5 – 10 years of relations with the company. In the past, they leased cars from the company in low numbers in order to try out services. Subsequently, as the primary customers became satisfied with the company's comprehensive services, the number of leased cars increased successively, up until they trust the company to the extent that all of their leased cars are leased from the company, for shipping and freighting and executive cars. This demonstrates that the primary customers have confidence and trust as well as satisfaction in the company's comprehensive and quality of service as well as the ability to meet car procurement requirements quickly. Thus, the company is convinced that, due to the extensive and positive relations with the company, together with the company's consistent attention to services, the primary customers will continuously use the company's services and that the likelihood of the primary customers choosing to manage their own car affairs is low, because doing so is not worthwhile their investment, time and resources that would be wasted in car management, which is not their expertise nor their primary business.

Furthermore, in order to distribute the risk of dependence to any single group of customer, the company continuously expanded its services to include other businesses such as large, medium-sized and small private companies as well as government agencies, state enterprises and ordinary individuals. This is evident from the successively decreasing revenue ratio from the rental of cars by primary customers, from 50.28 percent of all car rental revenues in 2015 to 33.84 percent in 2017.

1.6 Risks from Termination or Non-renewal of Land and Structures Lease Contracts from Connected Persons for Use as Company Office

The company leases land and structures at the company's office from Toyota @ United and Mrs. Parinda Vongvitavat ("Mrs. Parinda"), which are major shareholders in the company. There are two land and structures lease contracts with lease terms set at three years from 1 June 2017 up to 31 May 2020. The total area leased is 1,280 square wah, and monthly fees are paid at a rate of 707,440 baht per month. The areas leased by the aforementioned contracts is the primary space used by the company for its office, car repair and maintenance center and parking space for operating the company's business. Therefore, if either or both of the company's contracts are terminated or not renewed subsequent to expiration, the company will lose its space for conducting business, leading to significant impacts to the company's business. Additionally, in cases where the aforementioned lease contracts are renewed, there is a risk that transactions will not be at arm's length if internal control is inadequate.


The company believes that contract termination and non-renewal are unlikely because the leases are provided by the company's major shareholders. Furthermore, the company strictly follows set contract conditions

and has always made full payment on schedule. Therefore, the company is confident that the probability of contract renewal for the lease of land and structures from Toyota @ United and Mrs. Parinda subsequent to expiration is high. Nevertheless, even if the company's contracts is terminated or not renewed, the company believes that the company should be able to lease new areas without difficulty because location and store front are not very important to the company's business activities. Furthermore, the majority of the company's assets are mobile assets and/or easily movable assets. Additionally, the company has approximately four rai of land located by Bang Na–Trat to which the company can relocate its office in the event of contract termination or non-renewal.

As for the specified lease fees for land and structures from Toyota @ United and Mrs. Parinda, which are major shareholders of the company and connected persons, comparisons are made with lease rates evaluated by an independent appraiser and are subject to increase/decrease based on the suitability of location and actual usage. The lease fees for both contracts are equal to the fees appraised by the independent appraiser in the asset appraisal report dated 8 January 2014. As for contract renewals, the contracts specify that the lessor has a right to raise lease fees by no more than ten percent.

1.7 Risks from Personal Car Rental, Permit Contract and Airport Space Lease Contract Termination and Non-renewal

In operating the company's short-term rental business, , the company had asap service counters in 7 airports nationwide as of 31 December 2017, namely, Phuket Airport, Chiang Mai Airport, Chiangrai Airport, Don Muang Airport, Hat Yai Airport, Suvarnabhumi Airport and U-Tapao Airport. They operate under personal car rental contracts and lease contracts of space in each airport made with Airports of Thailand Public Company Limited ("AOT"). There are 6 sets of contracts in total for Chiang Mai Airport, Chiangrai Airport, Don Muang Airport, Hat Yai Airport, Phuket Airport (International Terminal) and Suvarnabhumi Airport and a notifications of consideration results for authorization to operate a personal car rental business and space rental from AOT for Phuket Airport (Domestic Terminal). The company is authorized to operate its personal car rental business and lease space for operating the aforementioned business at the passenger buildings designated in contracts for each airport. Accordingly, the company is required to pay fees to AOT according to the rates specified in the contracts. Additionally, the duration of each contract varies, depending on the airport. In any case, the contracts will expire between 2016 and 2021 or on dates on which AOT asks to repossess the aforementioned spaces for the benefit of AOT, depending on whichever date is reached first. At U-Tapao Airport, it is an operation under personal car rental contract and state property building space lease contract in U-Tapao Rayong Pattaya International Airport made with Thai Navy and Ministry of Finance ("UTP") in one set of contract in which the contract will expire during 2018. Hence, the company has risks in operating its business. If AOT and/or UTP terminate or do not renew its contracts for any or all of the airports, the company's financial position and performance can be impacted. The previous contracts authorizing personal car rental and space lease contracts at Phuket Airport (at the domestic passenger building) expired on 30 June 2016, whereupon the company received notifications of consideration results for permission to operate personal car rental business at Phuket Airport from AOT. For more



information, please see in part Summary of the Essential Content of Notifications of Consideration Results for Permission to a Operate Personal car rental business at Airports. Nevertheless, AOT presently allows the company to operate at Phuket Airport at the domestic passenger building and collects normal monthly fees.

For risks of termination of the aforementioned contracts, the company believes that this type of event would occur only if the permit holder takes action or abstains from actions such that violates or breaches any article of the contracts or creates a cause for AOT to believe that the permission recipient cannot operate business successfully in line with the contracts or becomes a bankrupt person. In the past, the company has always strictly followed all conditions set forth in the aforementioned contracts and has never received letters of warning or demands of fines for violation of any contract condition. As for risks of non-renewal after the expiration of existing contracts, the company believes that by strictly adhering to the conditions set in place in the contracts and continuously generating returns for AOT and UTP, the company is likely to continue to be able to renew its contracts with AOT and UTP subsequent to the expiration of each contract.

In cases where the personal car rental and space lease contracts at the seven airports are terminated or not renewed, preliminary assessments reveal that the company will lose all of its income from short-term rental, which in 2015 - 2017 amount to 0.16 million baht, 18.83 million baht and 54.24 million baht, respectively.

1.8 Risks from Being a New Operator in the Highly Competitive Short-term Rental Business

The company expanded its business to include short-term car rental services under the asap brand at the end of 2015. It is an expansion of the company's car rental business that previously provided only comprehensive operating rental in order to meet the demands for short-term rental of existing customers and establish a new customer base as well as to maximize usage of the company's resources and existing customer base. However, the short-term rental market is highly competitive because there are numerous reputable and well-known short-term rental operators in the market, consisting of both international companies such as Avis Budget and Hertz and Thai companies such as Bizcar Rental and Thai Rent a Car, in addition to several small operators. Most of the competition is geared toward price competition aimed drawing the attention of customers to use their short-term rental services. Due to the aforementioned intense level of competition, the company, as a new short-term rental operator, has risks from its performance failing to meet projections, which might impact the company's overall performance.

Nevertheless, the company has clear strategies and policies in operating the short-term car rental business with emphasis on differentiating itself from other operators by focusing on providing new cars with low mileages and convenience by preparing accessories to meet customer needs such as guidance devices, bicycle holders, baby seats, etc. to impress customers and facilitate repeat services. The company does not focus on price strategies and does not have any policy to compete in prices with other operators. Furthermore, in addition to penetrating the market to reach new ordinary individual customers to offer short-term rental services, the company also has corporate customers that use the company's operating rental services to which the company can offer short-term

rental services for their personnel. Hence, the company is confident in its ability to continuously expand its short-term rental business.

1.9 Risks from Investment in the asap Auto Park Project, a New Business Type

The company has a project to establish a car service center under the name “asap Auto Park” on Bang Na-Trat Road over approximately four rai and 60 square wa of land. The company will use a portion of asap Auto Park’s area a short-term car rental service center under the asap name as an additional space for acceptance/delivery of cars for customers using the company’s short-term rental services at Suvarnabhumi Airport and as a space for selling cars from expired contracts. As for the remaining space, the company leases out to other service providers related to cars such as car repair and maintenance center, car parts store and others as well as for banks and well-known food and/or beverage stores to facilitate people who use the services of asap Auto Park. The company expects that about 150–160 million baht will be invested, of which 112.69 million baht accounts for the price of land and about 40–50 million baht will be used in construction. The company has already completed the purchase of the land in December 2015 and started construction in 2017 in which the company expected to complete construction and start operation by the second quarter of 2018 approximately. However, the asap Auto Park is a new type of business for the company. Therefore, the company is at risk that the performance of the asap Auto Park project might not meet expectations, which potentially leads to impacts to the company’s overall financial position and performance.

Nevertheless, the company has clear strategies for implementing asap Auto Park with emphasis on differentiating itself from other community mall projects and on becoming a center specifically devoted to car services, whether short-term rental services, second-hand car sales and other car-related services. At the present, the company is negotiating with well-known allies in car services to lease land in the project and attract passersby to use services. In addition, asap Auto Park is suitably located for car-related services because it is situated closely to Suvarnabhumi Airport on Bang Na–Trat Road between Kilometers 12 and 13, which is only 2.3 kilometers away from the junction that connects Bang Na-Trat with the entrance to Suvarnabhumi Airport. When that is combined with over twenty years of expertise and experience in the car business of the company’s executives and the company’s corporate and ordinary customers that the company can invite to use the project’s services, the company is confident that the risks that might occur as a result of investment in the aforementioned project can be decreased.

2. Financial Risks

2.1 Risks from High Debt to Equity Ratio

The company's financial structure as of 31 December 2015, 2016 and 2017 is shown as follows:

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade Payables and Other Payables	202.97	6.61	249.51	4.37	131.86	1.79
Short-term Loans from Connected Businesses	115.40	3.76	174.40	3.05	-	-
Loans from Financial Institutes	8.64	0.28	366.37	6.42	1,612.64	21.94
Debts under Financial Contracts	2,668.20	86.88	4,814.98	84.32	5,582.42	75.93
Other Liabilities	75.84	2.47	105.33	1.84	24.72	0.34
Total Liabilities	3,071.04	100.00	5,710.59	100.00	7,351.64	100.00
Shareholders' Equity	594.19		664.01		1,405.42	

The company's debts to equity ratios (D/E ratio) equaled 5.17 times, 8.60 times and 5.23 times as of 31 December 2015, 2016 and 2017, respectively, which is high. Therefore, the company has risks from negative events with potential impact on cash flow and values of the company's assets such that the company is unable to repay its debts.

Nevertheless, the aforementioned financial structure is normal in the car rental business. Most or all of the financial sources used for car purchases are loans. As of 31 December 2017, the company's debts under financial lease contracts due for payment within one year amount to a total of 1,181.48 million baht, and debts under long-term financial lease contracts amount 4,400.94 million baht. It is clear that most of the company's liabilities are long-term liabilities, for which payments are divided into several installments in concurrence with the company's received cash flow from monthly car rental fees from customers under operating lease contracts. Hence, the company believes that of the risk of inability to repay debts is rather low. Furthermore, the company has never defaulted on any debt payment.

2.2 Risks from Fluctuations of Certain Float-rate Interests

In the company's operating rental services offered to customers, lease fees are set to be fixed throughout the terms of lease contracts because the company calculates fees based on fixed interest. Therefore, if the company obtains term loans from financial institutes with float-rate interests and the float rates fluctuate, the company's business would have risks from differences between fixed earnings and interest payable, which directly impacts the company's liquidity and performance.

The loans used by the company to purchase cars for the most part exist in the form of financial leases with fixed interest rates. As of 31 December 2017, the company's total debts under financial lease contract amount to 5,582.42 million baht. Nevertheless, the company has short-term loans from financial institutes with float-rate interests. These are for use as circulating capital in the company's business at the amount of 47.22 million baht. Meanwhile, long-term loans with float-rate interests for use in car purchases amount to 1,246.82 million baht, and long-term loans for land price payment amounts to 79.68 million baht. The ratios are rather small. Therefore, the company believes that there is low risk of fluctuations from float-rate interests.

3. Administrative Risks

3.1 Risks from Dependency on a High-ranking Executive

The company depends on a high-ranking executive to operate the company's business, namely, Mr. Songvit Titipunya ("Mr. Songvit"), who holds the position of Chief Executive Officer. Mr. Songvit has over twenty years of experience in the car business circles and is well-known and widely accepted. His abilities play an important part in contacts with customers and building service confidence among major and new customers. Furthermore, he has knowledge and expertise in strategies, marketing and good relations with customers. Therefore, if the aforementioned executive is replaced or lost without a suitable replacement, negative impacts might occur to the company's business, financial position and, performance and business opportunities.

Nevertheless, the company believes that it is able to maintain the aforementioned high-ranking executive, because Mr. Songvit is the founder and a major company shareholder. Thus, the company is confident that Mr. Songvit will continue to extensively hold on to his position in the company. Furthermore, in order to reduce dependency on the aforementioned executive, the company has employed an external person to hold the position of managing director through an appointment by the Board of Director's Meeting No. 3/2559 on 17 October 2016. The aforementioned person possesses wide-ranging skills and experiences in the car rental and rental businesses, marketing and capital markets and plays a part in driving the company's business to achieve growth in the future.

3.2 Risks from Major Shareholders Influencing Management Policies

As of 31 December 2017, Mr. Songvit and Mrs. Parinda's family hold shares in the company directly and indirectly at the ratio of 67.92 percent of all issued and distributed shares of the company. Furthermore, Mr. Songvit is an executive and director with signatory authority of the company and Mrs. Parinda is also a director with signatory authority for the company. Therefore, the aforementioned major shareholders have authority over the management and control of votes in most important resolutions, whether appointment of directors or resolutions on issues that require majority votes of shareholder meetings, with exception for legal issues and company regulations, which require votes by three-fourths of the number of shares present at the meeting with voting rights, e.g., capital increase and capital decrease. Therefore, other shareholders present at meetings with voting rights might be unable to gather the necessary votes to obtain different resolutions.



Nevertheless, the company's management structure is composed of the the Board of Directors and three sub-committees, namely, the Board of Directors, the Audit Committee and the Nomination and Remuneration Committee. The committees have clearly specified scopes of authority. Therefore, the company's work systems are standardized and can easily be examined. Additonally, the Audit Committee, is composed of four independent audit directors who are knowledgeable and competent persons. In addition, the company employs an internal audit company to audit the company's internal control system and report directly to the Audit Committee. Therefore, the company's work audits have greater transparency, and a certain level of balance of power can be maintained in regards to issues proposed for consideration at shareholder meetings. Additionally, the company has practice regulations for cases of connected transactions with directors, major shareholders and persons with the power to control the business as well as persons with potential conflicts of interest. The aforementioned persons do not have the authority to approve the aforementioned transactions, which leads to decreaed risks that might occur.

Assets Used in Business Activities

As of 31 December 2017, the primary assets used by the company to operate business were as follows:

1. Primary Assets Used in Business Activities

Item	Proprietary Rights	Net Value (Million Baht)	Obligations
Land and office building at 149 Moo 3, Theparak, Samut Prakan, Samut Prakan (1,280 square wah total leased land and 3,676.00 square meters of total building area).	3-year rental contracts.	-	-
Land* located by Bang Na–Trat Road, Ratchathewa, Bang Phli, Samut Prakan (total area: 4-0-60 rai).	Company Owned	112.69	Collateral with financial institutes at the amount of 138 million baht.
11,395 cars.	Company Owned/ Financial Rental	7,935.66	<ul style="list-style-type: none"> ■ 10,777 cars under (3–5)-year financial lease contracts and loan contracts with net value at 7,532.42 million baht. ■ 24 cars pending financial contract rental with net value at 42.15 million baht. ■ 594 cars have no obligations with net value at 361.10 million baht.
Trademark (asap logo)	Company Owned	0.02	-

Remarks: *Land for development of asap Auto Park.

2. Policies for Investment and Management of Subsidiaries and Joint Companies

The company has policies for investment and management of subsidiaries and joint companies and invests in connected or similar businesses or businesses that benefit and support the company's business in order to enhance security and company performance.

Furthermore, in supervising the work of subsidiaries and joint companies, the company sends representatives that possess suitable attributes and experience to the businesses to which the company makes investment to become company directors. The aforementioned representatives might be chairmen, directors, chief executive officers, high-ranking executives or other persons without conflict of interest with the aforementioned subsidiaries and joint companies. The purpose of this is to ensure that the company can control the business and activities of the subsidiaries and joint companies as if they are agencies of the company. Thus, the company has specified for representatives of the company to manage the businesses of subsidiaries and joint companies in accordance with the rules and regulations set forth by related regulations and laws to the businesses of the subsidiaries and/or joint companies. Furthermore, the sending of the aforementioned representatives to become directors in subsidiaries and joint companies follow the share ratios of the company and/or joint agreements in the case of joint companies.

The company conducts close monitoring of the results and performance of subsidiaries and partner companies and oversees the presence of data collection and accounting records by subsidiaries and joint companies for examination by the company.

Regardless, as of 31 December 2017, the company has no subsidiary and/or joint company.

3. Key Summary of Contracts

3.1 Summary of Land and Office Building Lease Contracts

The company has entered into two land and office building lease contracts as follows: land and partial structure lease contract on land title deeds No. 321478 and 321479 with Mr. Sarut Titipunya¹⁾, Mr. Songvit Titipunya and Mrs. Parinda Vongvitavat and land and partial structure lease contract on land title deed numbers 321483, 321484 and 321485 with Toyota @ United Company Limited.

1) Land and Partial Structure Lease Contract on Land Title Deed Numbers 321478 and 321479

The company entered the land and partial structure lease contract in June 2014.

Contract Parties	1. Mr. Sarut Titipunya ¹⁾ , Mr. Songvit Titipunya and Mrs. Parinda Vongvitavat (“Lessors”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	The Lessors leased land and partial structures on land title deeds No. 3214798 and 321479 with land area of 600.00 square wah and building space of 1,150.00 square meters at 149 Moo 3, Theparak, Samut Prakan, Samut Prakan, to the company for use as an office for commercial operations.
Contract Fees	The company agrees to make monthly payment at the rate of 153,500.00 baht scheduled for payment on the fifth day of every month.
Contract Duration	1 June 2017–31 May 2020

Contract Termination	<ol style="list-style-type: none"> 1. If the Lessors intend to terminate the contract, the Lessors are required to notify the company in writing at least six months in advance. Furthermore, the consent of both parties is required in order to terminate this contract. 2. If the company intends to terminate contract, the company is required to notify the Lessors in writing at least two months in advance. Furthermore, the consent of both parties is required in order to terminate this contract. 3. In cases where the company intends to renew the contract, the company is required to inform the Lessors at least three months in advance before the expiration of the lease period. Contract renewals are required to have the same conditions and agreements in this contract in every article (e.g., contract duration, contract termination, etc.). Accordingly, the Lessors are entitled to raise lease fees by no more than ten percent.
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Remarks: ¹Mr. Sarut Titipunya was previously named Mr. Noppawat Titipunya (Name changed on 2 February 2015).

2) Land and Partial Structure Lease Contract on Land Title Deed Numbers 321483, 321484 and 321485

The company entered the land and partial structure lease contract on June 2014.

Contract Parties	<ol style="list-style-type: none"> 1. Toyota @ United Company Limited (“Toyota @ United”) 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	Toyota @ United leased land and partial structures on land title deed numbers 321483, 321484 and 321485 with land area of 680.00 square wah and building space of 2,526.00 square meters at 149 Moo 3, Theparak, Samut Prakan, Samut Prakan, to the company for use as an office for commercial operations.
Contract Fees	The company agrees to make monthly payments at the rate of 553,940.00 baht scheduled for payment on the fifth day of every month.
Contract Duration	1 June 2017 – 31 May 2020
Contract Termination	<ol style="list-style-type: none"> 1. If Toyota @ United intends to terminate the contract, Toyota @ United is required to notify the company in writing at least six months in advance. Furthermore, the consent of both parties is required in order to terminate this contract. 2. If the company intends to terminate contract, the company is required to notify Toyota @ United in writing at least two months in advance. Furthermore, the consent of both parties is required in order to terminate this contract. 3. In cases where the company intends to renew the contract, the company is required to inform the Lessors at least three months in advance before the expiration of the lease period. Contract renewals are required to have the same conditions and agreements in this contract in every article (e.g., contract duration, contract termination, etc.). Accordingly, the Lessor has the right to raise lease fees at the rate of no more than 10.3 percent.

3.2 Summary of Permit Contracts for Operating at Airports

1) Permit Contract for Operating Personal Car Rental Business at Phuket Airport (Domestic Terminal)

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited (“AOT”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	AOT agrees to permit the company to operate a personal car rental business on the first floor of the passenger arrival hall (central floor), passenger building, Phuket Airport, at 222 Moo 6, Mai Khao, Thalang, Phuket 83110.
Contract Fees	<ul style="list-style-type: none"> ■ The company agrees to pay fees in exchange for permission to operate business under the contract to AOT on a monthly basis based on the percentage of sales totals for activities in each given month prior to tax deductions (revenue totals include value-added tax) or at the minimum fees the company agrees to pay to AOT each month. The fees do not yet include value-added tax that the company is obligated to pay at rates prescribed by the law. ■ The company agrees to pay monthly minimum fees to AOT in advance on the last day of each month. Additionally, if it appears that fees in percentage of sales totals from business activities before deduction of expenses exceed the specified minimum fees, the company agrees to pay the aforementioned fees on the part that exceeds the minimum fees to AOT on the last day of the subsequent month.
Contract Duration	15 December 2015 – 30 June 2016 (The company is currently waiting for a new contract with AOT. Nevertheless, AOT presently allows the company to operate at Phuket Airport at the domestic passenger building and collects normal monthly fees. The company received notifications of consideration results for permission to operate personal car rental business at Phuket Airport from AOT. For more information, please see in section 3.4 Summary of the Essential Content of Notifications of Consideration Results for Permission to a Operate Personal car rental business at Airports).
Other Significant Conditions	The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract such as electricity fees and other expenses (if any) at the rates prescribed by the law and/or regulations, rules, specifications and orders of AOT that are currently effective and those that will be set forth in the future and agrees to make the aforementioned payments for AOT within the specified schedule in the invoices of the aforementioned expenses.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior

	<p>to its expiration, the company promises to not litigate or demand any damages from AOT.</p> <p>2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever.</p> <p>3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash portion of contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.</p>
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2) Permit Contract for Operating Personal Car Rental Business at Chiang Mai Airport

Contract Parties	<p>1. Airports of Thailand Public Company Limited ("AOT").</p> <p>2. Synergetic Auto Performance Public Company Limited ("Company").</p>
Key Content	AOT agrees to permit the company to operate a personal car rental business on the first floor of the international passenger arrival hall, passenger building, Chiang Mai Airport, at 60 Mahidol Road, Suthep, Muang District, Chiang Mai 50200.
Contract Fees	<ul style="list-style-type: none"> ■ The company agrees to pay fees in exchange for permission to operate business under the contract to AOT on a monthly basis based on the percentage of sales totals for activities in each given month prior to tax deductions (revenue totals exclude value-added tax) or at the minimum fees the company agrees to pay to AOT each month, whichever is higher. The fees do not yet include value-added tax that the company is obligated to pay at rates prescribed by law. ■ The company agrees to pay monthly minimum fees to AOT in advance on the last day of each month. Additionally, if it appears that fees in percentage of sales totals from business activities before deduction of expenses exceed the specified minimum fees, the company agrees to pay the aforementioned fees on the part that exceeds the minimum fees to AOT on the last day of the subsequent month.
Contract Period	9 July 2016 – 8 July 2019
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract such as electricity fees and other expenses (if any) according to the rates prescribed by the law and/or regulations,



	<p>rules, specifications and orders of AOT that are currently effective and those that will be set forth in the future and agrees to make the aforementioned payments for AOT within the specified schedule in the invoices of the aforementioned expenses.</p> <ul style="list-style-type: none"> ■ For the duration of this contract, AOT reserves the right to increase fees collected as percentage total sales from business activities. In such cases, AOT will inform the company in advance, and the company will be required to immediately submit additional contract collateral to AOT.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration at an amount that is equal to the fees for the final month (excluding value-added tax) from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending on whichever date is reached sooner. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash portion of contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.

3) Permit Contract for Operating Personal Car Rental Business at Mae Fah Luang Airport, Chiangrai

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited ("AOT"). 2. Synergetic Auto Performance Public Company Limited ("Company").
Key Content	AOT agrees to permit the company to operate a personal car rental business on the first floor of the passenger arrival hall, Mae Fah Luang Airport, Chiangrai at 404 Moo 10, Ban Du, Muang District, Chiangrai 57100.
Contract Fees	<ul style="list-style-type: none"> ■ The company agrees to pay fees in exchange for permission to operate business under the contract to AOT on a monthly basis based on the percentage of sales totals for activities in

	<p>each given month prior to tax deductions (revenue totals exclude value-added tax) or at the minimum fees the company agrees to pay to AOT each month, whichever is higher. The fees do not yet include value-added tax that the company is obligated to pay at rates prescribed by law.</p> <ul style="list-style-type: none"> ■ The company agrees to pay monthly minimum fees to AOT in advance on the last day of each month. Additionally, if it appears that fees in percentage of sales totals from business activities before deduction of expenses exceed the specified minimum fees, the company agrees to pay the aforementioned fees on the part that exceeds the minimum fees to AOT on the last day of the subsequent month.
Contract Duration	9 March 2016 – 8 March 2019.
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract such as electricity fees and other expenses (if any) at the rates prescribed by law and/or regulations, rules, specifications and orders of AOT that are currently effective and those that will be set forth in the future and agrees to make the aforementioned payments for AOT within the specified schedule in the invoices of the aforementioned expenses. ■ For the duration of this contract, AOT reserves the right to increase fees collected as percentage total sales from business activities. In such cases, AOT will inform the company in advance, and the company will be required to immediately submit additional contract collateral to AOT.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration in an amount that is equal to the fees for the final month (excluding value-added tax) from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, the remainder days are to be rounded off to one month, depending on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash portion of contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.

4) Permit Contract for Operating Personal Car Rental Business at Don Muang Airport

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited (“AOT”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	AOT agrees to permit the company to operate a personal car rental business on the first floor of Building 2, Don Muang Airport, at 222, Vibhavadi–Rangsit Road, Sanam Bin, Don Muang, Bangkok 10210.
Contract Fees	<ul style="list-style-type: none"> ■ The company agrees to pay fees in exchange for permission to operate business under the contract to AOT on a monthly basis based on the percentage of sales totals for activities in each given month prior to tax deductions (revenue totals include value-added tax) or at the minimum fees the company agrees to pay to AOT each month. The fees do not yet include value-added tax that the company is obligated to pay at rates prescribed by law. ■ The company agrees to pay monthly minimum fees to AOT in advance on the last day of each month. Additionally, if it appears that fees in percentage of sales totals from business activities before deduction of expenses exceed the specified minimum fees, the company agrees to pay the aforementioned fees on the part that exceeds the minimum fees to AOT on the last day of the subsequent month.
Contract Duration	14 March 2016 – 13 March 2021.
Other Significant Conditions	The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract such as electricity fees and other expenses (if any) at the rates prescribed by law and/or regulations, rules, specifications and orders of AOT that are currently effective and those that will be set forth in the future and agrees to make the aforementioned payments for AOT within the specified schedule in the invoices of the aforementioned expenses.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration at an amount that is equal to the fees for the final month (excluding value-added tax) from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending

	<p>on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever.</p> <p>3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash portion of contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.</p>
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5) Permit Contract for Operating Personal car rental business at Hat Yai Airport

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited ("AOT"). 2. Synergetic Auto Performance Public Company Limited ("Company").
Key Content	AOT agrees to permit the company to operate a personal car rental business on the first floor of the passenger arrival hall, Hat Yai Airport, at 99 Moo 3, Khlong La, Khlong Hoi Khong, Songkhla 90115
Contract Fees	<ul style="list-style-type: none"> ■ The company agrees to pay fees in exchange for permission to operate business under the contract to AOT on a monthly basis based on the percentage of sales totals for activities in each given month prior to tax deductions (revenue totals exclude value-added tax) or at the minimum fees the company agrees to pay to AOT each month, whichever is higher. For the duration of this contract, AOT reserves the right to increase fees collected as percentage total sales from business activities. In such cases, AOT will inform the company in advance, and the company will be required to follow the conditions on collateral for performance of the preceding contract. ■ The company agrees to pay monthly minimum fees to AOT in advance on the last day of each month. Additionally, if it appears that fees in percentage of sales totals from business activities before deduction of expenses exceed the specified minimum fees, the company agrees to pay the aforementioned fees on the part that exceeds the minimum fees to AOT on the last day of the subsequent month.
Contract Duration	15 July 2016 – 14 July 2019.
Other Significant Conditions	The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract such as electricity fees and other expenses (if any) at the rates prescribed by law and/or regulations, rules, specifications and orders of AOT that are currently effective and those that will be set forth in the future and agrees to make the aforementioned payments for AOT within the specified schedule in the invoices of the aforementioned expenses.



Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration at an amount that is equal to the fees for the final month (excluding value-added tax) from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash portion of contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.
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6) Permit Contract for Operating Personal Car Rental Business at Phuket Airport (International Terminal).

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited ("AOT"). 2. Synergetic Auto Performance Public Company Limited ("Company").
Key Content	AOT agrees to permit the company to operate a personal car rental business on the first floor, international passenger building, Phuket Airport, at 222 Moo 6, Mai Khao, Thalang, Phuket 83110.
Contract Fees	<ul style="list-style-type: none"> ■ The company agrees to pay fees in exchange for permission to operate business under the contract to AOT on a monthly basis based on the percentage of sales totals for activities in each given month prior to tax deductions (revenue totals include value-added tax) or at the minimum fees the company agrees to pay to AOT each month. The fees do not yet include value-added tax that the company is obligated to pay at rates prescribed by the law. ■ The company agrees to pay monthly minimum fees to AOT in advance on the last day of each month. Additionally, if it appears that fees in percentage of sales totals

	from business activities before deduction of expenses exceed the specified minimum fees, the company agrees to pay the aforementioned fees on the part that exceeds the minimum fees to AOT on the last day of the subsequent month.
Contract Duration	2 August 2016 – 1 August 2021.
Other Significant Conditions	The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract such as electricity fees and other expenses (if any) at the rates prescribed by the law and/or regulations, rules, specifications and orders of AOT that are currently effective and those that will be set forth in the future and agrees to make the aforementioned payments for AOT within the specified schedule in the invoices of the aforementioned expenses.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash portion of contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.

7) Permit Contract for Operating Personal Car Rental Business at Suvarnabhumi Airport.

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited ("AOT"). 2. Synergetic Auto Performance Public Company Limited ("Company").
Key Content	AOT agrees to permit the company to operate a personal car rental business on the lease of counter space at the passenger building, long-term parking lot, and parking lot under the overpass in front of the passenger building, Suvarnabhumi Airport, at 999 Moo 1, Nong Prue, Bang Phli, Samut Prakan 10540.
Contract Fees	<ul style="list-style-type: none"> ■ The company agrees to pay fees in exchange for permission to operate business under the contract to AOT on a monthly basis based on the percentage of sales totals for activities in each given month prior to tax deductions (revenue totals



	<p>exclude value-added tax) or at the minimum fees the company agrees to pay to AOT each month, whichever is higher. For the duration of this contract, AOT reserves the right to increase fees collected as percentage total sales from business activities. In such cases, AOT will inform the company in advance, and the company will be required to follow the conditions on collateral for performance of the preceding contract.</p> <ul style="list-style-type: none"> ■ The company agrees to pay monthly minimum fees to AOT in advance on the last day of each month. Additionally, if it appears that fees in percentage of sales totals from business activities before deduction of expenses exceed the specified minimum fees, the company agrees to pay the aforementioned fees on the part that exceeds the minimum fees to AOT on the last day of the subsequent month.
Contract Duration	28 September 2016 – 27 September 2019.
Other Significant Conditions	The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract such as electricity fees and other expenses (if any) at the rates prescribed by law and/or regulations, rules, specifications and orders of AOT that are currently effective and those that will be set forth in the future and agrees to make the aforementioned payments for AOT within the specified schedule in the invoices of the aforementioned expenses.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration at an amount that is equal to the fees for the final month (excluding value-added tax) from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash

	portion of contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.
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8) Permit Contract for Operating Personal Car Rental Business at U-Tapao Rayong Pattaya International Airport.

Contract Parties	<ol style="list-style-type: none"> 1. Thai Navy by U-Tapao International Airport ("UTP"). 2. Synergetic Auto Performance Public Company Limited ("Company").
Key Content	UTP agrees to permit the company to operate a personal car rental business at U-Tapao Rayong Pattaya International Airport, Phla, Ban Chang, Rayong.
Contract Fees	<ul style="list-style-type: none"> ■ The company agrees to pay compensation to UTP as follows; <ul style="list-style-type: none"> - Contract preparation fees - Right exercising fees, space lease fees, utility expenses. ■ The company agrees to pay compensations as follows; <ul style="list-style-type: none"> - Contract preparation fees shall be fully paid on the contract signing date.
Contract Duration	1 June 2017 – 31 May 2018.
Other Significant Conditions	The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract prescribed by law, both law applicable while the contract is conducted or at the time that the contract is retroactive to or law that will be set forth in the future and agrees to make the entire aforementioned payments for UTP.
Contract Termination	<ol style="list-style-type: none"> 1. If UTP, Navy, the Ministry of Finance or representatives disagree to approve the company to operate the business in accordance with the contract, this contract shall be suspended immediately since the notification date and the company promises to not litigate or demand any damages from UTP whatsoever. 2. If area or location allowed to operate business changes from the contract date, whatever the case, operation period shall be terminated prior to an expiry date according to the contract duration. In this case, UTP shall notify the company in writing which the company must comply with the operating contract strictly. 3. Upon the expiration of contract or the suspension of contract in whatsoever case, the contract shall be deemed terminated immediately and the company must manage the demolition or transfer the company's assets out of the area and deliver the area back to UTP within 7 days from the termination date. The company shall consent to allow UTP to access to the area immediately after the aforementioned period was reached.

3.3 Summary of Rental Area Agreement in Airport Space Lease Contracts

1) Phuket International Airport Space Lease Contract (Domestic Terminal)

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited (“AOT”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	AOT agrees to permit the company to lease space at Lot No. 1/1 on the first floor of the passenger arrival hall (central floor), passenger building, Phuket Airport, sized 5.40 square meters at 222 Moo 6, Mai Khao, Thalang, Phuket 83110, for the company to use as space for operating a personal car rental business.
Contract Fees	The company agrees to pay rental fees and other fees in advance on a monthly basis with payment dates scheduled to be the last date of each month.
Contract Duration	15 December 2015 – 30 June 2016 (The company is currently waiting for a new contract with AOT. Nevertheless, AOT presently allows the company to operate at Phuket Airport at the domestic passenger building and collects normal monthly fees. The company received notifications of consideration results for permission to operate personal car rental business at Phuket Airport from AOT. For more information, please see in section 3.4 Summary of the Essential Content of Notifications of Consideration Results for Permission to a Operate Personal car rental business at Airports).
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to pay for all taxes and fees arising from the asset lease under this contract on behalf of AOT such as value-added tax required to be paid in compliance with currently effective laws or laws that will be effective in the future. ■ For the duration of this contract, AOT reserves the right to adjust rental fees and other rental fee-related obligations as deemed appropriate. In such cases, the company will be informed in advance. Additionally, the company agrees and consents to pay rental fees and other related fees adjusted by AOT, and the company will be required to immediately submit additional contract collateral to fully match with the increased proportion of rental fees.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves

	<p>the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever.</p> <p>3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash portion of contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.</p>
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2) Chian Mai Airport Rental Area Agreement

Contract Parties	<p>1. Airports of Thailand Public Company Limited ("AOT").</p> <p>2. Synergetic Auto Performance Public Company Limited ("Company").</p>
Key Content	AOT agrees to permit the company to lease space at Lot No. D1007a on 1st Floor of the domestic arrival hall, terminal, Chiang Mai Airport, sized 6.50 square meters at 60, Mahidol Road, Suthep, Muang District, Chiang Mai 50200, for the company to use as space for operating a personal car rental business.
Contract Fees	The company agrees to pay rental fees and other fees in advance on a monthly basis with payment dates scheduled to be the last date of each month. AOT will begin collecting fees from the date on which the company begins utilizing the leased facility, which is to not exceed 30 days from the effective date of the contract. If the company does not utilize the leased facility within 30 days from the effective date of the contract, AOT will begin collecting fees from the conclusion of the aforementioned period.
Contract Duration	9 July 2016 – 8 July 2019
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to pay for all taxes and fees arising from the asset lease under this contract on behalf of AOT such as value-added tax required to be paid in compliance with currently effective laws or laws that will be effective in the future. ■ For the duration of this contract, AOT reserves the right to adjust rental fees and other rental fee-related obligations as deemed fitting. In such cases, the company will be informed in advance. Additionally, the company agrees and consents to pay rental fees and other related fees adjusted by AOT, and the company will be required to immediately submit additional contract collateral to fully match with the increased proportion of rental fees.



Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration at an amount that is equal to the monthly fees for the final month from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate cash contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.
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3) Mae Fah Luang Airport Rental Area Agreement

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited ("AOT"). 2. Synergetic Auto Performance Public Company Limited ("Company").
Key Content	AOT agrees to permit the company to lease space at Lot No. 01031 on the first floor of the passenger building, Mae Fah Luang Airport, sized 6.00 square meters at 404 Moo 10, Ban Du, Muang District, Chiangrai 57100, for the company to use as space for operating a personal car rental business.
Contract Fees	The company agrees to pay rental fees and other fees in advance on a monthly basis with payment dates scheduled to be the last date of each month. AOT will begin collecting fees from the date on which the company begins utilizing the leased facility, which is to not exceed 30 days from the effective date of the contract. If the company does not utilize the leased facility within 30 days from the effective date of the contract, AOT will begin collecting fees from the conclusion of the aforementioned period.
Contract Duration	9 March 2016 – 8 March 2019.

Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to pay for all taxes and fees arising from the asset lease under this contract on behalf of AOT such as value-added tax required to be paid in compliance with currently effective laws or laws that will be effective in the future. ■ For the duration of this contract, AOT reserves the right to adjust rental fees and other rental fee-related obligations as deemed appropriate. In such cases, the company will be informed in advance. Additionally, the company agrees and consents to pay rental fees and other related fees adjusted by AOT, and the company will be required to immediately submit additional contract collateral to fully match with the increased proportion of rental fees.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration at an amount that is equal to the monthly fees for the final month from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate cash contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.

4) Don Muang Airport Rental Area Agreement

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited ("AOT"). 2. Synergetic Auto Performance Public Company Limited ("Company").
Contract Essential Content	AOT agrees to permit the company to lease space at Lot No. LAD-101-09 on Floor 1 of Building 2, Don Muang Airport, sized 6.00 square meters at 222 Vibhavadi-Rangsit Road, Sanam Bin, Don Muang, Bangkok 10210, for the company to use as space for operating a personal car rental business.



Contract Fees	The company agrees to pay rental fees and other fees in advance on a monthly basis with payment dates scheduled to be the last date of each month. AOT will begin collecting fees from the date on which the company begins utilizing the leased facility, which is to not exceed 30 days from the date AOT authorizes the company's design for space renovations and the company begins utilizing the aforementioned space. If the company does not utilize the leased facility within 30 days from the date AOT authorizes the company's space renovations design, AOT will begin collecting fees from the date after the aforementioned period.
Contract Duration	14 March 2016 – 13 March 2021.
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to pay for all taxes and fees arising from the asset lease under this contract on behalf of AOT such as value-added tax required to be paid in compliance with currently effective laws or laws that will be effective in the future. ■ For the duration of this contract, AOT reserves the right to adjust rental fees and other rental fee-related obligations as deemed appropriate. In such cases, the company will be informed in advance. Additionally, the company agrees and consents to pay rental fees and other related fees adjusted by AOT, and the company will be required to immediately submit additional contract collateral to fully match with the increased proportion of rental fees.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration at an amount that is equal to the monthly fees for the final month from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate cash contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.

5) Hat Yai Airport Rental Area Agreement

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited (“AOT”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Contract Essential Content	AOT agrees to permit the company to lease counter space at Lot No. 1354 of the first floor of the passenger building, Hat Yai Airport, sized 5.00 square meters, car depot space for delivery to passengers in front of the passenger building, sized 45.00 square meters, and parking space, sized 750.00 square meters, at 99 Moo 3, Khlong La, Khlong Hoi Khong, Songkhla 90115, for the company to use as space for operating a personal car rental business.
Contract Fees	The company agrees to pay rental fees and other fees in advance on a monthly basis with payment dates scheduled to be the last date of each month. AOT will begin collecting fees from the date on which the company begins utilizing the leased facility, which is to not exceed 30 days from the effective date of the contract. If the company does not utilize the leased facility within 30 days from the effective date of the contract, AOT will begin collecting fees from the conclusion of the aforementioned period.
Contract Duration	15 July 2016 – 14 July 2019.
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to pay for all taxes and fees arising from the asset lease under this contract on behalf of AOT such as value-added tax required to be paid in compliance with currently effective laws or laws that will be effective in the future. ■ For the duration of this contract, AOT reserves the right to adjust rental fees and other rental fee-related obligations as deemed appropriate. In such cases, the company will be informed in advance. Additionally, the company agrees and consents to pay rental fees and other related fees adjusted by AOT, and the company will be required to immediately submit additional contract collateral to fully match with the increased proportion of rental fees.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration at an amount that is equal to the monthly fees for the final month from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever. 3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate cash contract collateral or exercise AOT’s rights to make demands from the bank that issues the contract letter of guarantee.



6) Phuket Airport Rental Area Agreement (International Terminal)

Contract Parties	<ol style="list-style-type: none">1. Airports of Thailand Public Company Limited (“AOT”).2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	AOT agrees to permit the company to lease space at Lot No. AAI-1-131 on the first floor of the passenger building, Phuket Airport, sized 9.00 square meters at 222 Moo 6, Mai Khao, Thalang, Phuket 83110, for the company to use as space for operating a personal car rental business.
Contract Fees	The company agrees to pay rental fees and other fees in advance on a monthly basis with payment dates scheduled to be the last date of each month.
Contract Duration	2 August 2016 – 1 August 2021.
Other Significant Conditions	<ul style="list-style-type: none">■ The company agrees to pay for all taxes and fees arising from the asset lease under this contract on behalf of AOT such as value-added tax required to be paid in compliance with currently effective laws or laws that will be effective in the future.■ For the duration of this contract, AOT reserves the right to adjust rental fees and other rental fee-related obligations as deemed appropriate. In such cases, the company will be informed in advance. Additionally, the company agrees and consents to pay rental fees and other related fees adjusted by AOT, and the company will be required to immediately submit additional contract collateral to fully match with the increased proportion of rental fees.
Contract Termination	<ol style="list-style-type: none">1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever.2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely terminates the contract prior to its expiration. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever.3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate the cash portion of contract collateral or exercise AOT’s rights to make demands from the bank that issues the contract letter of guarantee.

7) Suvarnabhumi Airport Rental Area Agreement

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited (“AOT”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	AOT agrees to permit the company to lease space at Suvarnabhumi Airport in addition to the lease of counter space at Lot No. T 2- 135z at the passenger building, Suvarnabhumi Airport, sized 5.85 square meters, long-term parking lot No. LTF-4, sized 1,440.00 square meters, and parking lot under the overpass in front of the passenger building No. T1-C04/04, sized 64.20 square meters, at 999 Moo 1, Nong Prue, Bang Phli, Samut Prakan 10540, for the company to use as space for operating a personal car rental business.
Contract Fees	The company agrees to pay rental fees and other fees in advance on a monthly basis with payment dates scheduled to be the last date of each month. AOT will begin collecting fees from the date on which the company begins utilizing the leased facility, which is to not exceed 30 days from the effective date of the contract. If the company does not utilize the leased facility within 30 days from the effective date of the contract, AOT will begin collecting fees from the conclusion of the aforementioned period.
Contract Duration	28 September 2016 – 27 September 2019.
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to pay for all taxes and fees arising from the asset lease under this contract on behalf of AOT such as value-added tax required to be paid in compliance with currently effective laws or laws that will be effective in the future. ■ For the duration of this contract, AOT reserves the right to adjust rental fees and other rental fee-related obligations as deemed fitting. In such cases, the company will be informed in advance. Additionally, the company agrees and consents to pay rental fees and other related fees adjusted by AOT, and the company will be required to immediately submit additional contract collateral to fully match with the increased proportion of rental fees.
Contract Termination	<ol style="list-style-type: none"> 1. If AOT intends to terminate the contract, AOT is required to inform the company at least thirty days in advance. In the case where AOT terminates the contract prior to its expiration, the company promises to not litigate or demand any damages from AOT whatsoever. 2. If the company intends to terminate the contract, the company is required to inform AOT in writing at least thirty days in advance. AOT reserves the right to grant written consent to the contract termination request of the company and reserves the right to demand damages in the case where the company prematurely



	<p>terminates the contract prior to its expiration at an amount that is equal to the monthly fees for the final month from the date of notification of contract termination and effective up to six months or until a new operator replaces the company, where remainder days are to be rounded off to one month, depending on whichever date is reached first. Additionally, the company promises to not litigate or demand any damages from AOT whatsoever.</p> <p>3. If it appears that the company has taken actions or abstained from any actions in a manner that breaches or fails to comply with the contract in any article or becomes a bankrupt person, AOT reserves the right to immediately terminate the contract. AOT will then be entitled to demand damages and confiscate cash contract collateral or exercise AOT's rights to make demands from the bank that issues the contract letter of guarantee.</p>
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8) State Property Building Rental Area Agreement at U-Tapao Rayong Pattaya International Airport

Contract Parties	<ol style="list-style-type: none"> 1. Ministry of Finance ("Lessor"). 2. Synergetic Auto Performance Public Company Limited ("Company").
Key Content	The Lessor agrees to permit the company to lease space at the passenger building, located on State Property Land registration No. Lor.Yor. 333, sized 2.00 square meters, at U-Tapao Rayong Pattaya International Airport, Phla, Ban Chang, Rayong.
Contract Fees	The company agreed to pay the monthly rent next month is paid by the 5th day of every month at the office of U-Tapao Airport, Tambon Pla, Ban Chang, Rayong.
Contract Duration	1 June 2017 – 31 May 2018.
Other Significant Conditions	The company agrees to take responsibility for taxes and/or any other expenses that arise from operating business under the contract such as property tax, local tax or other expenses (if any) related to the contract, whether that is applicable now or if it is enforced on behalf of the lessor payment must be made within 15 (fifteen) days from the date of receipt.
Contract Termination	<ol style="list-style-type: none"> 1. If the company breaches the contract in any article and when the Lessor exercises the right to terminate the contract, the company agrees to allow the Lessor to confiscate the contract collateral in the entire amount or portion, depending on the Lessor's discretion. The Lessor has right to demand any damages from the company (if any) as well. 2. Upon the expiration of contract, in whatsoever case, the company must deliver the lease area back to the Lessor in an orderly condition, without any kind of defects or damages not due to normal use. And if there are defects or damages aforementioned, the company shall repair to be in good condition prior to delivery by the whole costs of the company. Additionally, the company must leave and deliver the lease area to the Lessor within 30 days from the termination date of the contract.

3.4 Summary of Notifications of Consideration Results for Permission to a Operate Personal Car Rental Business at Airports

1) Notification of Results for Permission to Operate a Personal Car Rental Business at Phuket Airport (“Tor. Por. Kor. Notification of Results”)

Essential Content of Tor. Por. Kor. Notification of Results No. Tor.Aor.Tor. 417/2560	Airports of Thailand Public Company Limited (“AOT”) authorizes Synergetic Auto Performance Public Company Limited (“Company”) to operate a personal car rental business at Phuket Airport in addition to the lease of Lot No. LAD-1-112 on the first floor of the domestic passenger building, Phuket Airport, sized 8.50 square meters, at 222 Moo 6, Mai Khao, Thalang, Phuket 83110.
Fees Specified in the Tor. Por. Kor. Notification of Results	<ul style="list-style-type: none"> ■ AOT will collect fees from business activities on a monthly basis based on the percentage of sales totals for activities in each given month prior to tax deductions (revenue totals exclude value-added tax) or at the minimum fees the company agrees to pay to AOT each month, whichever is higher. The aforementioned fees are to be deemed as fees for each given month. Additionally, minimum fees will be increased at the rate of 10 percent in each subsequent year, and the aforementioned fees do not include value-added tax that the company is required to pay at rates prescribed by law. ■ Furthermore, AOT will collect space rental fees at a rate per square meter, service fees at the passenger building at percentage of monthly rental fees and property and land taxes at the rate of 12.50 percent of monthly rental fees, whereby remainders of a month are to be rounded off to one month. ■ The abovementioned area is an approximation only. AOT will coordinate with the company to subsequently measure the actual area once the company has completed construction and renovations. Once the actual area is obtained, the aforementioned area will be used to subsequently calculate monthly rental fees. Accordingly, AOT will send a letter to notify the company of the total area at a later date, and the aforementioned notification letter is to be considered as a part of the contract.
Duration of Permission	5 years from the date of the contract signing by the company or the date when AOT delivers the area to the company, depending on whichever date is reached first.

3.5 Summary of Parking Lot Rental Area Agreement

1) Phuket Parking Lot Rental Area Agreement

Contract Parties	<ol style="list-style-type: none"> 1. Mr. Saichon Wongpen (“Lessor”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	The Lessor agrees to lease a parking lot for about 70 cars locate at 211/2 Moo 6, Mai Khao, Thalang, Phuket 83110, to the company.
Contract Fees	The company agrees to pay rental fees on the part of the parking lot and office as advance payments at the end date of each month. The first payment installment is on 1 January 2016.
Contract Duration	1 January 2017–1 January 2019.
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company is required to apply for commercial registration and pay taxes related to operating the rental business in the company’s name without causing any damage whatsoever to the Lessor. If any damage occurs in regards to commercial tax and other taxes, the company will take legal responsibility for the entire duration of the contract. ■ In cases where accidents occur at the parking lot, the Lessor will not take any responsibility whatsoever.
Contract Termination	<ol style="list-style-type: none"> 1. The company and the Lessor reserve the right to terminate this lease contract. Even during the effective period of this contract, the company has the right to terminate the lease contract. Subsequently, the lease contract will be deemed terminated after a 30-day period has elapsed from the date on which the Lessor received notification of the aforementioned. 2. Regardless of the case by which the contract is terminated, the company is required to take responsibility for any and all damages that might occur to the Lessor.

2) Parking Lot Service Memorandum of Understanding, Chiang Mai Airport

Contract Parties	<ol style="list-style-type: none"> 1. Palang Ruam Security Guard Company Limited (“Palang Ruam”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	Palang Ruam provides 13 parking spaces capable of accommodating 39 cars located at the northern parking lot area of the passenger building and at the parking lot area of the goods warehouse of Chiang Mai Airport, at 60 Mahidol Road, Suthep, Muang District, Chiang Mai 50200.
Contract Fees	The company agrees to pay monthly service fees in addition to value-added taxes and other taxes.
Contract Duration	1 July 2017–30 June 2018

Other Significant Conditions	The company is required to park cars in the specified service area according to the agreement only.
Contract Termination	All articles of the memorandum of understanding are considered to be essential contents. If any contract party commits an action or refrains from an action such that breaches any article of this memorandum, this memorandum can be terminated with seven days of advance notification.

3) Parking Lot Contract, Mae Fah Luang Airport, Chiangrai

Contract Parties	<ol style="list-style-type: none"> 1. Airports of Thailand Public Company Limited (“AOT”). 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	AOT leases out a portion of land on Mae Fah Luang Airport sized 500 square meters at 404 Moo 10, Ban Du, Chiangrai, Chiangrai, to the company for use as parking space for lease cars.
Contract Fees	The company agrees to make monthly advance payments scheduled for payment on the last day of each month.
Contract Duration	7 March 2016–6 March 2019.
Other Significant Conditions	<ul style="list-style-type: none"> ■ The company agrees to pay all taxes and fees related to the leased facilities under this contract on behalf of AOT and pay to AOT by the dates specified in invoices that the company delivers to the company. ■ Unless explicitly stated otherwise in this contract, the company does not have the right to demand any damages whether directly or indirectly from AOT, such as for loss of revenue or profit from contract termination, etc.
Contract Termination	<ol style="list-style-type: none"> 1. In cases where the company fails to comply with this contract either in whole or in part and AOT has already delivered written notification to the company with instructions to comply with this contract but the company continues to violate the contract or does not make corrections of the aforementioned violations within a period of 90 days, AOT has the right to immediately terminate the contract without additional notification to the company. 2. In cases where the company is issued a final court verdict to become a bankrupt person or to have assets placed under temporary receivership or permanent receivership or for company business restoration or to liquidate the company, regardless of whether willingly or under order, or the company compromises debts with creditors such that AOT is convinced that the company is no longer able to effectively comply with the contract, whether in whole or in part, AOT has the right to immediately terminate the contract.



4) Parking Lot Rental Area Agreement , Ratchada Road*

Contract Parties	1. Miss Orapak Suwannapakdi, Mr. Attawich Suwannapakdi and Mr. Nattapong Suwannapakdi (“Lessors”), who are unconnected persons. 2. Synergetic Auto Performance Public Company Limited (“Company”).
Key Content	The Lessors jointly own 11 plots of connected land for a total area of 1,760.00 square wa on Ratchada 46 Road, Chatuchak, Chatuchak, Bangkok.
Contract Fees	The company agrees to pay rental fees once every three months scheduled for the first day of the first month for each installment.
Contract Duration	1 October 2016–30 June 2019
Other Significant Conditions	<ul style="list-style-type: none">■ The company agrees to solely pay property and land taxes, the company’s business advertisement sign taxes (if any) and other expenses associated with the land lease that are collected by related government agencies.■ The company will pay withholding tax for submission to the Revenue Department, while the Lessors will pay income tax directly for the rental fees in accordance with the law.
Transfer of Lease Rights	The company does not have the right to transfer the lease rights under this contract to any other person and/or juristic person without permission from the Lessors, unless consent is granted by the Lessors. Otherwise, upon the death of either party, this contract is to remain effective and applies to their respective heirs primarily for the purpose of producing commercial impacts according to the objectives of the lease.
Contract Termination	<p>In cases where any contract party breaches the contract or guarantee in any article and the other contract party has already issued a written notification for corrections to be made within 30 days, if the breaching party continues to commit the aforementioned breach of contract, the contract party that does not breach the contract has the right to terminate the contract and/or file a legal complaint to force contract compliance and/or demand any compensation resulting from faults or contract termination.</p> <p>In cases where the company breaches the contract in essential content to the extent that the contract has to be terminated, once the Lessors have informed the company and the company neglects to make corrections of the aforementioned violation within 30 days, the Lessors have the right to immediately repossess the leased land and confiscate the assets of the company until all violations are completely remediated.</p>

Remarks: *The purpose of the aforementioned lease is to obtain parking spaces for limousine rental services.

3.6 Summary of the Conditions for a Yokohama Tire Sales Representative

Contract Party	Yokohama Tire Sales (Thailand) Company Limited.
Date of Appointment	1 October 2014.
Key Conditions	<p>The company is appointed to become a sales representative of Yokohama tires with the following trade conditions:</p> <ol style="list-style-type: none"> 1. Increased special discounts for prices in invoices for monthly purchase orders, depending on monthly purchase orders (number of tires). 2. Increased special discounts for prices in invoices for total purchase orders in three months, depending on the purchase orders in three months (number of tires). 3. 30-day payment periods do not include product delivery months. 4. Special discounts are returned quarterly and subsequent purchase orders in three months.

3.7 Summary of Significant Conditions to be Followed under Loans Contracts from Financial Institutes

As of 31 December 2017, the company had loan contracts with 5 financial institutes with a total amount of 2,229 million baht. The company had conditions that are required to maintain Debt Service Coverage Ratio, Interest Bearing Debt to Equity Ratio, Interest Bearing Debt to Adjusted EBITDA Ratio and Debt to Equity Ratio according to the loan contracts with 3 financial institutes with a total amount of 1,638 million baht. The details of those financial ratios are as follows:

Ratio	Formula	Ratios subject to Bank Condition (times)	The Company's Ratio
			As of 31 December 2017
Debt Service Coverage Ratio	$\frac{\text{Earnings before interest, tax, depreciation and amortization expenses} + \text{book value that the company shall receive from the sales of cars from expired lease contracts}}{\text{Current portion of long-term loan plus interest expenses that the company must repay in the accounting period}}$	≥ 1.00	1.24
Interest Bearing Debt to Equity Ratio	$\frac{\text{Loans from financial institutes}}{\text{Shareholders' equity}}$	≤ 5.50 ¹⁾	5.12
Interest Bearing Debt to Adjusted EBITDA Ratio	$\frac{\text{Loans from financial institutes}}{\text{Earnings before interest, tax, depreciation and amortization expenses} + \text{book value that the company shall receive from the sales of cars from expired lease contracts}}$	≤ 4.75	4.40
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	≥ 5.50	5.23

Notes: 1) the company must maintain interest bearing debt to equity ratio not more than 5.00 times since 2018 onwards.



In addition, the company had conditions to maintain the shareholding held by Mr. Songvit Titipunya, Mrs. Parinda Vongvitavat and Toyota @ United Company Limited (“Toyota @ United”), pursuant to financial lease contracts with 2 financial institutes as follows;

1. Mr. Songvit Titipunya, Mrs. Parinda Vongvitavat and Toyota @ United Company Limited must maintain their shareholding in the company, whether directly or indirectly, to be at least 55.00 percent of the company’s paid up capital for the entire period of time the company has outstanding debts with the financial institute.
2. Mr. Songvit Titipunya and Mrs. Parinda Vongvitavat must maintain their shareholding in the company, whether directly or indirectly, to be at least 55.00 percent of the company’s paid up capital and must maintain their shareholding in Toyota @ United, whether directly or indirectly, for the entire period of time the company has outstanding debts with the financial institute.

Legal Disputes

As of 31 December 2017, the company had no ongoing legal disputes with potentially negative impact on the company's assets in excess of 5.00 percent of shareholders' equity or significant impact on the company's business activities.



Other Significant Information

- None. -

Shareholding and Management Structure

Securities and Shareholding Information

1. Company's Securities

As of 31 December 2017, the company's registered capital at 330.00 million baht, of which 330.00 million baht is paid up, divided as 660.00 million shares at marked price of 0.50 baht per share.

2. Shareholders

As of 31 December 2017, the list of company of shareholders as appearing in the registration book of shareholders is as follows:

Shareholder Name	No. of Shares	%
1. Mr. Songvit and Mrs. Parinda's Family		
1.1 Toyota @ United Company Limited ¹⁾	165,000,000	25.00
1.2 At Holding Company Limited ²⁾	165,000,000	25.00
1.3 Mrs. Parinda Vongvitavat	69,330,000	10.50
1.4 Mr. Songvit Titipunya	49,000,000	7.42
2. Mr. Prayong Wanijsuwan	23,100,000	3.50
3. Thai NVDR Company Limited	15,346,100	2.33
4. N.C.B.TRUST LIMITED-NORGES BANK 5	12,570,000	1.90
5. TISCO Mid/Small Cap Equity fund	11,631,000	1.76
6. Krungsri Financial Focus Dividend Fund	9,372,000	1.42
7. Krungsri Dynamic Fund (KFDYNAMIC)	8,189,400	1.24
8. Krungsri SET50 LTF (KFLTF50)	6,117,200	0.93
9. Mr.Thunyanon Kitjirasap	5,605,300	0.85
10. United Thai Small and Mid Cap Equity Fund (UTSME)	4,911,000	0.74
Subtotal	545,172,000	84.41
Others	102,896,499	15.59
Total	660,000,000	100.00

¹⁾As of 31 December 2017, Toyota @ United Co., Ltd. ("Toyota @ United") has registered capital of 115.00 million baht, which consist of 11.50 million common shares at par value of 10.00 baht per share. List of shareholders is summarized as below:



Shareholder	No. of Shares	%
1. Mr. Songvit Titipunya	4,025,000	35.00
2. Mrs. Parinda Vongvitavat	4,025,000	35.00
3. Mr. Sarut Titipunya ^{1), 2)}	1,150,000	10.00
4. Miss Pitchapat Titipunya ²⁾	1,150,000	10.00
5. Miss Pimpisa Titipunya ²⁾	1,149,997	10.00
6. Miss Porena Dejdumrong	1	0.00
7. Mrs. Mookda Nampanichkul	1	0.00
8. Mrs. Supanee Titipunya	1	0.00
Total	11,500,000	100.00

Remarks:

¹⁾ Mr. Sarut Titipunya has an old name as Mr. Napawat Titipunya (Changed since 2 February 2015)

²⁾ Mr. Sarut Titipunya, Miss Pitchapat Titipunya and Miss Pimpisa Titipunya are children of Mr. Songvit Titipunya and Mrs. Parinda Vongvitavat

- ²⁾ As of 31 December 2017, At Holding Co., Ltd. (“At Holding”) has registered capital of 1.00 million baht and paid-up capital of 0.25 million baht, which consist of 0.10 million common shares at par value of 10.00 baht per share. List of shareholders is summarized as below:

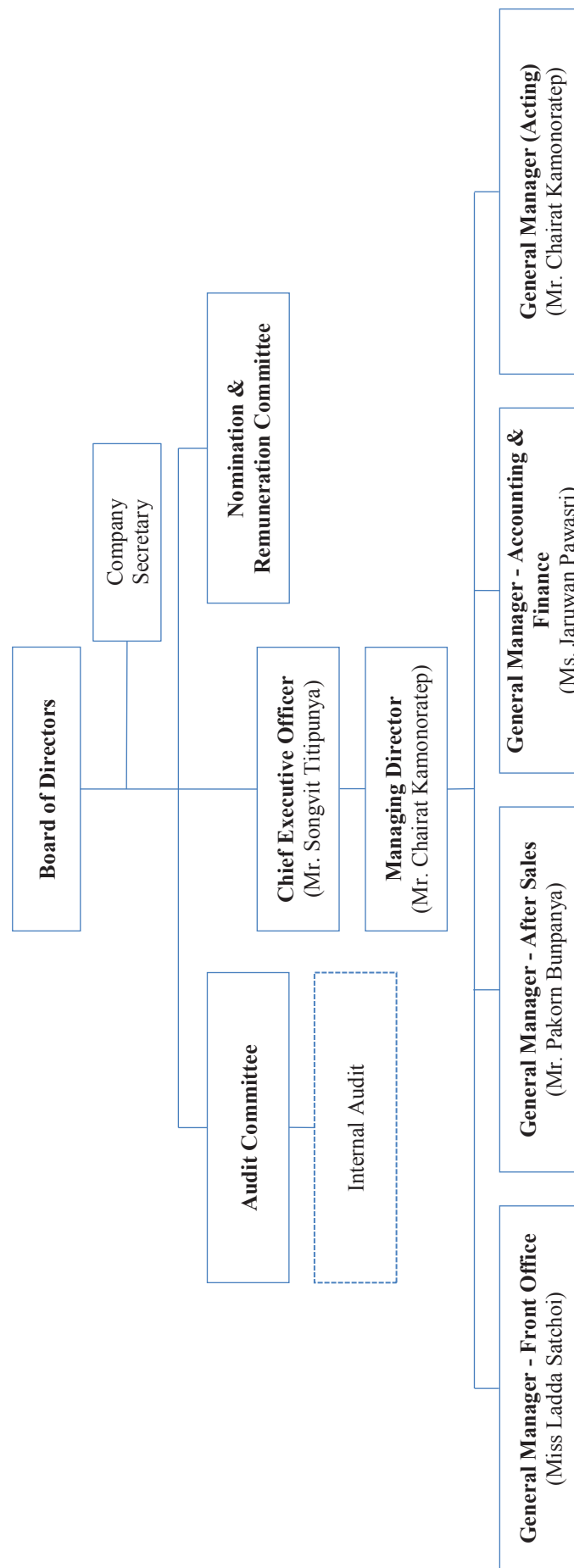
Shareholder	No. of Shares	%
1. Mrs. Parinda Vongvitavat	40,000	40.00
2. Mr. Songvit Titipunya	30,000	30.00
3. Mr. Sarut Titipunya	10,000	10.00
4. Miss Pitchapat Titipunya	10,000	10.00
5. Miss Pimpisa Titipunya	10,000	10.00
Total	100,000	100.00

3. Dividend Payout Policy

The company has policy to pay dividends to shareholders at a rate of at least 60 percent of the net profit stated in individual financial statements subsequent to deduction of corporate taxes and financial reserves of all types specified by laws and company regulations. In any case, the aforementioned dividend payments are subject to changes as deemed necessary and fitting by the Board of Directors. Furthermore, annual dividend require the approval of shareholder meetings, except interim dividend. The board of director can approve interim dividend occasionally upon viewing that the company has sufficient profits to do so. In such cases, interim dividend is subjected to be reported to subsequent shareholder meetings.

Management Structure

of 19 March 2018, the company's organization structure is composed of the Board of Directors and 2 sub-committees, namely, the Audit Committee and the Nomination and Remuneration Committee. The organization structure is as follows:



Dhammit Internal Audit Company Limited was employed by the company to be the company's internal auditor as of August 2013.

1. Board of Directors

As of 31 December 2017, the Board of Directors was composed of nine members as follows:

No.	Name	Position
1.	Mr. Yol Phokasub	Director / Chairman
2.	Mr. Songvit Titipunya	Director/ Vice Chairman
3.	Mrs. Parinda Vongvitavat	Director / Nomination & Remuneration Committee
4.	Police Lieutenant General Doctor Passakorn Rukskul ¹⁾	Director / Nomination & Remuneration Committee
5.	Mr. Chairat Kamonoratep	Director
6.	Associate Professor Pachara Pacharavanich	Independent Director / Chairman of the Audit Committee
7.	Mr. Pratarn Aranyakananda	Independent Director / Audit Director
8.	General Siravudhi Sukanthanark	Independent Director / Audit Director
9.	Mr. Surapong Uthaichalanond	Independent Director / Audit Committee / Chairman of the Nomination & Remuneration Committee

Miss Siriporn Sirisap performs duties as the company's secretary.

Directors with Signatory Authority to Bind the Company¹

The directors who are authorized to take actions on behalf of the company are Mrs. Parinda Vongvitavat, Mr. Songvit Titipunya and Police Lieutenant General Doctor Passakorn Rukskul. Two of three of the aforementioned directors can jointly affix their signatures along with the company's seal.

Terms for Presiding over the Company's Directorship

The terms for presiding over the company's directorship are specified in compliance with the Public Limited Companies Act, B.E. 2535 (1992 A.D.). Therefore, ordinary shareholder meetings are convened annually to remove one-third (1/3) of the total number of directors existing at the time. If the number of directors cannot be divided evenly into three parts, directors vacate their position by the number that is closest to one-third (1/3). Additionally, directors who vacate their positions can be re-elected.

¹ Police Lieutenant General Doctor Passakorn Rukskul resigned from the Board of Directors on February 27, 2018, with Mr. Thanachai Bhandravorphom as the Company's director replacing Lieutenant General Doctor Patopakorn Rakkul with the term of office of the Company's director.

² The board of director meeting no. 1/2018 on 27 February 2018 has the resolution to change the directors with signatory authority to bind the company to Mrs. Parinda Vongvitavat, Mr. Songvit Titipunya and General Siravudhi Sukanthanark. Two of three of the aforementioned directors can jointly affix their signatures along with the company's seal. This change results of General Siravudhi Sukanthanark not to be independent director and to resign from the company's audit committee position.

Summary of Board of Directors' Meetings from 2015–2017

No.	Name	Position	No. of Attendance/ No. of Meetings		
			2015	2016	2017
1.	Mr. Yol Phokasub ²⁾	Director/ Chairman	-	-	4/5
2.	Mr. Songvit Titipunya	Director/ Vice Chairman	6/6	6/6	5/5
3.	Mrs. Parinda Vongvitavat	Director	4/6	6/6	4/5
4.	Police Lieutenant General Doctor Passakorn Rukskul	Director	6/6	6/6	5/5
5.	Mr. Chairat Kamonoratep ³⁾	Director	-	1/6	5/5
6.	Associate Professor Pachara Pacharavanich ⁴⁾	Independent Director	2/6	5/6	2/5
7.	Mr. Pratarn Aranyakananda	Independent Director	6/6	5/6	5/5
8.	General Siravudhi Sukanthanark	Independent Director	5/6	6/6	5/5
9.	Mr. Surapong Uthaichalanond ⁴⁾	Independent Director	3/6	6/6	5/5

Remarks:

¹⁾Mr. Yol Poksasub was appointed as a company director on 14 February 2017.

²⁾Mr. Chairat Kamonoratep was appointed as a company director on 17 October 2016.

³⁾Associate Professor Pachara Pacharavanich and Mr. Surapong Uthaichalanond became appointed as company directors on 23 June 2015.

In addition to the Board of Directors, the company has two sub-committees as follows: 1) Audit Committee, and 2) Nomination and Remuneration Committee. The details are as follows:

1.1 Audit Committee

As of 31 December 2017, the committee was composed of 4 members as follows:

No.	Name	Position
1.	Associate Professor Pachara Pacharavanich	Chairman of the Audit Committee
2.	Mr. Pratarn Aranyakananda	Audit Director
3.	General Siravudhi Sukanthanark	Audit Director
4.	Mr. Surapong Uthaichalanond	Audit Director

Miss Siriporn Sirisap performs duties as the secretary of the Audit Committee. Furthermore, Associate Professor Pachara Pacharavanich and Mr. Pratarn Aranyakananda are sufficiently knowledgeable and experienced to perform audits on the reliability of financial statements. Associate Professor Pachara



Pacharavanich holds a Bachelor of Accounting (Major in Finance) and holds a permanent teaching position at the Faculty of Commerce and Accountancy, Thammasart University, while Mr. Pratarn Aranyakananda holds a Bachelor of Accounting.

Summary of Meeting Attendance of the Audit Committee from 2015–2017

No.	Name	Position	No. of Attendance/ No. of Meetings		
			2015	2016	2017
1.	Associate Professor Pachara Pacharavanich ¹⁾	Audit Committee Chairman	-	3/6	2/5
2.	Mr. Pratarn Aranyakananda	Audit Director	5/5	5/6	5/5
3.	General Siravudhi Sukanthanark	Audit Director	5/5	6/6	5/5
4.	Mr. Surapong Uthaichalanond ²⁾	Audit Director	2/5	6/6	5/5

Remarks:

¹⁾Associate Professor Pachara Pacharavanich was appointed to as an audit director and Audit Committee Chairman on 9 May 2016.

²⁾Mr. Surapong Uthaichalanond was appointed as an audit director on 10 August 2015.

1.2 Nomination and Remuneration Committee

As of 31 December 2017, the committee has three nomination and remuneration directors as follows:

No.	Name	Position
1.	Mr. Surapong Uthaichalanond	Chairman of the Nomination and Remuneration Committee
2.	Mrs. Parinda Vongvitavat	Nomination and Remuneration Director
3.	Police Lieutenant General Doctor Passakorn Rukskul	Nomination and Remuneration Director

Summary of Meeting Attendance of the Nomination and Remuneration Committee from 2015–2017

No.	Name	Position	No. of Attendance/ No. of Meetings		
			2015	2016	2017
1.	Mr. Surapong Uthaichalanond	Chairman of the Nomination and Remuneration Committee	-	2/2	3/3
2.	Mrs. Parinda Vongvitavat	Nomination and Remuneration Director	-	2/2	3/3
3.	Police Lieutenant General Doctor Passakorn Rukskul	Nomination and Remuneration Director	-	2/2	3/3

Remarks:

¹⁾The entire Nomination and Remuneration Committee was appointed on 9 May 2016.

2. Management Team

As of 31 December 2017, there are six members to the company's management team as follows:

No.	Name	Position
1.	Mr. Songvit Titipunya	Chief Executive Officer
2.	Mr. Chairat Kamonoratep ¹⁾	Managing Director
3.	Miss Ladda Satchoi	General Manager - Front Office
4.	Mr. Pakorn Bunpanya	General Manager - After Sales
5.	Miss Jaruwan Pawasri	General Manager - Accounting and Finance

Remarks:

¹⁾Mr. Chairat Kamonoratep was appointed as one of the management team in October 2016.

²⁾ Mrs. Sudkhanueng Dumrongsak was resigned from the position of accounting manager and management team in May 2017. (Additional detail could be found in the section 1)

³⁾Miss Ammarin Subbook was appointed as an senior accounting manager and one of the management team in June 2017. However, she was resigned from those positions in November 2017. (Additional detail could be found in the section 1)

3. Company Secretary

The Board of Directors' Meeting No. 1/2560 (after the company was transformed into a limited public company) on 3 February 2017 passed a resolution to appoint Miss Siriporn Sirisap to become the company's secretary in order to perform duties on behalf of the company and/or Board of Directors. The scope of duties and responsibilities of the company's secretary is as follows:



- (1) Create and store the registration of directors, board of directors' meeting invitation letters, board of directors' meeting reports, company annual reports, shareholder meeting invitation letters and shareholder meeting reports.
- (2) Store reports of interests submitted by directors and executives.
- (3) Perform other actions as specified by the Capital Market Supervisory Board and submit copies of reports of interests pursuant to Section 89/14 as drafted by directors to the Chairman of the Board and the Audit Committee Chairman for acknowledgement within seven business days from the date on which the company receives such a report.
- (4) Provide basic advice about laws and the company's regulations to the Board of Directors as required and monitor to ensure regular and correct practices. In addition, report significant changes of specifications and/or laws to the Board of Directors.
- (5) Organize shareholder meetings and board of directors' meetings to ensure compliance with laws, company regulations and other related appropriate practices.
- (6) Record shareholder meeting reports and board of directors' meeting reports, and take follow-up actions to ensure adherence to resolutions passed by resolutions of shareholder and board of directors' meetings.
- (7) Oversee the disclosure of information and reporting of information in areas of responsibility to related agencies in accordance with the regulations and specifications of the aforementioned agencies.
- (8) Oversee the activities of the Board of Directors and other activities to ensure compliance with laws and/or specifications of the Capital Market Supervisory Board and/or as assigned by the Board of Directors.

4. Remunerations for Directors and Executives

4.1 Monetary Remunerations

1) Directors' Remunerations

The Annual General Meeting of Shareholders 2017 on 2 March 2017 approved for the monthly remunerations for company directors at different rates between the Chairman of the Board and company directors as shown in the following table:

Position	Monthly Remuneration (Baht/Month)
Chairman of the Board of Directors	40,000
Directors	20,000

In addition to monthly remunerations, the company determined meeting attendance fees for directors at different rates between board of directors' meetings, audit committee meetings and nomination and remuneration committee meetings as shown in the following table:

Position	Attendance Fee (Baht/Time)
Company Directors	10,000
Audit Committee	5,000
Nomination and Remuneration Committee	5,000



No.	Name	2016				2017			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1.	Mr. Yol Phokasub	-	-	-	-	480,000	-	-	480,000
2.	Mr. Songvit Titipunya	160,000	-	-	160,000	290,000	-	-	290,000
3.	Mrs. Parinda Vongvitavat	160,000	-	10,000	170,000	280,000	-	15,000	295,000
4.	Police Lieutenant General Doctor Paskorn Rukskul	160,000	-	10,000	170,000	290,000	-	15,000	305,000
5.	Mr. Chairat Kamonoratp	70,000	-	-	70,000	290,000	-	-	290,000
6.	Associate Professor Pachara Pacharavanich	150,000	15,000	-	165,000	260,000	10,000	-	270,000
7.	Mr. Pratarn Aranyakananda	150,000	25,000	-	175,000	290,000	25,000	-	315,000
8.	General Siravudhi Sukanthanark	260,000	30,000	-	290,000	310,000	25,000	-	335,000
9.	Mr. Surapong Uthaichalanond	160,000	30,000	10,000	200,000	290,000	25,000	15,000	330,000

Remarks:

¹⁾The company schedules for meeting attendance fees to be paid on the date of each meeting subsequent to the meeting's conclusion and paid monthly remunerations to company directors in August 2016.

2) Executives' Remunerations

Remunerations for executives (excluding remunerations executives receive from holding position as directors) consist of two main parts, namely, salaries and bonuses. The remunerations the company paid to executives in 2015 and 2016 are shown in the following table:

	2016	2017
No. of Persons	6	7 ¹⁾
Remunerations (Million Baht)	6.53	11.44

Remark: ¹⁾ During 2017, there were 2 members of management team were resigned from the team.

4.2 Other Remunerations

The Extraordinary General Meeting of Shareholders No. 1/2560 on 11 February 2017 approved a resolution for directors and/or management team of the company to have the rights to subscribe the company's capital increase ordinary shares at the price offered to the public according to the following details:

Name	Position	No. of Shares Held Before Allocation (Shares)	No. of Shares Held After Present Allocation (Shares)	Share Ratio After Allocation (%)
Mr. Yol Phokasub	Director/Chairman	-	4,500,000	0.68
Mr. Chairat Kamonoratep	Director/Managing Director	-	2,250,000	0.34
Police Lieutenant General Doctor Paskorn Rukskul	Director/Nomination and Remuneration Committee	-	2,250,000	0.34
Associate Professor Pachara Pacharavanich	Independent Director/Chairman of the Audit Committee	-	2,250,000	0.34
Mr. Surapong Uthaichalanond	Independent Director/Audit Committee / Chairman of the Nomination and Remuneration Committee	-	2,250,000	0.34
General Siravudhi Sukanthanark	Independent Director/Audit Committee	-	2,250,000	0.34
Mr. Pratarn Aranyakananda	Independent Director/Audit Committee	-	2,250,000	0.34
Mr. Pakorn Bunpanya	General Manager, Front Office	-	900,000	0.14
Miss Ladda Satchoi	General Manager, After Sales	-	900,000	0.14



Name	Position	No. of Shares Held Before Allocation (Shares)	No. of Shares Held After Present Allocation (Shares)	Share Ratio After Allocation (%)
Miss Jaruwan Pawasri	General Manager, Accounting and Finance	-	750,000	0.11
Mrs. Sudkhanueng Dumrongsak	Accounting Manager	-	450,000	0.07
Total			21,000,000	3.18

5. Personnel

5.1 Remunerations of the Company's Employees (Excluding management team)

Employee remunerations (excluding management team's remunerations) consist of salaries, bonuses, overtime fees, fuel fees, telephone fees and diligence fees. The company has paid a total of 48.02 million baht and 90.90 million baht of employee remunerations for the years 2016 and 2017, respectively. As of 31 December 2017, the company has a total of 436 employees divided by work department as shown in the table below.

Department	No. of Employees (Persons)
1. Short-term Leasing	62
2. Operating Leasing	21
3. Limousine Service	128
4. Fleet Management	15
5. Customer Relations	3
6. Car Replacements	70
7. Call Center	29
8. Mechanics and Mobile Service	31
9. Human Resources and Administration	17
10. Information Technology	5
11. Accounting	20
12. Finance	30
13. Company Secretary	1
14. Driver	4
Total	436

5.2 Employee Benefits

In addition to remunerations in the form of salaries and bonuses, the company offers benefits to employees in other forms. Benefits for company employees are as follows:

1. **Employee Uniforms** - In order to promote solidarity within the organization, the company provides employee uniforms.
2. **Annual Health Check-ups** - In order to prevent diseases, promote good health and for employees to receive proper advice and treatment from doctors, the company arranges for annual health examinations for all employees.
3. **Financial Assistance for Funerals** - In order to provide relief to expenses and as a way to express condolences to employees, the company provides financial assistance in cases of deaths by an employee or parent, spouse or children of the employee.

5.3 Labor Disputes over the Past Year

- None. -

5.4 Human Resources Development Policy

The company recognizes the value of human resources in driving the company toward sustainable growth. Therefore, the company gives importance to human resource development and arranges for promotion and development of knowledge and skills of personnel by setting in place appropriate training courses for work characteristics and positions, e.g., “service-mindedness” training for employees in every department, effective communications and negotiation techniques and training for employees in every department, gas systems and car maintenance training for mechanics, the call center and related departments, income tax and tax invoice training for car leasing businesses for the accounting and finance department, etc.



Corporate Governance

1. Corporate Governance Policy

The Board of Directors has a policy to comply with laws and purpose, regulations and resolutions of shareholder meetings as well as adhere to and follow the principles of good corporate governance of listed companies as set by the Stock Exchange of Thailand as guidelines for company activities to ensure effectiveness and transparency to investors to achieve business confidence in the company's activities in external parties. The company's good corporate governance policy covers five principle categories as follows:

Category 1: The Rights of Shareholders

The company recognizes and gives importance to the basic rights of shareholders as investors in securities and company owners such as right to purchase, sell and transfer securities under their possession, right to receive profit dividends from the company, right to adequate access to information, rights in shareholder meetings, right to express opinion, right to make decisions in key issues of the company, e.g., dividend allocation, director appointment and removal, auditor appointment, approval of significant transactions that impact the company's business direction and right to revise the company's memorandum of association and regulations, etc.

Accordingly, the company has the following obligations to support and convenience the exercising of rights by shareholders:

1. The company sends meeting invitation letters along with accompanying information to meeting agendas to shareholders in advance of meetings by at least seven days or other periods, depending on the specifications of related laws and regulations. The opinions of the Board of Directors accompany each meeting agenda, and sufficient accompanying information is provided to allow shareholders time to study the aforementioned information in advance.

2. In cases where shareholders cannot personally attend meetings, the company allows the aforementioned shareholders to assign proxies for independent directors or other persons to attend meetings on their behalf, using any of the power of attorney letters the company delivers at the same time as meeting invitation letters.

3. In convening shareholder meetings, the company uses locations that are convenient for travel and attach a map showing the location of each shareholder meeting in meeting invitation letters. Furthermore, the company chooses appropriate dates and time for meetings and allocates sufficient time for meetings in order to be consistent with the policy to convenience company shareholders.

4. Before the date of each meeting, the company provides opportunities for shareholders to express their opinions, recommendations and inquiries in accordance with the criteria set in place by the company, which the company publishes on the company's website.

5. During shareholder meetings, the company provides opportunities for all shareholders to have equal rights to express opinions, recommendations and inquiries in each relevant agenda freely prior to voting in any agenda. Additionally, related company directors and executives attend shareholder meetings to answer inquiries made at meetings.

6. The company supports the use of voting ballots in every agenda to ensure transparency and verifiability in vote counting.

7. The company assigns independent personnel to assist in vote-counting in each agenda.

8. Subsequent to each shareholder meeting, the company prepares meeting reports that record information accurately and completely in essential content and record significant inquiries, opinions and recommendations to ensure verifiability by shareholders. Furthermore, the company publishes voting results in each agenda and meeting reports on the company's website for consideration by shareholders.

Category 2: The Equitable Treatment of Shareholders

The company stipulates for all shareholders to be treated equally regardless of whether they are major or minor shareholders, executive or non-executive shareholders and Thai or foreign shareholders according to the following details:

1. The company reports meeting schedules and related meeting agendas to the Stock Exchange of Thailand and disseminates the aforementioned meeting schedules on the company's website in addition to creating and publishing meeting invitation letters in Thai and English on the company's website.

2. The company provides convenience to minor shareholders to nominate directors or propose additional agendas before meeting dates. The company accordingly sets clear criteria in advance on how minor shareholders can nominate persons to become directors as well as criteria for considerations on whether the company will include additional agendas proposed by minor shareholders.

3. In each shareholder meeting, the company provides equal opportunities to all shareholders. Prior to the commencement of each meeting, the meeting chairman will explain how to exercise rights and vote along with the counting method of votes cast by shareholders in each agenda. Additionally, opportunities are provided for all shareholders and proxies present at the meeting to have appropriate and sufficient time to express their opinions, recommendations and inquiries in each agenda. The chairman of the meeting will conduct the meeting according to set agendas, and no executives are authorized to unnecessarily add meeting agendas without informing shareholders in advance, especially important agendas that shareholders have to take time to study information prior to making decisions.

4. In agendas to elect directors, the company supports for directors to be elected on an individual basis.



5. The company stipulates for directors to report any interests of theirs in meeting agendas at least before deliberations are made in the related agendas in board of directors' meetings, and the aforementioned interests are recorded in board of directors' meeting reports. Furthermore, directors with significant interests such that they cannot express their opinions independently are prohibited from involving in meeting agendas in which they hold interests.

6. The company has set guidelines for preserving and protecting the use of the company's internal information. Outside persons and agencies that have knowledge of the aforementioned information are prohibited from disclosing the aforementioned information to unrelated agencies and persons. In cases where any person discloses or uses the aforementioned information, regardless of whether for their own benefit or others, or conducts transactions that might create conflict of interest, the aforementioned occurrences will then be deemed as severe violations and disciplinary actions will be taken. Furthermore, the company has stipulated that it be the duty of all directors and executives who are responsible for reporting possession of assets in accordance with the law to submit reports of the aforementioned to the company's secretary on a regular basis and for the aforementioned information to be disclosed in the company's annual reports.

Category 3: Roles of Stakeholders

The company gives significance to stakeholders of all groups, regardless of whether they are internal stakeholders, such as shareholders and company employees, or external stakeholders, such as trade partners, customers, etc. The company is well aware that support and opinions from all stakeholders benefit the company's performance and business development. Therefore, the company follows all related laws and specifications in order to effectively support the rights of the aforementioned stakeholders. Furthermore, in the company's business, the company considers the rights of all stakeholders in concurrence with the following guidelines:

- | | |
|---------------|---|
| Shareholders: | The company conducts business transparently and effectively with the determination to achieve good performance hand in hand with sustainable growth for the greatest long-term benefits to shareholders, and the company discloses information reliably and transparently to shareholders. |
| Employees: | The company treats all employees equally and fairly with the provision of commensurate remunerations. Furthermore, the company gives significance to the development of skills and capabilities as well as potential of employees through, for example, lectures, seminars and trainings. Extensive opportunities are made available to every employee, and the company tries to motivate skilled employees to stay with the company to ensure sustainable development. Furthermore, the company has set in place anti-corruption guidelines and educates all employees to follow related laws and regulations such as to strictly refrain from the use of internal information, etc. |

Trade Partners:	The company has set processes in place for the selection of trade partners by which trade partners compete on the basis of equal information. Furthermore, trade partners are selected fairly under the company's criteria for evaluating and selecting trade partners. Furthermore, the company has created appropriate and fair contract forms for all contract parties and has set in place a monitoring system to ensure complete compliance with contract conditions with anti-corruption and anti-unlawful conduct in every stage of the selection process. Additionally, the company purchases products from trade partners according to trade conditions and strictly complies with contracts made with trade partners.
Customers:	The company takes responsibility for customers by maintaining service quality and standards while meeting the needs of customers as fully and extensively as possible with the aim of achieving long-term customer satisfaction. Furthermore, the company offers post-sale services in addition to accurate information about company services and provides channels for customers of the company to report problems and inappropriate service to the company in order to allow the company to prevent and quickly resolve problems associated with the company's services.
Creditors:	The company complies with various conditions existing in contracts between the company and creditors and pays principles, interests and collateral under related contracts.
Competitors:	The company conducts itself within the framework of healthy competition, ethics and legal scopes and supports and promotes free and fair trade policies.
Collective Society:	The company pays attention and gives importance to safety for society, the environment and quality of life of all persons related to the company's activities and encourages the company's employees to have a conscience of responsibility for the environment and society. Furthermore, the company sets in place practices to ensure strict compliance with related laws and regulations, and the company attempts to participate in constructive activities to preserve the environment and society.

Moreover, stakeholders can inquire for information and submit complaints and clues to illegal activities, inaccurate financial reports, faulty internal control and business ethics violations of the company to the company's independent directors or audit directors. Accordingly, complaints and clues submitted to the company are kept confidential, and independent directors or audit directors will order investigation into facts and solutions (if any) and report to the Board of Directors.



Category 4: Disclosure and Transparency

1. The Board of Directors gives importance to accurate, complete, sufficient, transparent and timely disclosure of financial and ordinary information along with other information that impact or might impact the prices of the company's assets, all of which affect the decision making of company investors and stakeholders. The company discloses the aforementioned information in line with the criteria set forth by the Office of the Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.

2. The company has appointed investor relations personnel to communicate with investors and shareholders. Accordingly, the company organizes meetings to analyze performance on a regular basis and disseminates the company's information, whether financial or ordinary information, to shareholders, securities analysts, reliability ranking companies and related government agencies by several channels, i.e., reports to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and the company's website. Furthermore, the company gives importance to the regular disclosure of information in Thai and English in order to ensure that shareholders regularly receive news information via the company's website. Additionally, information on the aforementioned website is regularly revised and updated and includes the company's vision, mission, financial statements, public relations news, annual reports, structure and executives and share-holding structure and major shareholders, meeting invitation letters, registration documents and charters.

3. The company gives importance to the company's financial statements and financial information as appearing in annual reports. The Audit Committee audits the quality of financial reports and internal control systems along with sufficient disclosure of significant information in financial statement annotations and submits reports to the Board of Directors. Additionally, reports of the Board of Directors' on financial reporting responsibilities are made together with auditor's reports in annual reports. In addition, the Board of Directors support management discussions and analyses to accompany financial disclosures in every quarter.

4. The company regularly discloses information about each director in addition to the roles and duties of the Board of Directors and sub-committees of the company as well as the number of meetings and attendances over each given year and opinions from the performance of duties, including training and professional knowledge development in annual reports and the company's forms showing the company's list of yearly information. Additionally, remuneration payment policies and the characteristics and details of remunerations of directors and high-ranking executives in the company and subsidiaries are also disclosed (if any).

5. The company discloses audit fees and fees for other services provided by auditors.

6. The company arranges for reporting of corporate governance policies, business ethics, risk management policies and corporate social and environmental responsibilities as approved by the Board of Directors. Adherence to the aforementioned policies are summarized, including cases involving failure to adhere to the aforementioned policies and reasoning. Reports are made by different channels such as annual reports and the company's website.

Category 5: Responsibilities of the Board of Directors

Organization of the Board of Directors and Sub-committees

The Board of Directors is composed of persons who have knowledge, skills and experience that can benefit the company by playing essential roles in specifying the organization's policies and overall image as well as important roles in oversight, inspection and evaluation of the company's performance in line with set plans.

The Board of Directors is composed of at least five directors. At least half of all directors are residents of Thailand. Furthermore, at least three directors are independent directors, which account to at least one-third of the entire Board of Directors. This leads to proper checks and balances in considerations and voting in different issues. The term of members of the Board of Directors is no more than three years per term, which concurs with relevant laws. Furthermore, the company's directors and executives can preside over directorships or become executives in network companies and other companies but only in compliance with the specifications set forth by the Office of the Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervisory Board, the Stock Exchange of Thailand and related agencies and, in doing so, are required to report to the Board of Directors.

The Board of Directors has appointed a company secretary to perform duties related to board of directors' meetings and shareholder meetings as well as to support the work of the Board of Directors by providing advice on laws and regulations related to the duties of the Board of Directors and coordinating work to be consistent with resolutions passed by the Board of Directors.

Furthermore, the Board of Directors has appointed sub-committees to support in the governance of the company's business as follows:

1. **The Audit Committee** is composed of at least three audit directors who perform duties to assist the Board of Directors in overseeing and examining work management, internal control, risk management and governance as well as making financial reports in order to ensure the transparent and reliable work and disclosure of information of the company. The Audit Committee has appointed a secretary of the Audit Committee to carry out duties related to Audit Committee meetings as well as to support the work of the Audit Committee by providing advice about laws and regulations related to the work of the Audit Committee as well as coordinate actions in line with the resolutions of the Audit Committee.
2. **The Nomination and Remuneration Committee** is composed of at least three company directors consisting of at least one independent director to perform duties to support the Board of Directors in nominating qualified persons to the positions of directors and high-ranking executives and in considering forms and criteria of remunerations to directors and high-ranking executives and submitting opinions to the Board of Directors for consideration of approval.



Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors is responsible to shareholders regarding the company's business activities and has a duty to specify the company's policies and directions as well as to over see management to meet objectives and guidelines to achieve long-term benefits for shareholders under legal frameworks and ethical principles in business while at the same time consider the benefits of all stakeholders according to the details specified in the Board of Directors' charter.

Corporate Governance Policy

The company has set in place the company's corporate governance policy in writing to be proposed to board of directors' meetings for approval. The purpose of the drafting of corporate governance manuals is to provide guidelines for directors, executives and employees to follow the aforementioned policy. The company reviews the aforementioned policy every year.

Business Ethics Principles

The company is determined to operate business transparently, fairly and with responsibility to stakeholders along with society and the environment. Accordingly, the company has set forth appropriate practices in writing for adherence by the Board of Directors, executives and employees in practice as follows:

1. Ethics on Responsibilities to Shareholders.
2. Ethics on Customer Relations.
3. Ethics on Relations with Trade Partners, Trade Competitors and Creditors.
4. Ethics on Responsibilities to Employees.
5. Ethics on Corporate Social and Environmental Responsibilities.

The company makes notifications and informs all employees for their acknowledgement and strict practice.

Conflict of Interest

The company has in place policies to thoroughly eliminate conflicts of interest through honesty, reasonability and independence under the framework of good ethics primary benefit of the company. Hence, related or connected persons to transactions under consideration are required to disclose information about their personal interests and those of related persons to the company, and the aforementioned persons are prohibited from participating in considerations and do not have the authority to approve the aforementioned transactions.

The company has a policy on connected transactions and transactions with conflict of interest that complies with the law and regulations of the Office of the Securities and Exchange Commission, the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand. Additionally, the aforementioned transactions are disclosed in annual reports and forms showing a list of yearly information (56-1 Form).

Internal Control

The company has set in place an internal control system for effective oversight and internal control on the executive and operational levels. In this regard, the company has created an internal audit department and/or that of an external agency that specializes in internal control systems to conduct assessments on the sufficiency of the company's internal control system and to report to the Audit Committee in line with set audit plans.

Risk Management

The company has set in place system oversight and risk management processes to appropriately reduce business impact to the company.

Reports of the Board of Directors

The Audit Committee is responsible for auditing financial statements. Therefore, the Accounting Department and auditor conduct joint meetings and submit financial reports to the Board of Directors on a quarterly basis. The Board of Directors is responsible to the company's consolidated financial statements and those of subsidiaries (if any) as well as financial information appearing in annual reports.

Board of Directors' Meetings and Self-assessment

The company arranges for a meeting of the Board of Directors to take place at least every quarter with special meetings convened as necessary. Meeting agendas are explicitly stated in advance and include agendas to evaluate and follow-up on performance on a regular basis. The company sends meeting invitation letters along with meeting agendas and accompanying documents to all directors in advance by at least seven days prior to each meeting in order to provide time for the Board of Directors to sufficiently study information before attending meetings, with exceptions to emergency or urgent cases. Additionally, meeting reports are recorded and certified documents are stored for use as reference and verification. In each meeting, the company arranges for related executives and persons to be in attendance to provide accurate and timely information and details to accompany decisions.

In voting on resolutions at meetings of the Board of Directors, majority votes are to be used. One director has one vote. Additionally, directors with interests in any agenda will not attend the respective meeting and will not vote on the aforementioned agenda. In cases where votes are equal, the meeting chairman is to cast one additional vote as the deciding vote.

Furthermore, the Board of Directors support for performance evaluations to occur at least once annually in order to make improvements and correct actions. Topics of such meetings are specified clearly prior to the aforementioned assessments in order to gather opinions and make proposals to meetings. Additionally, criteria, processes and overall results of performance evaluation are disclosed in annual reports.



Remuneration

The Nomination and Remuneration Committee considers and specifies the criteria for specifying remunerations for directors and high-ranking executives. Accordingly, directors' remunerations are required to be within the average range for the same industry with consideration given to sufficiency for performing duties and responsibilities for the Board of Directors. Meanwhile, executives receive remunerations in the form of salaries and annual bonuses with considerations mainly based on the company's performance. The annual remunerations for the Board of Directors and executives when combined are to not be at an unusually high amount when compared to the average remunerations for directors and executives of companies registered on the Stock Exchange of Thailand with primary considerations taken regarding the greatest interest of shareholders.

Development of Directors and Executives

The Board of Directors has a policy to promote and provide convenience on training and providing knowledge to persons related to the company's governance such as directors, audit directors, executives and company secretary in order to continuously improve work. Furthermore, trainings and knowledge might be provided inside the company or through services offered by external institutes.

In cases where changes occur to directors or new directors are appointed, Management will provide beneficial documents and information to the duties of new directors and provide introduction to business characteristics and business guidelines of the company to new directors.

The Board of Directors arranges for rotation of work assignments according to the competencies of executives and employees with considerations primarily based on the suitability of work and time. In this regard, the Chief Executive Officer specifies the time periods and evaluations of the aforementioned performance to produce plans to improve and pass on the company's work in order to develop executives and employees to have greater work knowledge and skills and be capable of performing each other's roles.

2. Sub-committees

The company's management structure is composed of the Board of Directors and two sub-committees, namely, the audit committee and the nomination and remuneration committee. The board of directors is composed of 9 directors, while the audit committee is composed of 4 audit directors and the nomination and remuneration director is composed of 3 nomination and remuneration directors. The descriptions of the scope of duties of each committee are shown as follows:

Scope of Duties and Authority of the Board of Directors

The Board of Directors has the following authority, duties and responsibilities:

1. Perform duties and oversee the company's business in compliance with the law and purpose, regulations and board of directors' meeting resolutions along with shareholder meeting resolutions responsibly, cautiously and honestly while carefully preserving the company's interests.

2. Specify the company's vision, strategies, business direction, policies, objectives, business plans, budgets, management structure and authorization powers of the company and subsidiaries in line with proposals made by management team; oversee and manage work and performance of management team, sub-committees and other persons assigned to perform the aforementioned duties in order to effectively and efficiently comply with set policies in order to generate the greatest values for the company and shareholders.
3. Follow and evaluate the performance of management team and/or sub-committees of the company continuously and regularly in order to achieve strategies and follow work and budget plans.
4. Take actions for the company and subsidiaries to have suitable and effective accounting systems and arrange for reliable financial reporting and auditing as well as set in place adequate and appropriate internal control.
5. Specify the frameworks and policies for stipulating salaries, raises, bonuses, remunerations and gratuities for high-ranking executives as well as oversee the appropriateness of executives' remunerations payment mechanisms.
6. Acknowledge audit reports submitted by the audit committee.
7. Approve acquisition and sales of assets (in cases where the transaction sizes do not require approval from shareholder meetings), new business ventures and any actions in compliance with related laws, notifications and regulations.
8. Approve and submit opinions concerning connected transactions (in cases where the transactions do not require approval from shareholder meetings) of the company and/or subsidiaries to ensure compliance with related laws, notifications and regulations.
9. Make considerations to approve selection and nomination of auditors and appropriate remunerations as proposed by the audit committee prior to making proposals to annual general meetings of shareholders for considerations of approval.
10. Deliberate on and approve the payment of inter-period dividends to company shareholders.
11. Review risk management processes and policies; follow up on actions.
12. Review the company's corporate governance and social responsibility policies in addition to anti-corruption and consider approvals for annual assessment reports on corporate governance, social responsibility and anti-corruption prepared by assigned sub-committees.
13. Provide oversight to prevent conflicts of interest between stakeholders of the company and subsidiaries. In cases where any director has interests in any transaction with the company or holds increases or decreases shares in the company and/or subsidiaries, the aforementioned director is required to report the aforementioned transactions to the company for acknowledgement without delay.
14. Appoint sub-committees to assist and support the work of the board of directors as deemed fitting.
15. Appoint the company's secretary and/or board of directors' secretary to assist the Board of Directors in various activities to ensure that the company's business activities follow related laws and criteria.



16. Employ independent advisors or persons to provide opinion or recommendations as deemed necessary.
17. Create annual reports and take responsibility toward the creation and disclosure of financial statements of the company's financial position and performance over each passing year to be presented to shareholder meetings.
18. Organize shareholder meetings as annual general meetings of shareholders by the fourth month after the end of each of the company's accounting periods.
19. Deliberate and grant approval on issues with consideration to the fair interests of shareholders and all stakeholders of the company.
20. Create succession plans for the company's high-ranking executives.
21. Review and revise the board of directors' charter consistently with situations.
22. Assign one or several directors or other persons to perform any action on behalf of the board of directors.

Accordingly, the granting of authority and responsibilities of the board of directors does not occur in the form of authorization or sub-authorization such that the board of directors or persons authorized by the board of directors become enabled to authorize actions in which they or persons that potentially have conflict of interest (as defined in related criteria) might hold interests or gain benefits in any manner or create any other conflict of interest with the company or subsidiaries of the company, unless the aforementioned are authorized transactions that comply with the policies and criteria approved by meetings of shareholders or the board of directors.

Scope of Duties and Authority of the Board of Directors

Audit Committee has the following authority, duties and responsibilities:

1. Audit the company to ensure accurate financial reporting with sufficient disclosure of information.
2. Audit the company to ensure that the company's internal control and internal audit systems are appropriate and effective. Additionally, evaluate the independence of the internal audit agency as well as pass approval on considerations to appoint, transfer or terminate employment of supervisors of the internal audit agency or other agencies responsible for internal audit.
3. Review the company's annual internal audit plans and conduct assessments jointly with the company's internal auditor and auditor.
4. Audit the company to ensure that the company complies with laws concerning securities and the stock exchange and regulations and notifications of the Stock Exchange of Thailand as well as related laws that apply to the company and/or business of the company.
5. Consider, select and nominate independent persons to perform duties as the company's auditors and propose remunerations for the aforementioned persons as well as attend meetings with auditors that exclude Management at least once annually.

6. Make considerations on connected transactions or transactions that might have conflicts of interest to ensure compliance with laws governing securities and the stock exchange as well as regulations and notifications of the Stock Exchange of Thailand and/or related laws that apply to the company and/or business of the company in order to ensure that the aforementioned transactions are reasonable and for the greatest benefits of the company.
7. Create audit committee reports that are disclosed in the company's annual reports. The aforementioned reports are required to be signed by the Chairman of the Audit Committee and must be composed of at least the following information:
 - 1) Opinions on accuracy, completeness and reliability of the company's financial reports.
 - 2) Opinions on the sufficiency of the company's internal control system.
 - 3) Opinions on compliance with laws governing securities and securities exchange and regulations and notifications of the Stock Exchange of Thailand and other related laws that apply to the company and/or businesses of the company.
 - 4) Opinions on the suitability of auditors.
 - 5) Opinions on transactions that potentially have conflict of interest and connected transactions.
 - 6) Number of audit committee meetings and attendance of each audit director.
 - 7) Opinions or overall observations of the audit committee from performing duties according to its charter.
 - 8) Other transactions deemed appropriate knowledge to company shareholders and ordinary investors under the scope of authority, duties and responsibilities assigned by the board of directors.
8. Review and make proposals to the board of directors to make considerations on revising the scope of authority, duties and responsibilities of the Audit Committee to ensure consistency with situations.
9. Audit connected persons under the scope of authority and duties of the audit committee and employ or recruit specialists to assist in audit work.
10. Upon discovering or having suspicions about the following actions, which might significantly impact the company's financial position and performance, the audit committee is to report to the Board of Directors to take corrective actions within a timeframe deemed appropriate by the Audit Committee:
 - 1) Transactions that create conflict of interest.
 - 2) Corruption or abnormalities or faults in essential content with the internal control system.
 - 3) Violations of laws governing securities and stock exchange and regulations and notifications of the Stock Exchange of Thailand or other related laws that apply to the company and/or businesses of the company.



If the Board of Directors or executives do not take corrective actions within the aforementioned timeframe, any audit director can report the occurrence of the aforementioned transactions or actions to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

11. Render opinions to management team on the appointment, dismissal, performance, budgets and manpower of the internal audit department or other agencies that have responsibilities related to internal auditing.
12. Create reports on the activities of the audit committee for submission to the board of directors at least once annually.
13. Audit and provide opinions on the corporate and social responsibility and anti-corruption policies of the company.
14. Review the company's corporate governance, social responsibility and anti-corruption processes.
15. Audit and give opinion on the company's annual assessment reports of corporate governance, social responsibility and anti-corruption.
16. Evaluate and review risks that the company encounters or expects to encounter with potential impact on the company (identification of risks) and set the company's risk appetite; specify management policies for external and internal risks of the company to have coverage and consistency with business strategies and direction, covering at least the following four risk aspects:
 - 1) Financial risks.
 - 2) Operational risks.
 - 3) Strategic risks.
 - 4) Compliance risks.
17. Specify strategies, structures and resources used in the organization's risk management to comply with risk management policies along with the company's business strategies and direction.
18. Evaluate and specify risk management strategies and practice guidelines to concur with risk management policies to successfully assess, monitor and oversee risks to remain within acceptable levels.
19. Consider specifying budgets and response methods for risks that are created and that might occur to the company for use as criteria in performing actions concerning each type of risk situation for submission to the board of directors for approval.
20. Review the suitability and sufficiency of policies, strategies and practice guidelines on the company's risk management in order to ensure confidence that the aforementioned policies, strategies and practice guidelines concur with the company's business strategies and direction and that risks can be controlled to remain within acceptable levels.
21. Report to the board of directors on risks and risk management.
22. Perform other actions assigned by the board of directors with the approval of the audit committee.

Scope of Duties and Authority of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the following authority, duties and responsibilities:

1. Specify the qualifications and criteria for recruitment of directors, chief executive officer, managing director and chief financial officer (CFO) including directors in the company's sub-committees, and select suitable persons in terms of knowledge, experience and expertise for nomination to the board of directors for appointment and/or proposal to shareholder meetings for subsequent appointment considerations (depending on the case).
2. Evaluate the independence of each independent director in order to ascertain that the company's independent directors meet all requirements.
3. Consider formats and processes for the development of directors and high-ranking executives to concur with the company's business and situations.
4. Consider the format and criteria of remunerations payments (whether in cash, securities or others) of directors, chief executive officer, managing director and chief financial officer (CFO) to ensure appropriateness, fairness and concurrence with related laws.
5. Consider the criteria for evaluating the chief executive officer and submit them to the board of directors for consideration of approval.
6. Review and propose revisions on the scope of authority, duties and responsibilities of the Nomination and Remuneration Committee to be consistent with situations.
7. Take other actions as assigned by the board of directors or policies set by the board of directors.

Scope of Authority of the Chief Executive Officer

The Chief Executive Officer has the following authority, duties and responsibilities:

1. Oversee, manage, implement and perform regular work according to normal business activities for the benefit of the company in line with the policies, visions, objectives, business plans and budgets specified by the Board of Directors.
2. Manage the company's work activities to be consistent with the company's mission specified by the Board of Directors to ensure concurrence with the company's business plans and budgets as well as strategies in related businesses as specified by the Board of Directors.
3. Authorize contracts and/or transactions associated with the company's normal business activities (e.g., purchase/sales, investments or joint ventures with other persons to conduct the company's normal business and for the benefit of activities to achieve the company's objectives) with the financial amounts set by authority limits.
4. Authorize loans and requests for any credit from financial institutes as well as lending and pledge, mortgage or become a guarantor of the company and subsidiaries in financial amounts specified by authority limits.



5. Supervise overall activities concerning finance, marketing, human resources management and other operations work to ensure compliance with the company's policies and operating plans set by the Board of Directors.
6. Authorize employments, appointments, transfers, dismissals and termination of company employees in positions beneath Chief Executive Officer, for which proxies can be appointed to perform the aforementioned actions.
7. Specify salaries, remunerations, gratuities, bonuses and salary raises for employees in positions beneath Chief Executive Officer within the frame and policies set by the Board of Directors.
8. Issue orders, regulations, notifications and memoranda within the company to ensure that the company's activities are aligned with policies and are for the benefit of the company as well as preserve discipline within the organization.
9. Perform other actions assigned by the Board of Directors and take any necessary actions in performing the aforementioned duties.
10. Authorize one or several persons to perform actions on behalf of the Chief Executive Officer.

The granting of authority, duties and responsibilities by the Chief Executive Officer does not occur as granting of power of attorney or sub-granting of authority such that the Chief Executive Officer or persons granted authority by the Chief Executive Officer can authorize transactions in which they or persons with potential conflict (as defined by notifications of the Securities and Exchange Commission or notifications of the Capital Market Supervisory Board), interest or any form of gain or other conflict of interest with the company or subsidiaries of the company, unless authorization of the aforementioned transactions follow the policies and criteria set forth by meetings of the Board of Directors.


Summary of Authority for Approval and Actions

Board of Directors' Meeting No. 1/2018 on 27 February 2018 passed a resolution in approval for the revision of the company's authority limits. The authority limits of the Board of Directors and the Chief Executive Officer are summarized as follows:

Item	Board of Directors	Chief Executive Officer
1. Authorizing Company Policies		
1.1 Specifying changes to organizational structure/management/company management structure.	All transactions.	-
1.2 Specifying company policies.	All transactions.	-
2. Accounting and Financial Documents	Over 1 million baht per year.	No more than 1 million baht per year
3. Purchases		
3.1 Approving purchase orders of cars/cars and car accessories or other accessories that exist from purchase or lease orders from customers or car replacement purchase orders in line with the car purchase policies and practice regulations of Toyota At United Company Limited, Siam Nissan P2M Company Limited or general trade conditions.	Over 4,000 million baht per year.	No more than 4,000 million baht per year ¹⁾
3.2 Approving purchase orders/repair orders/price quotations of car accessories, car modifications and appliances such as GPS, gas, etc., including annual/monthly service fees of the aforementioned items.	-	Over 0.30 million baht per year
3.3 Approving purchase orders/repair orders/price quotations of the company's cars, whether internal repairs by the Mechanics Department/Mobile unit and/or repair orders from other service centers.	-	Over 0.30 million baht per year
3.4 Approving purchase orders of office supplies/stationery and forms/computer equipment for use in the company's normal business activities.	All transaction sizes.	Over 0.30 million baht per year
3.5 Approving purchase orders of car insurance for the company, including those in compliance with government acts and all other types of car insurance.	All transaction sizes.	Over 2 million baht per year
4. Investments		
4.1 Investments in the company's assets for use conducting business or expanding the company's business.	Over 50 million baht	No more than 50 million baht ²⁾
4.2 Considerations to open branches for business or to expand the company's business.	Open international branches.	Only open branches in Thailand ²⁾
5. Approving any and all types of loans and signing in all related documents to loans.	Over 300 million baht	No more than 300 million baht ²⁾

Remarks: ¹⁾ The limit of 4,000 million baht is the sum of the limit of the Chief Executive Officer and Managing Director. The Chief Executive Officer and the Managing Director are required to report the value of car purchases that occur and the remaining amount of purchase funds to the Board of Directors on a quarterly basis.

²⁾ Report to the Board of Directors every time.



3. Recruitment and Appointment of Directors and Chief Executive Officer

3.1 Recruitment of Directors

Recruitment of persons for appointment as company directors occurs through the Nomination and Remuneration Committee, which selects persons based on knowledge, skills, experience, vision and reliability as well as possessions of the qualifications and without the prohibited characteristics prescribed by the law for proposal to shareholder meetings for considerations of appointment. Accordingly, the company has set in place criteria and methods, which can be summarized in essential content as follows:

1. The Board of Directors is composed of at least five directors. At least one-half of all directors are required to be residents of the Kingdom, and the company's directors must be persons with the qualifications and without the prohibited characteristics prescribed by laws governing public limited companies and other related laws.
2. Majority of votes is used by shareholder meetings in appointing directors in accordance with the following criteria and methods:
 - 1) Each share of a shareholder is equivalent to one vote.
 - 2) Each shareholder can use all of their votes in Clause 1) to appoint one or many persons as directors. In cases where many persons are chosen to become directors, votes cannot be divided to grant to any person in any amount.
 - 3) In cases where many persons are chosen to become directors, the persons with fewer votes in descending order are to become directors according to the total number of directors due to be appointed or elected at the time. In cases where the elected persons next in line have equal votes and create an excess number of directors to be elected at the time, the meeting chairman is to cast a deciding vote.
3. At every ordinary meeting of shareholders, one-third of the total number of directors at the time are to vacate their position. If the number of directors cannot be divided evenly by three, the closest number of directors to one-third is to vacate their position. Directors who are required to vacate their position during their first and second years after registration are to vacate their position by a lottery, while for directors in later years, the directors that have presided over their position longest are to vacate their position. Directors who vacate their position according to term can be reelected to their position.
4. Directors who resign from their position are required to submit their resignation form to the company and can also report their resignation to the registrar. Each resignation is to become effective on the date on which its resignation form reaches the company.

5. In cases where a director position becomes vacant for other reasons than vacating position according to term, the Board of Directors is to appoint a person possessing the qualifications without the prohibited characteristics prescribed by laws governing public limited companies and securities and stock exchange to become a new director at the next meetings of the Board of Directors. The aforementioned person appointed as a director can remain in the aforementioned position only for as long as the remaining term of the director that left their position. Additionally, the resolution of the aforementioned action by the Board of Directors is required to be passed by at least three-quarters of the total number of remaining directors.
6. Any shareholder meeting can pass a resolution to remove any director from their position before their term concludes by a vote of at least three-quarters of the total number of shareholders that are present at the meeting with voting rights, whereby the total votes combined must amount to at least one-half of the total number of shares held by shareholders present at the meeting and have voting rights.
7. The Board of Directors is to select a director to become the Chairman of the Board, and any one or several directors can be chosen to the position of deputy chairman as deemed fitting by the Board of Directors.

3.2 Recruitment of Independent Directors

The company stipulates for the Board of Directors to be composed of independent directors by at least one-third of the total number of company directors and at least three independent directors. The Board of Directors and shareholder meetings (depending on the case) appoint independent directors to the Board of Directors.

Persons who perform duties as independent directors are required to meet the qualifications without the prohibited characteristics of directors as prescribed by the Public Limited Companies Act and laws governing securities and exchange as well as related notifications, regulations and/or rules. Independent directors are chosen based on educational qualifications, special expertise, work experience and other qualifications and are nominated to meetings of the Board of Directors or shareholders (depending on the case) for considerations of appointment to become independent directors of the company. If any independent director vacates their position upon completion of their term, the Board of Directors may appoint another independent director that meet the abovementioned qualifications to the aforementioned position. The aforementioned replacement independent director can remain in their position only for the remaining term of the independent director whom they replace.

The Board of Directors has specified the qualifications of independent directors as follows:

1. Hold shares by no more than one percent of the total number of issued shares with voting rights of the company, parent company, subsidiary, joint company, major shareholder or persons with the authority to control the company, including shares held by persons connected to independent directors.



2. No current or previous involvement as a director in work management, an employee, a consultant with regular salaries, a person with the authority to control the company, parent company, subsidiary, joint company or subsidiary of the same level, a major shareholder or that of a person with the authority to control the company, unless the aforementioned person has been removed from the aforementioned characteristics for at least two years prior to the date of appointment. Additionally, the aforementioned prohibitions do not include cases in which the independent director has been a civil servant or advisor of a government agency that is a major shareholder or person with the authority to control the company.
3. No blood relationship or legal registration as a parent, spouse, sibling, child or spouse of child with another director, executive, major shareholder, person with control authority or person nominated to become an executive or a person with control authority of the company or a subsidiary.
4. No current or previous business relationship with the company, parent company, subsidiary, joint company, major shareholder or person with control authority of the company such that might impede the person's independent judgment and is not or has never been a significant shareholder or person with control authority with business relations with the company, parent company, subsidiary, joint company, major shareholder or person with control authority of the company, unless the aforementioned person has left the aforementioned position for at least two years before the date of appointment.

The aforementioned business relationships include commercial transactions conducted normally in operating businesses associated with leasing or leasing out of real estate, transactions related to assets and services and granting and accepting of financial assistance by acceptance or granting of loans, guarantees and granting of assets as collateral for debts, along with other similar circumstances that cause the company or contract partner to have debt obligations with the other party from the amount of three percent of the company's tangible assets or twenty million baht and above, depending on whichever amount is lower. Accordingly, the aforementioned debt obligations are to be calculated using methods for calculating the value of connected transactions according to related criteria concerning criteria for connected transactions automatically. However, in evaluating the aforementioned debt obligations, debt obligations created within a period of one year before the occurrence of business relationships with connected persons are to also be included.

4. No current or previous position as auditor of the company, parent company, subsidiary, joint company, major shareholder or person with control authority of the company and is not a significant shareholder, person with control authority or partner of an audit office to which the auditors of the company, parent shareholder, subsidiary, joint company, major shareholder or person with controlling authority of the company belong, unless the aforementioned person has left the aforementioned characteristics for a period of at least two years prior to the date of appointment.

2. No current or previous involvement as a director in work management, an employee, a consultant with regular salaries, a person with the authority to control the company, parent company, subsidiary, joint company or subsidiary of the same level, a major shareholder or that of a person with the authority to control the company, unless the aforementioned person has been removed from the aforementioned characteristics for at least two years prior to the date of appointment. Additionally, the aforementioned prohibitions do not include cases in which the independent director has been a civil servant or advisor of a government agency that is a major shareholder or person with the authority to control the company.
3. No blood relationship or legal registration as a parent, spouse, sibling, child or spouse of child with another director, executive, major shareholder, person with control authority or person nominated to become an executive or a person with control authority of the company or a subsidiary.
4. No current or previous business relationship with the company, parent company, subsidiary, joint company, major shareholder or person with control authority of the company such that might impede the person's independent judgment and is not or has never been a significant shareholder or person with control authority with business relations with the company, parent company, subsidiary, joint company, major shareholder or person with control authority of the company, unless the aforementioned person has left the aforementioned position for at least two years before the date of appointment.

The aforementioned business relationships include commercial transactions conducted normally in operating businesses associated with leasing or leasing out of real estate, transactions related to assets and services and granting and accepting of financial assistance by acceptance or granting of loans, guarantees and granting of assets as collateral for debts, along with other similar circumstances that cause the company or contract partner to have debt obligations with the other party from the amount of three percent of the company's tangible assets or twenty million baht and above, depending on whichever amount is lower. Accordingly, the aforementioned debt obligations are to be calculated using methods for calculating the value of connected transactions according to related criteria concerning criteria for connected transactions automatically. However, in evaluating the aforementioned debt obligations, debt obligations created within a period of one year before the occurrence of business relationships with connected persons are to also be included.

4. No current or previous position as auditor of the company, parent company, subsidiary, joint company, major shareholder or person with control authority of the company and is not a significant shareholder, person with control authority or partner of an audit office to which the auditors of the company, parent shareholder, subsidiary, joint company, major shareholder or person with controlling authority of the company belong, unless the aforementioned person has left the aforementioned characteristics for a period of at least two years prior to the date of appointment.



6. No current or previous position as a professional service provider, which includes legal consultant services and financial consultant services that receive service fee payment in excess of two million baht per year from the company, parent company, subsidiary, joint company, major shareholder or person with control authority of the company and is not a significant shareholder, person with control authority or partner of any of the aforementioned professional service provider, unless the aforementioned person has left the aforementioned characteristics for at least two years prior to the date of appointment.
7. No position as a director appointed to represent a company director, major shareholder or shareholder who is a connected person with a major shareholder.
8. No operation of businesses with the same characteristics and in significant competition with the businesses of the company and subsidiaries and is not a significant shareholder in a partnership or a director with a role in work management, an employee, a consultant paid with regular salaries or a shareholder that holds more than one percent of all issued shares with voting rights of another company that operates in the same type of business as and is in competition with the businesses of the company or subsidiaries.
9. Does not possess other characteristics that prevent independent expression of opinion concerning the company's activities.

3.3 Recruitment of Audit Directors

The Audit Committee is composed of at least three independent directors. The term for audit directors follow the term of company directors. The Board of Directors or shareholder meetings (depending on the case) appoint audit directors.

The Nomination and Remuneration Committee recruits audit directors from persons who meet the qualifications prescribed by the Capital Market Supervisory Board Notification No. Tor. Jor. 28/2551 on Permission and Granting of Permission for Offering Newly Issued Shares dated 15 December 2008 (including revisions) as follows:

1. Status as independent directors meeting the aforementioned qualifications.
2. No status as directors assigned by the Board of Directors to have decision-making authority in the business activities of the company, parent company, subsidiary, joint company, subsidiary of the same level, major shareholder or person with control authority of the company.
3. No status as directors of a registered parent company, subsidiary or subsidiary of the same level.
4. Possession of sufficient knowledge and experience to perform duties as audit directors. Additionally, at least one audit director is required to have knowledge and experience in accounting and finance sufficiently to perform audits on the reliability of financial statements.

3.4 Recruitment of Nomination and Remuneration Directors

The Nomination and Remuneration Committee is composed of at least three members of the Board of Directors as well as at least one independent director, each having a term of three years per occasion that follows the terms for company directors (in cases where the nomination and remuneration director is also a company director). Accordingly, the Board of Directors appoints nomination and remuneration directors.

The Board of Directors has specified the qualifications of nomination and remuneration directors as follows:

1. Possession of knowledge and abilities as well as honesty, integrity and ethics in conducting business and have sufficient time to dedicate their knowledge and abilities to perform duties for the company.
2. Ability to meet all qualifications without the prohibitions prescribed by relevant laws.
3. Not persons that operate the same type of business as the company and in competition with the company or become partners or directors in other juristic persons that operate the same type of business in competition with the company's businesses, whether for personal benefit or for others, unless such are reported to meetings of the Board of Directors prior to appointment resolutions.

3.5 Recruitment of Executives

In recruiting persons to become executives, the Nomination and Remuneration Committee makes considerations for the selection and appointment of persons that have suitable skills and qualifications for the position of high-ranking executive. Considerations are based on qualifications, knowledge, experience, occupation and unique attributes that are necessary and or the greatest benefit of the company.

4. Oversight of the Activities of Subsidiaries and Joint Companies

As of 31 December 2017, the company does not have investments in subsidiaries and joint companies. Nevertheless, the company has set in place principles for overseeing the activities of subsidiaries and joint companies in the company's investment and management policies in subsidiaries and joint companies. The details are as follows:

The company sends company representatives who possess suitable qualifications and experience for the business in which the company invests to become chairmen, directors, CEOs, high-ranking executives or other persons of such companies who are free from conflict of interests with the businesses of such subsidiaries and joint companies in order to allow the company to control the businesses and activities of subsidiaries and joint companies in compliance with the regulations and rules prescribed in regulations and laws related to the business activities of subsidiaries and/or joint companies. Furthermore, the aforementioned assignment of representatives to become directors in subsidiaries and joint companies will be consistent with the company's share ratios and/or joint agreements for cases of joint companies. Additionally, the company closely tracks the returns and



performance of subsidiaries and joint companies and provides oversight to ensure data collection and recording of accounting information of subsidiaries and joint companies to allow inspection by the company.

5. Oversight of Use of Internal Information

The company gives importance to preventing use of the company's internal information. Accordingly, the company has policies prohibiting directors, executives, employees and company staff to disclose or seek personal benefits or benefits for others from the company's secrets and/or internal information that have not yet been revealed to the public, whether directly or indirectly and regardless of whether in exchange for remunerations or not. Furthermore, the aforementioned persons are prohibited from exchanging the company's securities by using the company's internal information. Hence, the company has set the following guidelines to prevent usage of the company's internal information:

1. Provide information to company directors and executives about the duties of reporting on their own possession of assets and the assets of their spouses and underaged children to the Office of the Securities and Exchange Commission pursuant to Section 59 and penalties specifications in Section 275 of the Securities and Exchange Act, B.E. 2535 (1992 A.D.), (including revisions), as well as transactions from obtainment or distribution of their own assets of those of their spouses and children who have not reached the age of majority to the Office of the Securities and Exchange Commission according to Section 246 and penalties specifications in Section 298 of the Securities and Exchange Act, B.E. 2535 (1992 A.D.), (including revisions).
2. Company directors and executives, including their spouses and underaged children, are required to prepare and disclose reports of asset possession and report changes of asset possession of the company to the Office of the Securities and Exchange Commission in accordance with Section 59 and penalties specifications in Section 275 of the Securities and Exchange Act, B.E. 2535 (1992 A.D.), (including revisions), and submit copies of the aforementioned reports to the company on the same date as the date of submission of the aforementioned reports to the Office of the Securities and Exchange Commission.
3. Directors, executives, employees and staff of the company and subsidiaries who have knowledge about internal information in essential content that affects or might affect changes in the prices of securities are required to refrain from exchanging the company's securities for a period of thirty days prior to the date on which the aforementioned financial statements or internal information is disclosed to the public and a period of 24 hours after the aforementioned information of the company is disclosed to the public. In addition, persons related to the aforementioned information are required to not disclose the aforementioned information to other persons until the aforementioned information is reported to the Stock Exchange of Thailand. If the aforementioned practice regulations are violated, the company will view the aforementioned actions as breach discipline prescribed by the company's work regulations, for which proper disciplinary actions will

be taken, depending on the case, ranging from verbal warning, written warning, probation, to termination of employment.

6. Audit Fees

The company paid remunerations for audit of the company's financial statements for the 2016 accounting year ending on 31 December 2016 to the company's auditor at the amount of 1.40 million baht, composed of 1.20 million baht of audit fees and 0.20 million baht of other service fees, which are expenses other than audit fees such as travel fees, allowances, overtime fees, stationery fees, etc.

For the 2017 accounting year ending 31 December 2017, the company paid remunerations for audit of the company's financial statements by the amount of 2.13 million baht, composed of 1.32 million baht of audit fees, 0.42 million baht of guarantee fee for revenue summary for Airports of Thailand Public Company Limited and 0.39 million baht of other service fees, which are expenses other than audit fees such as travel fees, allowances, overtime fees, stationery fees, etc.

7. Adherence to Good Governance Principles on Other Issues

-None.-



Corporate Social Responsibility

The company has a policy to operate business with care to stakeholders, the economy, society and the environment along with fairness, morals, ethics and governance acting as instruments of oversight of activities to ensure honesty, transparency and justice. The company has set its corporate social responsibilities as follows:

1. Fair Business Conduct

The company focuses on conducting business transparently by which all stages can be verified. There are no policies whatsoever to engage in actions to gain unlawful advantages over business competitors such as distortion of business information to cause misunderstanding in customers and trade partners in essential content in order to gain advantage over competitors in the same type of business as the company and to acquire customers or dishonestly or inappropriately seeking to obtain secrets from trade competitors such as payment of bribes to employees of competitors or attempts to damage the reputation of trade partners through false and malicious accusations. Moreover, the company has projects to campaign for, promote and instill conscience in the company's personnel on every level to have social responsibility.

Furthermore, the company respects the intellectual property rights of others, whereby the company has a policy for the company's personnel to comply with laws and specifications concerning intellectual property rights such as using legally licensed computer software.

2. Anti-corruption

The company managed its business on the foundation of transparency and ethics with adherence to the principles of good corporate governance and compliance with laws related to anti-corruption and granting and accepting of bribes with government officials and the private sector. The company has, therefore, set forth its organizational structure to clearly divide responsibilities, work processes and chain of command for each agency in order to ensure checks and balances and appropriate discretion in mutual inspections.

Furthermore, the company has set in place practice guidelines for directors, executives and employees of the company and subsidiaries as follows:

1. Company directors, executives and employees are prohibited from accepting corruption in every form, whether director or indirect, in every related agency, and compliance with the anti-corruption policy is to be regularly reviewed.
2. Company directors, executives and employees are required to report to the company about actions that fit the criteria for corruption related to the company by reporting to supervisors or persons in charge and providing cooperation in investigation of facts.
3. The company will provide justice and protection to informants of corruption as well as persons who cooperate in corruption reporting and investigation processes.
4. Directors and executives are required to conduct themselves as role models in anti-corruption and perform duties to perform and support anti-corruption policies and communicate them to employees and all related parties as well as review the suitability of policies and measures to ensure suitability with changing business conditions, regulations, rules and legal specifications.

5. Persons who commit acts of corruption will be subject to disciplinary actions prescribed by the company's regulations and possibly legal punishments if such actions are in violation of the law.
6. The company is required to provide training and dissemination of knowledge to directors, executives and employees of the company to have understanding about anti-corruption policies as well as promote their morals, honesty, responsibility and duties.
7. The company is to support contract partners, trade partners and other persons performing duties related to the company to report violations of the company's anti-corruption policy.
8. The company has in place policies for the recruitment and selection of persons, promotions, trainings, performance evaluations and specifications of remunerations of company employees and staff that are fair and sufficient in order to prevent corruption within the organization and in order to create assurances for company employees and staff.
9. In order to ensure clarity in activities concerning high risks of corruption as follows, directors, executives and employees of the company are required to engage in the aforementioned activities cautiously and clearly examine such actions:
 - 9.1. Granting, giving, receiving of gifts and reception parties are to occur transparently and in accordance with the law consistent with normal trade customs and popular customs as well as being at appropriate values.
 - 9.2. Donations and financial support are to be given and accepted transparently and in accordance with the law with certainty made to ensure that the aforementioned giving or accepting of donations or financial support are not concealed bribery.
 - 9.3. Business activities, contacts, negotiations, auctions and other actions with government and private agencies are to occur transparently and in accordance with the law. Furthermore, company directors, executives, employees and staff are required to not give or accept bribes in any stage of business.

Accordingly, the company has expressed its intention to participate in campaign activities of Thailand's Collective Action Coalition against Corruption when opportunities arise.

3. Respect to Human Rights

The company has policies to support and respect human rights protection by treating all stakeholders, whether they are employees, communities or surrounding society, with respect in the values of humanity, consideration to equality and freedom without violations to basic rights and without selective treatment, whether in regards to race, nationality, religion, skin color, gender, age, education, physical condition or social status. Furthermore, arrangements are made to prevent the company's businesses to become involved in human rights violations such as child labor and sexual assaults. Moreover, the company promotes monitoring of adherence to human rights specifications and have arranged for participation in expression of opinions as well as channels for complaints for persons who receive damage from rights violations caused by the company's businesses and and for appropriate compensation.

Thus, in order to ensure effective respect for human rights, the company has created knowledge about human rights and instills conscience in the company's personnel about adherence to human rights principles.



4. Fair Treatment of Workers

The company realizes the importance of human resource development and fair treatment of workers as important factors for increasing the value and for enhancing the competitive abilities and sustainable growth of the company's business in the future. Therefore, the company has set in place the following policies and guidelines:

1. Respect the rights of employees consistently with human rights, and follow labor laws.
2. Create fair employment processes, employment conditions and merit evaluation in work evaluation processes and specify fair remunerations by providing raises for employees every year, equally and fairly tracking the performance of all employees and fairly make considerations on paying annual bonuses, allowances and overtime fees for all employees.
3. Promote human resources development by arranging in-house training and sending personnel to attend seminars/trainings outside the company on a regular basis, e.g., training on car repair with Toyota Motor (Thailand) Company Limited, in order to enhance work capabilities.
4. Provide employee benefits in compliance with legal specifications such as social security, etc. and other benefits not specified by the law such as accident insurance, financial support and employee car repair discounts.
5. Provide annual health check-ups for employees at every level of the company.
6. Establish a provident fund for regular employees of the company, by which the company deposits funds into the provident fund for willing employees who apply to become members of the provident fund.
7. Provide employee training related to work safety standards in order to avoid work accidents, and provide training to deal with unexpected events such as fires that involves annual fire escape drills.

5. Responsibilities to Customers

Because the company's business is a service business, the company gives importance to the quality of service before and after sales. As a result, the company firmly believes in treating customers responsibly, honestly and attentively in providing customer service in order to achieve the highest level of satisfaction in customers and maintaining long and extensive relationships with customers. Furthermore, the company understands the importance of providing knowledge and understanding about products and services and firmly believes in the fair market. Therefore, the company has policies to provide customers with information about the company's products and services that are accurate, not distorted, ambiguous or falsely advertised in order to ensure that customers receive accurate and sufficient information to make decisions.

6. Environmental Conservation

The company gives importance to conserving the environment to prevent the company's business to impact the environment. In this respect, the company chooses products for various maintenances such as car paints, tires, parts, oils, etc. that meet environmental standards set in place by the law.

7. Community and Social Development

The company is aware of its responsibilities to communities and society. Therefore, it has set in place policy to assist and develop society through support of religion and culture such as by hosting religious events and other beneficial aspects to the public such as annual blood donations for the Thai Red Cross Society.

2. Implementation and Reporting

At present, the Company has not yet officially issued a report on CSR. However, in practice, CSR has placed great emphasis on corporate social responsibility. In the core business processes and other social and environmental activities. To comply with the Corporate Social Responsibility Policy In the core business processes. The company is committed to continuing to be part of the Safe Driving Program. The company provides safe driving training to its customers and / or employees. To improve skills. Create knowledge And learn etiquette. To drive more on the road. It also maintains standards for vehicle inspection after maintenance and before delivery to customers. The maintenance team does not inspect the car itself. To ensure that the car inspection team can carry out the inspection of the vehicle in full compliance with standards to ensure that customers receive the standard service. For anti-corruption corrupt The Company regularly communicates anti-corruption practices to its employees. They are also monitored closely by the supervisors at each level. For other social and environmental activities, see Section 10.4. Social and Environmental Activities (after process)

3. Businesses that affect CSR

- none -

4. Activities for the benefit of society and the environment (after process)

In addition to normal business practices that take into account social responsibility. The company also organizes and participates in activities.

To the public. In the past year, the Company has organized the following activities:

- Training safe driving projects for customers and / or employees.
- Activities for nature cyclists And plant trees
- Mangrove Forest Activities



Internal Control and Risk Management

1. Opinions of the Board of Directors on the Company's Internal Control System

At the Meeting of the Board of Directors No. 1/2561 on 27 February 2018, which the Audit Committee attended, the Board of Directors assessed the company's internal control system in accordance with evaluation form for sufficiency of internal control system of the Securities and Exchange Commission. Inquiries and/or examinations were made on the documents provided by Management. The evaluation of the company's internal system can be summarized in five aspects as follows:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information and Communication
- 5) Monitoring Activities

The Board of Directors hold the opinion that the company's internal control system is adequate and suitable for the size and current situation of the company. Additionally, there is no significant defect regarding the company's internal control system.

2. Audit Committee's Opinion in case the Opinion is different from Board of Directors

- None -

3. Information of the Head of Internal Audit and Head of Compliance Department of the Company

The company appointed Dharmniti Auditing Company Limited ("Dharmniti") to become a consultant on the company's internal control system and risk management by providing training and practice exercises to provide a sufficient and suitable internal control system for the work and activities of each department. Additionally, Dharmniti was appointed to become the organization's internal auditor to assess the company's sufficiency and effectiveness of its internal control as well as to conduct internal audit on the organization's risks. In this regard, Miss Lapasrada Lertpanurot, Vice Chairman of Executive Committee of Dharmniti, was assigned to be the main person responsible for performing audit of the company's internal control system.

The Audit Committee has evaluated the qualifications of Dharmniti and Miss Lapasrada Lertpanurot and view the aforementioned to be suitable and adequate to perform the aforementioned duties because of their independence, experience in performing internal audits in many businesses and is a Certified Professional Internal Auditor of Thailand (CPIAT). Accordingly, the Audit Committee appoints, removes and transfers the company's internal auditors.

Connected Transactions

1. Connected Transactions with Companies/Persons with Potential Conflict of Interest

The connected transactions the company made with companies/persons with potential conflict of interest for the Fiscal Year Ending at 31 December 2016 and Fiscal Year Ending at 31 December 2017 can be summarized as follows:

1.1 Toyota @ United Company Limited (“Toyota @ United”) (Operates a Toyota car dealer business.)

Toyota @ United is a major shareholder of the company that holds 25.00 percent of total registered and paid up capital. Furthermore, the company and Toyota @ United shares two directors and shareholders, namely, Mr. Songvit Titipunya (“Mr. Songvit”) and Mrs. Parinda Vongvitavat (“Mrs. Parinda”). Furthermore, Toyota @ United’s major shareholders include Mr. Songvit, Mrs. Parinda and their children¹ (collectively referred to as “Mr. Songvit and Mrs. Parinda’s Family”) who hold 100.00 percent of the registered and paid up capital of Toyota @ United.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Service Revenue Trade Receivable	The company provided car services to Toyota @ United	2.34	1.83	The company provides car services to Toyota @ United, mostly in the form of pickup trucks and vans for transporting car parts and tires. Accordingly, the company specified service fees and trade conditions in the same manner as those specified for other customers.	The aforementioned transactions are from the result of necessity in the company’s normal business activities. The Audit Committee has considered the aforementioned transaction and deems the service revenues obtained to be reasonable and beneficial to the company’s business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (2.34)	Decreased (1.80)		
		Remainder	Remainder		
Sales Revenue Trade Receivable	The company sold car lease contract to Toyota @ United	-	0.26	The company sold a car from expired lease contract to Toyota @ United. The sale was made via auction held by the company. Bidders were ordinary individuals, second-hand car tents and second-hand car dealers, as well as Toyota @ United. In this case, Toyota @ United was a bidder who proposed the highest bid, the company then sold the car from expired lease contract to Toyota @ United.	The aforementioned transaction resulted from necessity in the company’s normal business activities. The price of car from expired lease contract that Toyota @ United purchased was the highest price set by the auction. The Audit Committee has considered the aforementioned revenues obtained from car sold to be reasonable and beneficial to the company’s business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased	Decreased (0.26)		
		Remainder	Remainder		

Remarks: ¹ The children of Mr. Songvit and Mrs. Parinda are as follows: 1) Mr. Sarut Titipunya, 2) Miss Pitchapat Titipunya and 3) Miss Pimpisa Titipunya.



Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Other Revenues Other Receivables	The company sold car tires to Toyota @ United.	0.49 Carried Over Increased Decreased Remainder	0.12 0.01 0.12 (0.06) 0.07	The company sells car tires to Toyota @ United. The company sets the same product prices and trade conditions as those provided to other customers.	The aforementioned transaction resulted from necessity in the company's normal business activities. The Audit Committee has considered the aforementioned transaction and deems the revenues obtained from the aforementioned transaction to be reasonable and beneficial to the company's business activities.
Other Receivables	The company collected renovation fees for the building the company leases from Toyota @ United.	- Carried Over Increased Decreased Remainder	- 0.27 (8.27) - -	The company renovated the office building to accommodate increases in employees due to business growth. The aforementioned office building is an office building the company leases from Toyota @ United. In order to facilitate and accelerate construction, the company reserved the aforementioned expenses and collected them from Toyota @ United. Presently, Toyota @ United has fully paid the aforementioned building renovation fees to the company.	The aforementioned transaction resulted from necessity to accommodate increases in the number of employees of the company in line with business growth. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
Other Receivables	The company sold car tires to Toyota @ United.	- Carried Over Increased Decreased Remainder	- 0.14 - 0.14 -	The company renovated the office building to accommodate increases in employees due to business growth. The aforementioned office building is an office building the company leases from Toyota @ United. In order to facilitate and accelerate construction, the company reserved the aforementioned expenses and collected them from Toyota @ United. Presently, Toyota @ United has fully paid the aforementioned building renovation fees to the company.	The aforementioned transaction resulted from necessity to accommodate increases in the number of employees of the company in line with business growth. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the company's normal business activities.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Car Purchase Trade Payable	The company purchased cars from Toyota @ United.	3,062.27	3,152.66	<p>The company purchases Toyota cars from Toyota @ United for use in the company's normal business activities. In car purchases, the company bases considerations on ability to procure cars according to specifications and speed of delivery, both of which are important aspects, as well as purchase discounts.</p> <p>Toyota @ United is one of the major car suppliers in Thailand and is able to deliver cars that meet customer specifications in large quantities within a short period of time. Therefore, the company purchases Toyota cars from Toyota @ United. Accordingly, the company receives special discounts from Toyota @ United due to large purchase volumes (fleet). Generally, discounts are greater than or equal to those obtained through other Toyota car suppliers.</p>	<p>The aforementioned transaction resulted from necessity in the company's normal business activities. Toyota @ United has the ability to deliver cars that meet customer specifications in large quantities within a limited period of time at greater or similar discount rates to purchases made from other Toyota suppliers.</p> <p>The Audit Committee has considered the aforementioned transaction and deems the aforementioned transaction to be reasonable and beneficial to the company's normal business activities.</p>
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased	Decreased		
		Remainder	Remainder		
Advance Car Payment		10.13	-		



Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Repair and Maintenance Fee Trade Payable	The company partially used car repair and maintenance services of Toyota @ United.	12.40	14.21	In order to lower risks of non-arm's-length transactions, the company has set in place "a policy and protocol on car purchases from Toyota @ United United Company Limited (revised edition)", in which the calculation method of prices for car purchases from Toyota @ United is clearly specified. The additional details of the "policy and protocol on car purchases from Toyota @ United United Company Limited" are shown in Clause 4 on summary of the policy and protocol on car purchases from Toyota @ United United Company Limited.	The aforementioned transaction resulted from necessity in the company's normal business activities. The the prices and trade conditions of repairs and maintenance provided by Toyota @ United are comparable to the prices and trade conditions of other service providers. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
		Carried Over Increased Decreased Remainder	Carried Over Increased Decreased Remainder		
		2.11 12.40 (11.86) 2.65	2.65 14.21 (14.06) 2.80		

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Office Rental Fee Other Creditor - Accrued Rental Fee	The company leased land and structures partially from Toyota @ United.	3.33	5.39	The company leases land and structures composed of 680 square wah of land area and 2,526 square meters of building area situated on 149 Moo 3, Theparak Road, Theparak, Muang Samut Prakan, Samut Prakan, from Toyota @ United for use as the company's office. The company pays rental fees at the rate of 553,940 baht per month, an amount equivalent to the amount evaluated by an independent appraiser. The contract has a term of three years from 1 June 2017 up to 31 May 2020.	The aforementioned land and structure lease transaction resulted from a necessity to facilitate customers in conducting business with the company. The Audit Committee has considered the aforementioned transaction and deems the aforementioned transaction to be reasonable with rental fee rates equivalent to those evaluated by independent appraisers.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased	Decreased		
		Remainder	Remainder		
Consultant Fee Other Creditor - Consultant Fee	The company employed Toyota @ United to provide management consultation.	0.35	-	The company had entered into a consultant contract with Toyota @ United for Toyota @ United to become a consultant in sales management and marketing. Monthly consultant fees were paid at the rate of 50,000 baht, and the contract term lasted from 1 January 2015 to 31 July 2016, and the company does not intend to renew the aforementioned contract.	The aforementioned transaction supports normal business activities to allow the company to more effectively operate. The Audit Committee has considered the aforementioned transaction and deems it to be beneficial to the company's normal business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased	Decreased		
		Remainder	Remainder		



Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Short-term Loan From a Connected Business	The company borrowed funds from Toyota @ United by a loan contract with repayment scheduled to occur upon inquiry and with interest rate based on the interest rates of commercial banks without collateral.	Carried Over Increased Decreased Remainder	Carried Over Increased Decreased Remainder	The company borrows funds from Toyota @ United for use as circulating capital in business activities and for land purchase. Debts are scheduled for repayment when collection demands are made with interest rate set at five percent per year without collateral. However, the company has a policy to switch over to loans from financial institutes instead of borrowing from Toyota @ United. The company expects to successfully repay all or most of the funds borrowed from Toyota @ United by 31 March 2017, and the company does not have a policy to borrow any additional funds from Toyota @ United and/or other connected businesses in the future.	The aforementioned transaction resulted from necessity in the company's normal business activities. The company occasionally borrows funds from Toyota @ United as necessary due to greater convenience and speed than loans from financial institutes, while interest rates are also comparable to the rates at which the company is able to obtain in loans from financial institutes. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
	Interest Payable Other Creditor - Accrued Interest	115.40 448.51 (389.51) 174.40	174.40 113.00 (287.40) -		
		2.64 33.08	2.64 35.72		
		Carried Over Increased Decreased Remainder	Carried Over Increased Decreased Remainder		
		11.76 24.34 11.76 (3.02) 33.08	2.64 35.72 -		

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Guarantee for Loans from Financial Institutes	Toyota @ United provided collateral for financial institute loans for the company. Mr. Songvit and Mrs. Parinda also jointly provided collateral for the company for the aforementioned financial institute loans.	Total Collateral Amount 817.10	Total Collateral Amount 1,108.10	Toyota @ United guaranteed loans from financial institutes for the company. In the aforementioned financial institute loan guarantees, Mr. Songvit and Mrs. Parinda jointly provided guarantee for the company partially. The company has existing loans of various types with many financial institutes for different purposes such as account overdrafts, promissory notes, guarantee letters and total credit line and others. The aforementioned guarantee of financial institute loans follows the conditions set forth by financial institutes, and the company is not required to pay any remuneration for the aforementioned guarantee. After the company became registered on the Stock Exchange of Thailand since 30 March 2017, the company has negotiated with financial institutes to relieve the aforementioned guarantee. However, the said financial institutes had an opinion that the company recently listed on the Stock Exchange of Thailand only a short period of time. Therefore, they considered to maintain the aforementioned guarantee as earlier.	The aforementioned transaction resulted from necessity in obtaining loan credit support from financial institutes for use in the company's business activities. Furthermore, the company is not required to pay any remuneration in providing guarantee for the aforementioned. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's business activities.
Guarantee for Loans from Financial Institutes	The company provided collateral for financial institute loans for Toyota @ United.	Total Guarantee Amount -	Total Guarantee Amount -	In the past, the company provided guarantee for loans from one bank for Toyota @ United at the amount of 425.00 million baht. The aforementioned financial institute loan guarantee follows the conditions set by the financial institute, and the company did not receive any remunerations for the aforementioned guarantee. However, as of 9 November 2016, the bank has issued a letter relieving the aforementioned guarantee of the company.	The aforementioned transaction occurred as a result of conditions set by financial institutes. Furthermore, Toyota @ United has a good financial position. Therefore, the aforementioned guarantee does not cause any impacts to the company's activities. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's business activities.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Guarantee for Debt under Financial Lease Contracts	Toyota @ United, Mr. Songvit and Mrs. Parinda jointly provided collateral for debts under financial lease contracts for the company.	Debts under Financial Lease Contracts 4,814.98	Debts under Financial Lease Contracts 5,582.42	Toyota @ United, Mr. Songvit and Mrs. Parinda jointly provided guarantee for debts under financial lease contracts for the company. The company has a need to utilize the aforementioned financial lease contracts to support car purchases for conducting business. The guarantee provided under the aforementioned financial lease contracts follow the conditions set by the financial institutes, and the company is not required to pay any remuneration for the aforementioned guarantee. Accordingly, after the company became registered on the Stock Exchange of Thailand since 30 March 2017, the company has negotiated with the financial institutes to relieve the aforementioned guarantee. However, the said financial institutes had an opinion that the company recently listed on the Stock Exchange of Thailand only a short period of time. Therefore, they considered to maintain the aforementioned guarantee as earlier.	The aforementioned transaction resulted from necessity in the financial leasing contract to obtain funds for use in the company's business. Furthermore, the company is not required to pay any remuneration as guarantee for the aforementioned. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's business activities.

1.2 Mr. Songvit Titipunya (“Mr. Songvit”) and Mrs. Parinda Vongvitavat (“Mrs. Parinda”)

Mr. Songvit is the Chairman, the Chief Executive Officer and a shareholder of the company who holds 7.42 percent of the company’s registered and paid up capital. Furthermore, Mrs. Parinda is a company director and shareholder who holds 10.50 percent of the company’s registered and paid up capital.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Collateral for Financial Institute Loans	Mr. Songvit and Mrs. Parinda jointly provided collateral for financial institute loans for the company. Additionally, Toyota @ United also provides collateral for the aforementioned financial institute loans.	Total Collateral Amount 897.10	Total Collateral Amount 3,108.10	Mr. Songvit and Mrs. Parinda jointly guaranteed loans from financial institutes for the company, with Toyota @ United also providing partial guarantee for the company. The company has existing loans of various types with many financial institutes for different purposes such as account overdrafts, promissory notes, guarantee letters and total credit line and others. The aforementioned guarantee of financial institute loans follows the conditions set forth by financial institutes, and the company is not required to pay any remuneration for the aforementioned guarantee. Accordingly, after the company became registered on the Stock Exchange of Thailand since 30 March 2017, the company has negotiated with the financial institutes to relieve the aforementioned guarantee. However, the said financial institutes had an opinion that the company recently listed on the Stock Exchange of Thailand only a short period of time. Therefore, they considered to maintain the aforementioned guarantee as earlier.	The aforementioned transaction resulted from necessity in the financial leasing contract to obtain funds for use in the company’s business. Furthermore, the company is not required to pay any remuneration as guarantee for the aforementioned. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company’s business activities.



Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Collateral for Debts under Financial Lease Contracts	Toyota @ United, Mr. Songvit and Mrs. Parinda jointly provided collateral under financial lease contracts for the company.	Debts under 4,814.98 Financial Lease Contracts	Debts under 5,582.42 Financial Lease Contracts	Toyota @ United, Mr. Songvit and Mrs. Parinda jointly provided guarantee for debts under financial lease contracts for the company. The company has a need to utilize the aforementioned financial lease contracts to support car purchases for conducting business. The guarantee provided under the aforementioned financial lease contracts follow the conditions set by the financial institutes, and the company is not required to pay any remuneration for the aforementioned guarantee. Accordingly, after the company became registered on the Stock Exchange of Thailand since 30 March 2017, the company has negotiated with the financial institutes to relieve the aforementioned guarantee. However, the said financial institutes had an opinion that the company recently listed on the Stock Exchange of Thailand only a short period of time. Therefore, they considered to maintain the aforementioned guarantee as earlier.	The aforementioned transaction resulted from necessity in the financial leasing contract to obtain funds for use in the company's business. Furthermore, the company is not required to pay any remuneration as guarantee for the aforementioned. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's business activities.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Office Rental Fee	The company leases land and structures partially from Mr. Songvit. The aforementioned land and structures belong to Mr. Sarut Titipunya, Mr. Songvit and Mrs. Parinda.	1.84	1.84	The company leases land and structures composed of 600 square wah of land area and 1,150 square meters of building area situated on 149 Moo 3, Theparak Road, Theparak, Muang Samut Prakan, Samut Prakan, from Mr. Songvit for use as the company's office. The company pays rental fees at the rate of 153,500 baht per month, an amount equivalent to the amount evaluated by an independent appraiser. The contract has a term of three years from 1 June 2017 up to 31 May 2020.	The aforementioned land and structure lease transaction resulted due to necessity in order to provide convenience to customers in conducting business with the company. The Audit Committee has considered the aforementioned transaction and deems the aforementioned transaction to be reasonable with rental fee rates equivalent to those evaluated by independent appraisers.
Other Creditor -		Carried Over	Carried Over		
Accrued Rental Fee		Increased	Increased		
		Decreased	Decreased (2.15)		
		Remainder	Remainder -		

1.3 Toyota @ United United Used Car Company Limited (“At Used Car”) (Operates a Toyota used car supplier business.)

At Used Car is a juristic person that shares two directors with the company, namely, Mr. Songvit and Mrs. Parinda. Furthermore, Toyota @ United is a major shareholder of At Used Car together with the company and holds 99.99 percent of registered and paid up capital.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Sales Revenue	The company sold cars from expired contracts to At Used Car.	14.50	2.34	The company sells some Toyota cars from expired lease contracts to At Used Car. When lease contracts expire, the company sets prices and sells the aforementioned cars by a number of channels or submits the cars to a car park for auctions if the number of cars from expired contracts is few or directly organizes the company's own auctions if the number of cars from expired contracts is high. Auction participants consist of ordinary persons, dealers from second-hand car tents and second-hand car dealership companies in general, including At Used Car. In cases where At Used Car is the highest bidder, the company will sell cars from expired lease contracts to At Used Car.	The aforementioned transaction resulted from necessity in the company's normal business activities. The prices of cars from expired lease contracts by which At Used Cars makes purchase are the highest prices set by auctions. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
Trade Receivable		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (14.50)	Decreased (2.34)		
		Remainder	Remainder		
Other Revenue	The company sold car tires to At Used Car.	0.02	0.02	The company is a sales representative of Yokohama car tires and sells tires to At Used Car. The company accordingly sets the same product prices and trade conditions as those provided to other customers.	The aforementioned transaction resulted from necessity in the company's normal business activities. The Audit Committee has considered the aforementioned transaction and deems the revenues obtained from the aforementioned transaction to be reasonable and beneficial to the company's business activities.
Other Receivable		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (0.02)	Decreased		
		Remainder	Remainder		

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Car Purchase Trade Payable	The company purchased cars from At Used Car.	-	2.54	The company purchased cars from At Used Car due to there were some short-term car leasing customers required to lease a new car model but such model was in short supply. Accordingly, the company considered to purchase a used car by considering condition and price of the car that was reasonable compared to other sellers..	The aforementioned transaction resulted from necessity in the company's normal business activities. The Audit Committee has considered the revenues obtained from services to be reasonable and beneficial to the company's business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased	Decreased		
		Remainder	Remainder		

1.4 P2M Energy Company Limited (“P2M”) (Operates the business of purchase, sales and installation of NGV and LPG equipment in all types of cars and car check-up and repair services.)

P2M is a juristic person that shares two directors with the company, namely, Mr. Songvit and Mrs. Parinda. Furthermore, P2M also has Toyota @ United, Mr. Songvit and Mrs. Parinda as joint shareholders with the company and hold 39.99 percent, 10.00 percent and 10.00 percent of registered and paid up capital, respectively.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Parts and Equipment Purchase Trade Payable	The company purchased parts and equipment from P2M for use in the company's car maintenance and services.	0.57	0.78	The company purchases parts and equipment related to NGV and LPG gas systems in parts by brands and specifications set by customers. P2M is one of the supplier of the aforementioned NGV and LPG systems. The company accordingly compares prices with other parts and equipment suppliers, and the company pays for parts and equipment at prices that are comparable to those of other parts and equipment suppliers.	The aforementioned transaction is a transaction that resulted from the necessity in the company's normal business activities. The prices and trade conditions for parts and equipment purchases that the company receives from P2M are comparable to the prices and trade conditions provided by other parts and equipment suppliers. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (0.56)	Decreased (0.68)		
		Remainder 0.10	Remainder 0.20		
Repair and Maintenance Fee Trade Payable	The company used the car repair and maintenance services of P2M for a portion of the company's cars.	0.25	0.32	The company uses repair and maintenance services for cars with systems related to NGV and LPG from P2M because P2M is able to provide service quickly and on time as required by customers and has always consistently provided good quality of	The aforementioned transaction resulted from necessity in the company's normal business activities. The prices and trade conditions of repairs and maintenance provided by P2M are comparable to the prices and trade conditions provided by other service providers.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (0.22)	Decreased (0.36)		
		Remainder 0.07	Remainder 0.03		

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
				service. The company pays repair and maintenance fees at rates comparable to those of other service providers.	The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Other service fees	The company used film services for some of the company's cars from P2M	-	0.03	The company uses film services for some of the company's cars from P2M because P2M is able to provide service quickly and on time as required by customers, as well as onsite service, and has always consistently provided good quality of service. The company pays film service fees at rates comparable to those of other service providers.	The aforementioned transaction resulted from necessity in the company's normal business activities. It was a transaction continued from the purchase of car from Toyota @ United in order to provide car rental services to one customer. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the company's normal business activities.
Trade Payable		Carried Over	-		
		Increased	0.03		
		Decreased	(0.03)		
		Remainder	-		

1.5 Siam Nissan P2M Company Limited (“Nissan P2M”) (Operates a Nissan car supplier business.)

Nissan P2M is a juristic person that shares one director with the company, namely, Mr. Songvit. Furthermore, Nissan P2M also has Mr. Songvit and Mrs. Parinda’s Family as major shareholders whose combined shares amount to 90.00 percent of the company’s registered and paid up capital. In addition, Nissan P2M has Miss Viri Titipunya, who is Mr. Songvit’s sister, as a director and shareholder of Nissan P2M who holds 10.00 percent of registered and paid up capital.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Car Purchase Trade Payable	The company purchased cars from Nissan P2M.	44.62	3.07	The company purchases Nissan cars from Nissan P2M for use in the company’s normal business activities. In car purchases, the company bases considerations on ability to procure cars according to specifications. For the most part, the company receives greater car discounts from Nissan P2M than discounts offered by other Nissan suppliers. In order to avoid the risks for non-arm’s length transactions, the company has set in place “a policy and protocol on car purchases from Siam Nissan P2M Company Limited”. The additional details of the “policy and protocol on car purchases from Siam Nissan P2M Company Limited” are shown in Clause 5 on summary of the policy and protocol on car purchases from Siam P2M Company Limited.	The aforementioned transaction resulted from necessity in the company’s normal business activities. Nissan P2M is able to deliver cars that meet customer specifications, while the company receives greater discounts than other Nissan car suppliers. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company’s normal business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (43.44)	Decreased (4.45)		
		Remainder	Remainder		
		2.74	1.36		

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Parts and Equipment Purchase Trade Payable	The company purchased Nissan car keys from Nissan P2M.	0.56 Carried Over Increased Decreased (0.56) Remainder	- Carried Over Increased Decreased Remainder	The company purchased Nissan car keys from Nissan P2M. This transaction is a continued transaction from the purchase of Nissan cars from Nissan P2M for use in short-term leasing. The aforementioned keys were purchased by the company as reserves and are stored at the company's main office in cases of emergencies. However, the company has no transaction of parts and equipment purchase from Nissan P2M in 2017.	The aforementioned transaction resulted from necessity in the company's normal business activities as a continued transaction from the purchase of Nissan cars from Nissan P2M. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
Repair and Maintenance Fee Trade Payable	The company used the car repair and maintenance services from P2M from a portion of the company's cars.	0.02 Carried Over Increased Decreased (0.02) Remainder	0.06 Carried Over Increased Decreased (0.05) Remainder	The company uses the repairs and maintenance services for Nissan cars partially from from Nissan P2M because some repairs of electrical systems and engines are complicated and require cars to be sent to the standard service centers of Nissan. In selecting service centers, considerations are based on the convenience of customers in sending their leased cars for repair and maintenance. Accordingly, car repair and maintenance fees paid by the company are the standard prices same as the standard prices of other Nissan car repair and maintenance centers nationwide.	The aforementioned transaction resulted from necessity in the company's normal business activities. The prices and trade conditions of repairs and maintenance provided by Nissan P2M are comparable to the prices and trade conditions of other service providers. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.

1.6 Toyota Phitsanulok Toyota's Dealer Company Limited ("Toyota Phitsanulok") (Operates a Toyota car supplier business.)

Toyota Phitsanulok is a juristic person that has three close relatives of Mr. Songvit who are directors and shareholders of the company that hold 13.33 percent of the company's registered and paid up capital and who are directors/shareholders of Toyota Phitsanulok, namely, 1) Mr. Songtham Titipunya, who is Mr. Songvit's brother and a director and shareholder of Toyota Phitsanulok who holds 99.97 percent of its registered and paid up capital; 2) Mr. Surin Titipunya, who is Mr. Songvit's father and a shareholder of Toyota Phitsanulok holding 0.01 percent of registered and paid up capital; and 3) Mrs. Supanee Titipunya, who is Mr. Songvit's mother and a shareholder of Toyota Phitsanulok holding 0.01 percent of registered and paid up capital.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Repair and Maintenance Fee Trade Payable	The company used the repair and maintenance services of Toyota Phitsanulok for a portion of the company's cars.	0.72	0.73	The company uses the repairs and maintenance services for Toyota cars partially from Toyota Phitsanulok because some repairs of electrical systems and engines are complicated and require cars to be sent to the standard service centers of Toyota. In selecting service centers, considerations are based on the convenience of customers in sending their leased cars for repair and maintenance. Accordingly, car repair and maintenance fees paid by the company are the standard prices same as the standard prices of other Toyota car repair and maintenance centers nationwide.	The aforementioned transaction resulted from necessity in the company's normal business activities. The prices and trade conditions of repairs and maintenance provided by Toyota Phitsanulok are comparable to the prices and trade conditions of other service providers. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (0.70)	Decreased (0.69)		
		Remainder	Remainder		
		0.06	0.08		
		0.72	0.73		
		(0.70)	(0.69)		
		0.08	0.12		

1.7 SMP Global Trading (“SMP”) (Operates a car GPS distribution and installation business.)

Miss Paweena Vongvitavat, who is Mrs. Parinda’s younger sister and a company director and shareholder holding 10.50 percent of registered and paid up capital, is a shareholder of SMP who holds 33.34 percent of registered and paid up capital.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Parts and Equipment Purchase Trade Payable	The company purchased GPS equipment from SMP for installation in some lease cars.	3.33	2.34	The company purchases GPS devices from SMP for installation in a portion of the company’s leased cars. The prices for GPS devices from SMP are better than when compared to the prices of GPS devices with similar specifications provided by other GPS suppliers.	The aforementioned transaction resulted from necessity in the company’s normal business activities. The GPSs the company purchases from SMP are cheaper when compared with GPSs the company purchases from other suppliers, while the trade conditions are comparable to other GPS suppliers. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company’s normal business activities.
		Carried Over	0.40		
		Increased	3.33		
		Decreased	(3.08)		
		Remainder	0.40		
			2.34		
			0.40		
			2.34		
			(2.47)		
			0.27		



Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Other Service Fees Trade Payable	The company paid other service fees to SMP, most of which consisted of annual service fees for GPS for tracking leased cars.	2.50	4.05	The company pays annual service fees to SMP for GPS installation in a number of the company's leased cars. The annual service fees that are paid are better than other annual service fees charged by other GPS suppliers.	The aforementioned transaction resulted from necessity in the company's normal business activities. The yearly GPS services for tracking leased cars that the company obtains from SMP are high-quality services that are cheaper than those offered by other GPS service providers, while trade conditions are comparable to those of other service providers. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
		Carried Over Increased Decreased Remainder	Carried Over Increased Decreased Remainder		
Pre-paid Service Fee		0.11	0.39		
		0.81	1.70		
		3.25	4.25		
		(2.36)	(3.69)		
		1.70	2.26		

1.8 Thai Smile Leasing Company Limited (“Thai Smile Leasing”) (Operates a taxi leasing business.)

Miss Viri Titipunya, who is Mr. Songvit's younger sister and a company director and shareholder holding 7.42 percent of registered and paid up capital, is a director and shareholder of Thai Smile Leasing holding 98.00 percent of registered and paid up capital. Furthermore, Mrs. Rattanaorn Titipunya, who is Mr. Songvit's older sister, is a shareholder of Thai Smile Leasing holding 1.00 percent of registered and paid up capital.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Service Revenue Trade Receivable	The company provided car leasing services to Thai Smile Leasing.	1.97	1.63	The company provided leasing services of an executive car to Smile Leasing. Accordingly, the company sets the same service fees and trade conditions as those offered to other customers.	The aforementioned transaction resulted from necessity in the company's normal business activities. The Audit Committee has considered the aforementioned transaction and deems the service revenues obtained to be reasonable and beneficial to the company's business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (1.97)	Decreased (1.63)		
		Remainder	Remainder		
Other Revenue Other Receivable	The company sold car tires to Thai Smile Leasing.	0.01	0.01	In 2016 and 2017, the company sold car tires to Thai Smile Leasing at the approximate values of 6,542 and 14,019 baht, respectively. The company had set the same product prices and trade conditions as those offered to other customers.	The aforementioned transaction resulted from necessity in the company's normal business activities. The Audit Committee has considered the aforementioned transaction and deems the revenues obtained from the aforementioned transaction it to be reasonable and beneficial to the company's business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (0.00)	Decreased (0.02)		
		Remainder	Remainder		

1.9 Toyota Premium Phitsanulok Company Limited (“Toyota Premium”) (Operates a Toyota car supplier business.)

Mr. Songtham Tiitpunya, who is Mr. Songvit's brother and a company director and shareholder holding 7.42 percent of registered and paid up capital, is a director and shareholder of Toyota Premium holding 65.00 percent of registered and paid up capital. Furthermore, Mrs. Supanee Tiitpunya, who is Mr. Songvit's mother, is a director and shareholder of Toyota Premium who holds 1.00 percent of registered and paid up capital.

Transaction	Transaction Description	Transaction Size (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
		Year Ending 31 December 2016	Year Ending 31 December 2017		
Repair and Maintenance Fee Trade Payable	The company used the repair and maintenance services of Toyota Premium for a portion of the company's cars.	0.04	0.23	The company uses the repairs and maintenance services for Toyota cars partially from Toyota Premium because some repairs of electrical systems and engines are complicated and require cars to be sent to the standard service centers of Toyota. In selecting service centers, considerations are based on the convenience of customers in sending their leased cars for repair and maintenance. Accordingly, car repair and maintenance fees paid by the company are the standard prices same as the standard prices of other Toyota car repair and maintenance centers nationwide.	The aforementioned transaction resulted from necessity in the company's normal business activities. The prices and trade conditions of repairs and maintenance provided by Toyota Premium are comparable to the prices and trade conditions of other service providers. The Audit Committee has considered the aforementioned transaction and deems it to be reasonable and beneficial to the company's normal business activities.
		Carried Over	Carried Over		
		Increased	Increased		
		Decreased (0.02)	Decreased (0.19)		
		Remainder 0.02	Remainder 0.06		


In the recent past, the company was a limited company. Therefore, it did not have set protocol on connected transactions nor an Audit Committee to function to consider and render opinions pertaining to connected transactions that take place. Nevertheless, after the company had set in place the measures and procedures for authorizing connected transactions, connected transactions occurring between persons potentially with conflicts of interest were evaluated, and opinions were rendered on the propriety of the aforementioned transactions by the Audit Committee with primary consideration given to company interests. Furthermore, in cases where the Audit Committee does not have expertise in evaluating connected transactions, the company instructs independent experts or company auditor to render opinions about the aforementioned connected transactions to accompany the opinions and decisions of persons with authorization power, the Audit Committee and/or Board of Directors and/or shareholders, depending on the case.

In authorizing connected transactions, persons with potential conflict of interest or stakes are prohibited from casting votes to authorize the aforementioned transactions. Furthermore, the company discloses connected transactions that occur in the financial statement annotations provided by the company's auditor, annual reports and form showing the company's yearly information (Form 56-1).

3. Policies and Trends for Conducting Connected Transactions in the Future.

3.1 Policies for Connected Transactions

- 1) The company's directors, executives and subsidiaries are required to make reports on their own interests and connected persons and submit them to the company in order to provide the company with information for use in taking actions in line with the stipulations concerning connected transactions.
- 2) Avoid conducting connected transactions with potential conflicts of interest.
- 3) In any case where it is necessary to conduct connected transactions, all connected transactions of the company and subsidiaries are required to be proposed to the Audit Committee for opinionating prior to further submission to a person with authorization power, Board of Directors or shareholder meetings (depending on the case) to seek authorization for the aforementioned transactions, except for cases in which trade agreements consistent with general trade conditions are stipulated and approval in principle is granted by the Board of Directors. Transactions in such cases are permissible.
- 4) Follow the company's operating procedures for connected transactions and follow the criteria set forth by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 5) Specify prices and conditions for connected transactions in the same manner as those specified for external parties (arm's length basis), which must be fair, reasonable and of maximum benefit for the company. In cases where the aforementioned prices are absent, the company and subsidiaries will make comparisons with product and service prices with external prices under identical or similar conditions.
- 6) Stakeholders in connected transactions are prohibited from authorizing and voting in the aforementioned transactions.
- 7) In evaluating connected transactions, the company or subsidiaries might appoint an independent appraiser to appraise and compare prices for important connected transactions in order to ensure that the aforementioned connected transactions are reasonable and in the company's interests.



Although the company has a policy to avoid conducting connected transactions, the company might still conduct connected transactions with businesses and/or persons with conflict of interest on a continuous basis in the future because connected transactions that occur are transactions occurring due to necessity and are in the company's interests. A summary of the trends for connected transactions is provided as follows:

- 1) Normal business transactions: e.g., car service, car sales, car tire sales, car purchases, parts and equipment purchases and repairs and maintenance transactions occur because the this type of transactions occur as a part of the company's normal business activities and under appropriate trade conditions. Hence, the company expects that this type of transactions will continue to occur continuously.
- 2) Normal business support transactions: e.g., employment of consultants occur due to a necessity to support the company's business activities and for which appropriate service fees are charged. The company expects that after the company is registered in the Stock Exchange of Thailand, this type of connected transaction will no longer occur.
- 3) Immovable property lease for no more than three years: e.g., land and building lease, occur due to necessity to support the company's business activities and for which appropriate rental fees are charged. Hence, the company expects that this type of transactions will continue to occur continuously.
- 4) Acceptance and granting of financial assistance:
 - 4.1) Acceptance of financial assistance consists of short-term loans from Toyota @ United and loan guarantees by Toyota @ United, directors and executives. These transactions occur due to necessity to support the company's business activities. The company expects that after the company is registered in the Stock Exchange of Thailand, this type of connected transaction will no longer occur.
 - 4.2) Financial assistance transactions consist of loan guarantees for Toyota @ United. The company expects that after the company is registered in the Stock Exchange of Thailand, this type of connected transaction will no longer occur.

The Board of Directors complies with laws governing securities and exchange and related regulations, notifications, orders and specifications and adheres to the company's own specifications concerning connected transactions and acquisition and disposal of the company's significant assets in order to ensure that decisions to conduct the aforementioned transactions do not cause conflict of interest and are in the interests of all shareholders.

Company Limited

The company firmly adheres and gives significance to operating business on the foundation of good corporate governance, transparency and consideration to all stakeholders. Nonetheless, due to past and future business reasons, the company continuously purchases large numbers of cars from Toyota @ United, which is a major shareholder and a connected person of the company. Therefore, car purchase transactions with Toyota @ United are important connected transactions to which the company should place special significance.

Thus, in order to ensure consistency with the principles of good corporate governance, the company deemed it fitting to specifically set in place a policy and protocol on car purchases from Toyota @ United with more stringent scrutiny and reporting than the policy and protocol that apply to ordinary purchases in order to guarantee that car purchases from Toyota @ United occur transparently with verifiability at every stage without causing transfers of interests and occurring in the interests of the company and all shareholders. The policy and protocol on car purchases from Toyota @ United (revised edition) (“Toyota @ United car purchase policy”) was approved by the Board of Directors’ Meeting No. 3/2559 on 17 October 2016.

The aforementioned Toyota @ United car purchase policy explicitly specifies the price calculation method for car purchases from Toyota @ United. The prices for car purchases from Toyota @ United rely the manufacturer’s suggested retail prices (MSRP) as reference, which are subtracted by the discounts agreed between Toyota @ United and the company and then added by Toyota @ United’s processing fee per car according to agreement. The aforementioned discounts occur through definite formulae with considerations taken for all types of discounts that Toyota @ United actually receives from the manufacturing company at the time, which include gross discount, model-specific sales promotion discount, major customer discount (fleet customer) and special discount (if any). Meanwhile, processing fees are specified at set figures per car with consideration to the operating costs of Toyota @ United directly related to the cars that are sold to the company plus appropriate profit from the aforementioned processes. Toyota @ United collects processing fees from other major customers (fleet customers) in the same manner. Additionally, the company stipulates for a review to be conducted on the agreed processing fees on a regular basis by at least once per quarter or as soon as events occur to cause significant changes to processing fees. In such reviews and changes (if any), issues are submitted to meetings of the Audit Committee and Board of Directors for consideration of approval.

Furthermore, the Toyota @ United car purchase policy specifies for the accuracy of written price quotations provided by Toyota @ United to be verified prior to the submission of every purchase order. Additionally, the sales prices of other Toyota car suppliers are examined. And after the completion of each car purchase, the information and records concerning the aforementioned purchase are gathered in a systematic manner to ensure feasibility of examination. Moreover, at the end of every quarter, the company gathers information and documents for audit by an internal auditor and/or person assigned by the Audit Committee for their accuracy and in order to create summarized reports for submission to the Audit Committee for acknowledgement as well as to provide opinions on the appropriateness of transactions every quarter.



The company firmly adheres and gives significance to operating business on the foundation of good corporate governance, transparency and consideration to all stakeholders. Nonetheless, due to past business reasons, the company purchased cars from Nissan P2M, which is a juristic person that shares directors and shareholders with the company and is a connected person of the company. Furthermore, the aforementioned car purchases might occur in the future.

Thus, in order to ensure consistency with the principles of good corporate governance, the company deemed it fitting to specifically set in place policy and protocol on car purchases from Nissan P2M in order to guarantee that car purchases from Nissan P2M occur transparently with verifiability in every stage without causing transfers of interests and to occur in the interests of the company and all shareholders. The policy and protocol on car purchases from Siam Nissan P2M Company Limited (“Nissan P2M car purchase policy”) was approved by the Board of Directors’ Meeting No. 3/2559 on 17 October 2016.

The aforementioned Nissan P2M car purchase policy stipulates for the company to examine the sales prices of Nissan P2M and at least three other Nissan car suppliers in order to compare prices. Furthermore, the company is set to purchase Nissan cars from the Nissan supplier that provides the best offers in each respective comparison. If a car supplier that makes the best offer is unable to procure cars according to purchase conditions such as according to specified quantities and delivery time, the company can purchase cars from other Nissan car suppliers with the next best offers.

Furthermore, the Nissan P2M car purchase policy specifies for the information and records concerning the each purchase to be gathered in a systematic manner to ensure feasibility of examination after the completion of each purchase. Moreover, at the end of every quarter, the company gathers information and documents for audit by an internal auditor and/or person assigned by the Audit Committee for their accuracy and in order to create summarized reports for submission to the Audit Committee for acknowledgement as well as to provide opinions on the appropriateness of transactions every quarter.

Explanations and Analysis of Financial Status and Performance

The company operates a car leasing business that emphasizes comprehensive services covering and accurately meeting the requirements of customers with excellent relationship management with customers and suppliers. Hence, the company's business has grown continuously over more than ten years of business operations.

At present, the company offers the 4 types of car leasing services: 1) Integrated operating leasing, which covers many areas of customer requirements ranging from fleet procurement to fleet-tailored modifications, maintenance, car replacements and other related services. The company provides standard fleets and modified fleets with many different types, brands and models of cars in order to meet the different requirements of each customer. Most of the company's customers of this service are jurisdiction customers consisted of corporates, government agencies and state-owned enterprises; 2) Short-term leasing, which is primarily focused on serving retail customers who would like short-term leasing services. As of 31 December 2017, the company had short-term car leasing counters at seven airports nationwide; 3) Limousine leasing, which is mainly long-term leasing provided to corporate customers who need to lease cars with chauffers; and 4) Car leasing via mobile application, which is mainly focused on a short-term leasing to corporate customers of the company and individual customers via sharing platform.

1. Overview of the Company's Performance

The company's total income has been increasing continuously. The company's revenues in 2015, 2016 and 2017 amounted to 1,086.09 million baht, 1,459.44 million baht and 2,141.91 million baht, respectively, with the growth rate of 34.38 percent and 46.76 percent, respectively. The company's increases in total revenues are due to growth in the customer-tailored car leasing business, either from existing customers that have placed their trust in the company to lease more cars or from expanding the customer base to cover new customers. Moreover, the company's fleets has increased from 4,770 on 31 December 2015 to 7,512 and 10,559 on 31 December 2016 and 2017, respectively. In addition, in 2015, 2016 and 2017, the company's revenues from used car sales increased consecutively with the numbers of used cars sold from expired contracts in 2015, 2016 and 2017 equaling 813, 881 and 1,024 cars, respectively.



The company's net profit for 2015, 2016 and 2017 amounted to 56.04 million baht, 69.83 million baht and 150.79 million baht, respectively, which can be calculated to net profit margin of 5.16 percent, 4.78 percent and 7.04 percent, respectively. The continuous increases in the company's net profit are due to the increase in revenue from car leasing business and revenue from sales of used cars from expired lease contracts. In addition, in 2017, the company also received tax benefits, that is, the company was exempted from corporate income tax for the income paid for investments to acquire assets in the amount of 100.00 percent in 2016 and was exempted from corporate income tax for the income paid for investments to acquire assets of 50.00 percent in 2017, resulting in the accounting reversal of 60.27 million baht which caused the significant increase in net profit of the company in 2017.

Upon consideration of the company's financial statements, it is apparent that the company's total assets as of 31 December 2015, 2016 and 2017 amounted to 3,665.22 million baht, 6,374.60 million baht and 8,757.06 million baht, respectively with the growth rates at 73.92 percent and 37.37 percent, respectively. The increases in assets over the aforementioned period were affected from increases in land and equipment-net, which largely is composed of lease cars, which increase in line with the company's business growth. Furthermore, in 2015, the company's assets had increased from land purchase for the development of the asap Auto Park car service center.

Meanwhile, the company's total liabilities as of 31 December 2015, 2016 and 2017 equaled 3,071.04 million baht, 5,710.59 million baht and 7,351.64 million baht, respectively, which amounted to increases of 85.95 percent and 28.74 percent, respectively. The increased debts follow the increases in total asset. The increase in total debts over the aforementioned period resulted from the increase in debts under growth in financial lease contracts and long-term loans from financial institutes in line with increases in the leasing of the company's cars. This is because in procuring lease cars during 2015 - 2016, the company mostly enters into financial lease contracts with financial institutes. And in 2017, the company decided to use more long-term loans from financial institutes to finance the purchase of cars for rent, instead of entering into financial lease contracts due to the company can receive more tax benefits, similar to the company paid a full amount of cash for cars.

The company's shareholders' equity amounted to 594.19 million baht, 664.01 million baht and 1,405.42 million baht as of 31 December 2015, 2016 and 2017, respectively. These are rates of increase at 11.75 percent and 111.66 percent, respectively. The increases in shareholders' equity over the aforementioned period were caused by increased accumulated profits in line with business returns. Furthermore, the increase in shareholders' equity as of 31 December 2015 was also due to the company increased its registered capital from the previous registered capital of 50.00 million baht to registered capital of 225.00 million baht by issuing newly issued ordinary shares of 17.50 million shares at a par

value of 10.00 baht per share, representing a total capital increase of 175.00 million baht. In addition, the increase in shareholders' equity as of 31 December 2017 was due to the company increased its registered capital from the former registered capital of 225.00 million baht to registered capital of 330.00 million baht by issuing newly issued ordinary shares of 210.00 million shares with a par value of 0.50 baht per share, representing a total capital increase of 105.00 million baht apart from that there was also a share premium from the initial public offering of ordinary shares in 2017 of 510.95 million baht.

2. Performance Analysis

2.1 Performance Overview

The company's total revenues in 2015, 2016 and 2017 amounted to 1,086.09 million baht, 1,459.44 million baht and 2,141.91 million baht, respectively. These equal rates of increase of 34.38 percent and 46.76 percent, respectively. In addition, the company's total revenues can be categorized into three types, namely, revenues from car leasing, revenues from car sales and other revenues as shown in the following table:

Company Revenue Structure for 2015, 2016 and 2017

Item	Year Ending on 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Car Leasing	789.51	72.69	1,133.00	77.63	1,681.63	78.51
Revenues from Car Sales	279.38	25.72	304.32	20.85	430.49	20.10
Revenues from Sales and Services	1,068.90	98.42	1,437.33	98.48	2,112.12	98.61
Other Revenues ¹	17.19	1.58	22.11	1.52	29.79	1.39
Total Revenue	1,086.09	100.00	1,459.44	100.00	2,141.91	100.00

Remarks: ¹Other Revenues is composed of car scrap claims from insurance, lease contract termination fines and others.

The majority of the company's revenues are generated from sales and services. The company's sales and service revenues increased continuously and equaled 1,068.90 million baht, 1,437.33 million baht and 2,112.12 million baht in 2015, 2016 and 2017, respectively, with the growth rates at 34.47 percent and 46.95 percent, respectively. The increases in revenues from sales and services resulted from increases in revenues from car leasing and car sales due to the company's continuously business growth.



Furthermore, the company is trusted by existing customers in continuously increasing leased cars and expands its customer base to new customers. As a result, the company's cars for leasing have been successively increasing. In addition, the company's revenues from car sales increased annually in line with the number of used cars from expired lease contracts. In 2015, 2016 and 2017, the company's number of used cars from expired lease contracts that were sold was 813, 881 and 1,204 cars, respectively.

2.2 Analysis of Performance According to Revenue Structure

2.2.1 Revenues, Costs and Gross Profits

The company operates a car leasing business and provides 4 types of services as follows: 1) Integrated operating leasing aimed at serving corporate customers, most of which enter into lease contracts lasting approximately four to five years. Integrated operating car leasing services are composed of different services such as fleet procurement, fleet-tailored design, fleet maintenance, replacement cars and other related services; 2) Short-term leasing aimed at ordinary customers who would like rental car services for short periods of time; 3) Limousine leasing services aimed at providing operating leasing services to corporate customers that need to lease cars with chauffeurs; and 4) Car leasing via mobile application, which is mainly focused on a short-term leasing to corporate customers of the company and individual customers via sharing platform. Furthermore, the company earns income from selling used cars from expired contracts. The company's revenues, costs and gross profit are summarized as follows:

Revenues, Costs and Gross Profit for 2015, 2016 and 2017

Item	Year Ending on 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Car Leasing:						
1) Revenues from Operating Leasing:						
– Corporates	650.01	60.81	861.81	59.96	1,205.17	57.06
– Government Agencies and State-Owned Enterprises	136.91	12.81	222.32	15.47	364.88	17.28
– Individual Persons	2.43	0.23	1.96	0.14	0.86	0.04
Total Revenues from Operating Leasing	789.35	73.85	1,086.09	75.56	1,570.90	74.38
2) Revenues from Short-term Leasing	0.16	0.01	18.83	1.33	54.24	2.57
3) Revenues from Limousine Leasing	-	-	28.09	1.95	56.45	2.67
4) Revenues from Car Leasing via Mobile Application	-	-	-	-	0.03	0.00
Total Revenues from Car Leasing	789.51	73.86	1,133.00	78.83	1,681.63	79.62
Revenues from Used Car Sales	279.38	26.14	304.32	21.17	430.49	20.38
Revenues from Sales and Services	1,068.90	100.00	1,437.33	100.00	2,112.12	100.00
Car Leasing Costs	593.58	55.53	846.84	58.92	1,274.12	60.32
Used Car Sales Costs	264.79	24.77	279.83	19.47	387.00	18.32
Cost of sales and services	858.37	80.30	1,126.68	78.39	1,661.12	78.65
Gross Profit	210.53	19.70	310.65	21.61	451.00	21.35

The company's revenues from sales and services in 2015, 2016 and 2017 amounted to 1,068.90 million baht, 1,437.33 million baht and 2,112.12 million baht, respectively. Most revenues were generated by car leasing, accounting for between 73.86 percent and 79.62 percent of revenues from sales and services.

The company's revenues from car leasing in 2015, 2016 and 2017 amounted to 789.51 million baht, 1,133.00 million baht and 1,681.63 million baht, respectively. These equal rates of increase of 43.51 percent and 48.43 percent, respectively. For the most part, the company generates revenues from car leasing services provided to private companies, which account to between 71.67 percent and 82.33 percent of total car leasing revenues. On the other hand, revenues generated from car leasing services provided to government agencies and state enterprises account to between 17.34 percent and 21.70 percent of total car leasing revenues, and revenues from car leasing services to ordinary persons account to between 0.05 percent and 0.31 percent of total car leasing revenues.



In 2015, 2016 and 2017, revenues from car leasing increased continuously due to the supporting factor of increased number of lease cars. The company's lease cars as of 31 December 2015, 2016 and 2017 equaled 4,770 cars, 7,512 cars and 10,559 cars, respectively. However, the average car lease fees for 2015, 2016 and 2017 did not change significantly. Additionally, the increases in revenues from car leasing in 2016 and 2017 were due to increases in car leasing revenues in two main customer groups of the company, i.e., private companies and government agencies and state enterprises. The company's revenues from car leasing services provided to private companies increased from 650.01 million baht in 2015 to 861.81 million baht and 1,205.17 million baht in 2016 and 2017, respectively. These amounted to rates of increase of 32.58 percent and 39.84 percent, respectively. This mainly resulted from increases in the number of lease cars the company has available to private companies and the trust by existing customers in the company's services in continuously increasing the company's car leasing services, as well as from expansion of customer base to cover new customers. Furthermore, in 2016 and 2017, revenues from car leasing services provided to government agencies and state enterprises increased rather significantly. In 2015, 2016 and 2017, the company's revenues from car leasing services provided to government agencies and state enterprises amounted to 136.91 million baht, 222.32 million baht and 364.88 million baht, respectively. These equal rates of increase of 62.38 percent and 64.12 percent, respectively. Moreover, the company began to provide short-term car leasing services on December 2015 and began providing limousine leasing services on July 2016. Then, the company started offering car leasing services via mobile application in the form of sharing platform since July 2017. In 2017, the company's revenues from short-term leasing, limousine leasing and car leasing via mobile application equaled to 54.24 million baht, 56.45 million baht and 0.03 million baht, respectively.

The costs in car leasing services in 2015, 2016 and 2017 equaled 593.58 million baht, 846.84 million baht and 1,274.12 million baht, respectively, which amounted to 55.53 percent, 58.92 percent and 60.32 percent of the sales and service revenues, respectively. For the most part, the costs in car leasing services consist of car price depreciation, amounting to between 69 percent and 71 percent of car leasing costs; vehicle maintenance fees and expenses, amounting to between 12 percent and 16 percent of car leasing costs; insurance premium costs, amounting to between 9 percent and 11 percent of car leasing costs; car registration costs, amounting to between 2 percent and 3 percent of car leasing costs; and salaries, wages and benefits for employees, amounting to between 2 percent and 4 percent of car leasing costs.

For 2016 and 2017, the company's car leasing costs increased when compared to 2015. This mostly resulted from the price depreciation of cars, car maintenance fees, insurance premium expenses, all of which increase in line with the company's increases in lease cars. As for 2017, the company's car leasing costs continue to increase as a result of concession fees for operation of self-drive car rental services to AOT and rental fees of facilities used as short-term leasing counters at several airports.

In addition to revenues from car leasing, the company generates revenues from the sales of cars from expired contracts via a number of distribution channels such as auctions at car parks if the number of cars returned is few directly organize auctions if the number of cars returned is rather high. Accordingly, bidders are ordinary individuals, second-hand car tents and second-hand car dealers. In 2015, 2016 and 2017, the company generated 279.38 million baht, 304.32 million baht and 430.49 million baht, respectively, accounting to 26.14 percent, 21.17 percent and 20.38 percent of total sales and service revenues, respectively. The increases in the number of car sales are consistent with the increased number of cars from expired contracts and replacement cars with the age over than 3 years that the company sold. Accordingly, the company's car sales in 2015, 2016 and 2017 equaled 813 cars, 881 cars and 1,204 cars, respectively.

The costs in car sales in 2015, 2016 and 2017 amounted to 264.79 million baht, 279.83 million baht and 387.00 million baht, respectively. These account for 24.77 percent, 19.47 percent and 18.32 percent of total sales and service revenues, respectively. Nearly all car sales costs is the account net value of the cars sold by the company, which are costs subtracted by accumulated price depreciation. The increases in sales costs in 2016 and 2017 mainly stemmed from the increased number of cars sold by the company in line with increases in the number of cars from expired contracts. For 2016 and 2017, the average car sales cost per number of cars sold was close to the average car sales costs per number of cars sold in 2015.



Gross Profit for 2015, 2016 and 2017

Item (Unit: %)	Year Ending on 31 December		
	2015	2016	2017
Gross Profit	19.70	21.61	21.35
– Gross Profit from Car Leasing	24.82	25.26	24.23
– Gross Profit from Car Sales	5.22	8.05	10.10

For 2015, 2016 and 2017, the company's gross profit amounted to 210.53 million baht, 310.65 million baht and 451.00 million baht, respectively. These account for 19.70 percent, 21.61 percent and 21.35 percent, respectively. In 2015, 2016 and 2017, the company's gross profit from car leasing amounted to 195.94 million baht, 286.16 million baht and 407.51 million baht, respectively, which equal to the the rates of gross profit from car leasing of 24.82 percent, 25.26 percent and 24.23 percent, respectively. The increased gross profit from car leasing followed the increases in leasing revenues. Furthermore, for the increases in the gross profit from car leasing, the company was still able to maintain gross profit margin relatively well due to improved cost control and management. Because the company had increased the number of lease cars, the company has increased negotiation power with insurance companies to ask for lower insurance premiums. Additionally, the company has negotiation power in asking for discounts for parts and services from some external car repair and service centers. In 2015, 2016 and 2017, the company's gross profit from car sales amounted to 14.59 million baht, 24.49 million baht and 24.49 million baht, which amounted to gross profit from car sales of 5.22 percent, 8.05 percent and 10.10 percent, respectively. The increased gross profit occurred from car sales that that were consistent with the increase in car sale prices as well as increased gross profit from car sales primarily caused by improved prices for certain models of second-hand cars in 2015, 2016 and 2017.

2.2.2 Other Revenue

The company's other revenue included of income from claims of car scraps from insurance companies, which amounted to compensation that insurance companies pay to the company in cases where the company's cars encounter severe accidents and damage. In the claiming the aforementioned insurance, the company is required to transfer the proprietary rights of cars to the insurance company pursuant to agreements specified in insurance policies. In addition, the company earns revenues from fines for contract termination and others. In 2015, 2016 and 2017, the company's other revenues amounted to 17.19 million baht, 22.11 million baht and 29.79 million baht, respectively. These accounted for 1.58 percent, 1.52 percent and 1.39 percent of total revenues, respectively. Accordingly, increases in other revenues in 2016 largely resulted from the company's increased revenues from car scrap claims from insurance companies from 4.95 million baht in 2015 to 10.69 million baht in 2016. And the increases in other revenue in 2017 was mainly

due to the increases in revenues from the sale of insurance for short-term car leasing in line with the increased revenues from short-term car leasing.

2.3 Sales and Service Expenses and Administrative Expenses

Structure of Sales and Service Expenses and Administrative Expenses for 2015, 2016 and 2017

Item	Year Ending on 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Employee-related Expenses	18.62	40.20	32.75	38.32	61.20	42.45
Costs of Scrap Car Value Claimed from Insurance	4.86	10.49	12.06	14.11	14.84	10.29
Vehicle and Fuel Expenses	6.07	13.10	7.59	8.88	7.42	5.15
Temporary Employment Fees and Construction Fees	2.35	5.08	6.12	7.16	7.66	5.31
Office Lease Fees	5.18	11.18	5.18	6.06	7.11	4.93
Others	9.25	19.97	21.76	25.46	45.93	31.86
Total Sales and Service Expenses and Administrative Expenses	46.33	100.00	85.45	100.00	144.16	100.00

Sales and services expenses and administrative expenses of the company are composed of the following: 1) employee-related expenses such as salaries, overtime fees, provident funds and social security and other benefits; 2) costs of scrap car value claimed from insurance; 3) vehicle and fuel expenses resulting from the delivery of lease cars and replacement cars to customers; 4) temporary employment fees and construction fees, most of which consisted of annual service fees for GPSs installed in some service and replacement cars and car trailer fees for delivering lease cars along with replacement cars for some provincial customers; 5) office lease fees consisting of expenses for the lease of land and structures from Toyota @ United and Mrs. Parinda Vongvitavat, whereby contract terms last three years from 1 June 2017 up to 31 May 2020 and 6) others such as expenses in sales promotion activities, price depreciation, consultant fees, bank fees and audit fees.

In 2015, 2016 and 2017, the company's sales and service expenses and administrative expenses equaled 46.33 million baht, 85.45 million baht and 144.16 million baht, respectively. These accounted for increases by 84.44 percent and 68.71 percent. The increases in sales and service expense and administrative expenses in 2016 and 2017 largely stemmed from increases in employee-related expenses because the company employed additional employees to accommodate future business growth of the company.

2.4 Financial Costs

The company's financial costs in 2015, 2016 and 2017 amounted to 109.63 million baht, 157.78 million baht and 246.11 million baht, respectively. Financial costs largely is composed of as follows:

- 1) Financial costs from debts under financial lease contracts, which are interests and fees arising from entries into financial lease contracts for car purchases for providing services according to customer requirements. These amounted to from about 81 percent to 89 percent of total financial costs.
- 2) Financial costs from connected businesses in the form of loan interests from Toyota @ United, amounting to about from 1 percent to 17 percent of total financial costs.
- 3) Financial costs from financial institute loans and other financial costs, which mostly consisted of interests and fees caused by loans from financial institutes, or calculated as about from 2 percent to 11 percent of total financial costs.

2.5 Operating Profit and Net Profit

Operating Profit and Net Profit for 2015, 2016 and 2017

Item	Year Ending on 31 December		
	2015	2016	2017
Operating Profit (Million Baht)	181.39	247.31	336.63
Net Profit (Million Baht)	56.04	69.83	150.79
Operating Profit Margin(%)	16.97	17.21	15.94
Net Profit Margin (%)	5.16	4.78	7.04

The company's operating profit in 2015, 2016 and 2017 amounted to 181.39 million baht, 247.31 million baht and 336.63 million baht, respectively, or calculated as increases by 36.34 percent and 36.12 percent, respectively. In addition, the company's net profit in 2015, 2016 and 2017 amounted to 56.04 million baht, 69.83 million baht and 150.79 million baht, respectively, equaling increases by 24.59 percent and 115.94 percent, respectively. The increases in operating profit and net profit in 2016 and 2017 occurred as a result of the company's increased car leasing revenues due to supporting factors such as increased number of cars available for leasing, trust placed by existing customers in continuously increasing car leasing services and customer base expansion to include new customers, especially private companies. Moreover, the low prices of second-hand cars began to increase. All of the aforementioned gave the company increased profit from car sales. Besides, the company also received tax benefits from purchasing cars which the government has a policy to encourage the private sector to invest more in 2016 and 2017.

The company's operating profit margin in 2016 and 2017 amounted to 17.21 percent and 15.94 percent, respectively, and the net profit margin in 2016 and 2017 amounted to 4.78 percent and 7.09 percent, respectively. These represent increases when compared to the operating profit margin and net profit margin in 2015, equaling 16.97 percent and 5.16 percent, respectively. The increases in operating and net profits largely occurred due to the company's increased gross profit margin resulting from increased revenues from car leasing at a proportion that is greater than car leasing costs as a result of improved cost control and management effectiveness such as lower car insurance premium fees. Because the company has increased number of cars available for lease, the company has greater negotiation power with insurance companies in asking for lower insurance fees. In addition, the company has increased negotiation power in asking for discounts for parts and labor from certain external car repair and maintenance centers. Moreover, in 2016 and 2017, the low prices of second-handed cars increased. All of these caused the company to have increased revenues from car sales at a proportion that is greater than car sales costs. Besides, the company also received tax benefits in 2017 from the government's policy and changes in sources of fund of the company in a purchase of cars from financial lease contracts to long-term loans from financial institutes in order to maximize tax benefits of the company.

3. Analysis of Financial Position

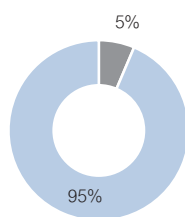
3.1 Assets

The company's total assets as of 31 December 2015, 2016 and 2017 amounted to 3,665.22 million baht, 6,374.60 million baht and 8,757.06 million baht, respectively. These amounted to increases of 73.92 percent and 37.37 percent, respectively. The increases in assets over the aforementioned period stem from increased land and equipment-net, which mostly consisted of lease cars, which increased in line with increased revenues and business growth of the company. Accordingly, from the company's car leasing business characteristics that require investment in car assets to provide services that meet customer requirements, the majority of the company's assets is non-current assets.

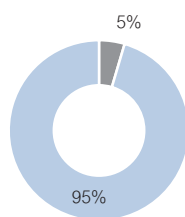
Proportion of Current and Non-current Assets

As of 31 December 2015, 2016 and 2017

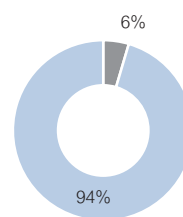
As of 31 December 2015



As of 31 December 2016



As of 31 December 2017



■ Current Assets ■ Non-Current Assets

The Company's Key Assets as of 31 December 2015, 2016 and 2017

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade Receivables and Other Receivables	93.54	2.55	185.43	2.91	201.81	2.30
Land and Equipment-Net	3,404.84	92.90	5,929.04	93.01	7,909.91	90.33
Other Assets	166.84	4.55	260.13	4.08	645.34	7.37
Total Assets	3,665.22	100.00	6,374.60	100.00	8,757.06	100.00

3.1.1 Trade and Other Receivables

The company's trade receivables and other receivables as of 31 December 2015, 2016 and 2017 equaled 93.54 million baht, 185.43 million baht and 201.81 million baht, respectively. These amounted to an increase rate of 98.22 percent and increase rate of 8.83 percent, respectively. The majority of trade receivables and other receivables composed mostly of trade receivables, which amounted to up to between 94 percent and 97 percent of trade receivables and other receivables.

The company's trade receivables increased from 88.20 million baht as of 31 December 2015 to 174.18 million baht as of 31 December 2016 and 195.25 million baht as of 31 December 2017 which was consistent with the increased revenues of the company. The total outstanding amount of trade receivables can be categorized by the age of each outstanding debt as follows:

Structure of Trade Receivables as of 31 December 2015, 2016 and 2017

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Unconnected Individuals and Businesses Trade Receivables						
Not Yet Due for Payment	33.58	38.08	94.97	54.52	82.40	42.20
Payment Overdue:						
By No More than 1 Month	40.26	45.65	55.32	31.76	78.92	40.42
1–3 Months	13.17	14.93	15.08	8.66	28.31	14.50
3–6 Months	0.84	0.95	4.52	2.59	3.73	1.91
6–12 Months	0.32	0.36	4.65	2.67	1.91	0.98
More than 12 Months	0.02	0.02	0.30	0.17	0.69	0.35
Deduction: Allowance for Doubtful Debts	(0.00)	(0.00)	(0.66)	(0.38)	(0.69)	(0.35)
Total Unconnected Individuals and Businesses Receivables-Net	88.20	100.00	174.18	100.00	195.22	99.98
Connected Individuals and Businesses Trade Receivables						
Not Yet Due for Payment	-	-	0.00	0.00	0.02	0.01
Payment Overdue:						
By No More than 1 Month	-	-	-	-	0.00	0.00
1–3 Months	-	-	-	-	-	-
3–6 Months	-	-	-	-	-	-
6–12 Months	-	-	-	-	-	-
More than 12 Months	-	-	-	-	-	-
Deduction: Allowance for Doubtful Debts	-	-	-	-	-	-



Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Connected Individuals and Businesses Trade Receivables-Net	-	-	0.00	0.00	0.03	0.02
Total Trade Receivables-Net	88.20	100.00	174.18	100.00	195.25	100.00

The company's trade receivables are composed of unconnected individuals and businesses trade receivables amounting to almost 100 percent of total trade receivables and connected individuals and businesses trade receivables, amounting to the maximum of 0.02 percent of total trade receivables.

The company's unconnected individuals and businesses trade receivables that are not yet due for payment amounted to 38.08 percent, 54.52 percent and 42.21 percent of total trade receivables as of 31 December 2015, 2016 and 2017, respectively. Unconnected individuals and businesses trade receivables that are overdue for payment are mostly composed of unconnected individuals and businesses trade receivables that are overdue for payment by no more than one month, at 73.72 percent, 69.26 percent and 69.95 percent of total unconnected individuals and businesses trade receivables that are overdue for payment as of 31 December 2015, 2016 and 2017, respectively. These are mostly caused by the different time periods and service fee check payment cycles of each customer.

Furthermore, as of 31 December 2017, the company's outstanding trade receivables that are overdue for payment by at least three months amounted to 6.33 million baht. These mostly consisted of trade receivables that are government agencies or state enterprises, at 6.27 million baht or 99.09 percent of total trade receivables that are overdue for payment by more than three months. This can be explained in that the aforementioned government agencies and state enterprises are currently facing problems in regards to the process of disbursement that requires greater time than the 30 days credit term set by the company.

The company has specified the credit terms for car leasing customers at approximately 30 to 90 days, and for the sales of cars from expired contracts, the company largely instructs customers to pay in cash. The company had set a criteria for setting allowances for doubtful debts with considerations based on payment history, reliability of the debtor and analysis of the age of the debt. For debtors with overdue payment by over 12 months, allowances for doubtful debts are to be set at 100 percent of the value of the outstanding debt. As of 31 December 2015, there was no allowances for doubtful debts. As of 31 December 2016 and 2017, the company had set 658,699.84 baht and 33,807.33 baht of allowances for doubtful debts, respectively.

3.1.2 Land and Equipment-Net

The company's land and equipment-net as of 31 December 2015, 2016 and 2017 amounted to 3,404.84, 5,929.04 million baht and 7,909.91 million baht, respectively. Land and equipment-net largely consisted of cars and vehicles, accounting for about between 96.59 percent and 99.65 percent of the value of land and equipment-net. The details of land and equipment-net can be summarized as follows:

Land and Equipment-Net 31 December 2015, 2016 and 2017

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Land	112.69	3.31	112.69	1.90	5.89	0.07
Building Renovations	-	-	3.48	0.06	7.68	0.10
Cars and Vehicles						
Lease Cars	2,993.09	87.91	5,124.53	86.43	7,335.58	92.74
Replacement Cars	237.34	6.97	345.75	5.83	404.08	5.11
Lease Cars Pending Delivery to Customers	56.21	1.65	331.58	5.59	137.22	1.73
Other Cars ¹	0.67	0.02	2.65	0.04	1.53	0.02
Total Cars	3,287.31	96.55	5,804.51	97.90	7,878.41	99.60
Vehicles	1.28	0.04	1.05	0.02	4.26	0.05
Total Cars and Vehicles	3,288.59	96.59	5,805.56	97.92	7,882.67	99.65
Office Equipment and Supplies	1.55	0.05	4.81	0.08	6.73	0.09
Mechanical Tools	0.61	0.02	0.48	0.01	0.54	0.01
Building under Construction	1.40	0.04	2.03	0.03	6.40	0.08
Land and Equipment-Net	3,404.84	100.00	5,929.04	100.00	7,909.91	100.00

Remarks: ¹ Other cars are cars pending scrap claim from insurance companies

The company's land and equipment-net continuously increased, mostly due to increases in cars and vehicles. The company purchased cars to accommodate increased service demands of customers. Furthermore, as of 31 December 2015, the company acquired additional land sized 4-0-60 rai by Bang Na-Trat Road, Bang Phli, Samut Prakan, to establish the asap Auto Park car service center. The company plans to use a part of asap Auto Park's space for a short-term leasing center and extra parking space for short-term lease cars from Suvarnabhumi Airport and space for selling used cars from expired



lease contracts. As for the remaining space, the company intends to lease out for other car related services such as a car repair and maintenance center and shops for selling car parts, including lease spaces for reputable banks, restaurants and/or beverage stores to provide convenience to service users at asap Auto Park. Due to most areas of asap Auto Park are lease spaces, in 2017 the company allocated land costs of the project to property for rent (investment property).

The company's net value of cars and vehicles as of 31 December 2015, 2016 and 2017 amounted to 3,288.59 million baht, 5,805.56 million baht and 7,882.67 million baht, respectively. These equaled rates of increase of 76.54 percent and 35.78 percent, respectively. The company's cars are composed of as follows: 1) lease cars, which are cars the company already delivered to customers for lease and are being used by the customers; 2) replacement cars, which are cars the company has in reserve for sending to customers according to lease contract specifications between the company and customers in cases where the cars leased by customers encounter accidents or malfunction; 3) lease cars pending delivery to customers, which are cars the company has purchased in preparation and pending customer delivery; and 4) other cars or cars pending scrap claims from insurance companies; these are company lease cars that encounter severe accidents and are no longer useable and are in the process of insurance claim with insurance companies. In addition, the company's cars and vehicles are also composed of mobile service vehicles for providing maintenance and repair services outside of facilities. A summary of the company's cars is provided as follows:

Company Cars for 2015, 2016 and 2017

Item (Unit: Cars)	Year Ending on 31 December		
	2015	2016	2017
Beginning Balance Cars	4,248	5,292	8,405
Cars Purchased between Installments	1,857	3,994	4,194
Cars Sold between Installments	813	881	1,204
Ending Balance Cars			
Lease Cars	4,770	7,512	10,559
Replacement Cars	382	510	574
Lease Cars Pending Delivery to Customers	73	320	207
Other Cars ¹	1	7	3
Total Ending Balance Cars	5,226	8,349	11,343

Remarks: ¹ Other cars are cars pending scrap claims from insurance companies.

As of 31 December 2015, 2016 and 2017, the company's cars totaled at 5,226 cars, 8,349 cars and 11,343 cars, respectively, composed of lease cars by between 90 percent and 93 percent of total cars, replacement cars by between 5 percent and 7 percent, lease cars pending delivery to customers by between 1 percent to 4 percent of total cars and other cars at less than 1 percent of total cars.

Determining the residual value of cars consistently with actual future sales prices is an important factor in operating business and impacts the company's performance. Therefore, in order to ensure that the company's residual value is consistent and correct in relations to reality, the company has set in place a policy to monitor, review and adjust the residual value of lease cars. This policy was approved by the Meeting of the Board of Directors No. 4/2559 on 11 November 2016. The policy stipulates for the company to monitor and review the residual value of lease cars regularly every quarter. If the company sells leased cars from expired contracts in any model over the previous quarter, the aforementioned lease cars from expired contracts that are to be sold and sold need to meet all of the following criteria: 1) The number of cars in the aforementioned model are from expired contracts and can be sold in sufficient numbers to provide confidence and assurance to the company that the average sales price of the aforementioned cars can be used as a suitable representative of the market price for the aforementioned model of cars. 2) The sales methods of the aforementioned cars are not different from the methods used by the company in the past or expected to be used by the company in the future for the aforementioned model of cars as available in the company's portfolio. 3) The aforementioned cars that are sold have overall conditions consisting of intactness of car body and engine, usage history, maintenance history, accident history, etc. that range between the moderate level or level consistent with the overall condition, on average, of every car of the aforementioned model that the company has available in the portfolio. If all three of the aforementioned criteria are met, the company is to evaluate the total value of the sales of lease cars from expired contracts for the aforementioned model that actually occur over the previous quarter ("total value according to actual sales price") and compare it with the total value of the aforementioned lease cars calculated by using the residual value instead of the actual sales price ("total value based on residual value"), and the company will then proceed to adjust the residual value of the lease cars by using the "mean actual sales prices", which is equal to total value according to actual sales price divided by the number of lease cars from expired contracts of the aforementioned model that are sold over the preceding quarter rather than the previously set residual value in the following cases: 1) Total value based on the actual sales price is greater than or less than the total value according to residual value by more than ten percent of the total value according to residual value and the company possesses more than 100 cars of the aforementioned model and the impacts from revising the residual value of all of the cars of the aforementioned model that the company has in its portfolio when considered in terms of total monetary amount ((mean actual sales price –



residual value before revision) x the total number of cars of the aforementioned model that the company has in its portfolio) when compared to the net accounting value of all of the lease cars that the company has in the portfolio as of the end date of the quarter amounts to more than 1.00 percent. 2) The total value according to actual sales price is greater than or less than the total value according to residual value by more than 30 percent of the total value based on the residual value. If the residual value needs revision, the company is to present an agenda to the Audit Committee and the Board of Directors for consideration of approval for the revision of the residual value of the aforementioned car model and to apply the approved resolution of the Audit Committee and Board of Directors to revise the residual value for use in place of the previous residual value by changing the residual value for all cars of the aforementioned model that the company has at the time, and the aforementioned value is to then be used as the reference price for subsequent specification of residual value for the aforementioned car model.

3.1.3 Other Current Assets

The company's other current assets as of 31 December 2015, 2016 and 2017 amounted to 58.13 million baht, 108.50 million baht and 251.15 million baht, respectively. Other current assets consisted mostly of 1) prepaid expenses, which largely are car insurance premiums, car tax renewal fees and GPS service fees; and 2) value added tax pending exercising of rights. The increase in other current assets, for the most part, occurred due to increment in value added tax pending exercising of rights primarily caused by the company purchased a lot of cars at the end of 2017 in cash to received tax benefits of 1.50 times, which resulted in the increases in the company's value added tax pending exercising of rights.

3.1.4 Other Non-Current Assets

The company's other non-current assets as of 31 December 2015, 2016 and 2017 amounted to 66.10 million baht, 111.07 million baht and 104.46 million baht, respectively. Other non-current assets largely consisted of withholding tax pending returns from the Revenue Department, which generally increase in line with increases in car leasing revenues.

3.2 Capital Structure

3.2.1 Total Debts

The company's total debts as of 31 December 2015, 2016 and 2017 amounted to 3,071.04 million baht, 5,710.59 million baht and 7,351.64 million baht, respectively. These equaled increase rates of 85.95 percent and 28.74 percent, respectively. The increased total debts follow the direction of the increased total assets. The increased total debts over the aforementioned period mainly occurred due to increased debts under financial lease contracts, and long-term loans from financial institutes which the company used as a source of funds for the purchase of lease cars of the company. The company's non-current assets amount to between 54.80 percent and 65.96 percent of total debts.

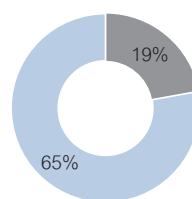
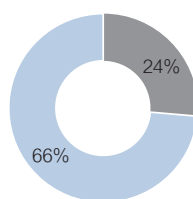
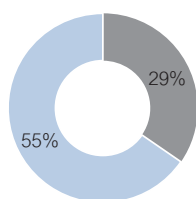
Ratios of Current and Non-Current Liabilities per Total Liabilities

As of 31 December 2015, 2016 and 2017

As of 31 December 2015

As of 31 December 2016

As of 31 December 2017



■ Current Liabilities ■ Non-Current Liabilities

The Company's Key Liabilities as of 31 December 2015, 2016 and 2017

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade Payables and Other Payables	202.97	6.61	249.51	4.37	131.86	1.79
Short-term Loans from Related Party	115.40	3.76	174.40	3.05	-	-
Financial Institute Loans	8.64	0.28	366.37	6.42	1,612.64	21.94
Debts under Financial Lease Contracts	2,668.20	86.88	4,814.98	84.32	5,582.42	75.93
Other Liabilities	75.84	2.47	105.33	1.84	24.72	0.34
Total Liabilities	3,071.04	100.00	5,710.59	100.00	7,351.64	100.00



(1) Trade and Other Payables

The company's trade payables and other payables as of 31 December 2015, 2016 and 2017 equaled 202.97 million baht, 249.51 million baht and 131.86 million baht, respectively.

Trade and Other Payables as of 31 December 2015, 2016 and 2017

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade Payables						
Non-related persons and companies	32.59	16.06	85.13	34.12	59.33	45.00
Related persons and companies	16.34	8.05	105.84	42.42	30.38	23.04
Total Trade Payables	48.93	24.11	190.98	76.54	89.71	68.03
Other Payables						
Non-related persons and companies	125.90	62.03	25.15	10.08	42.15	31.97
Related persons and companies	28.14	13.86	33.38	13.38	-	-
Total Other Payables	154.04	75.89	58.53	23.46	42.15	31.97
Total Trade Payables and Other Payables	202.97	100.00	249.51	100.00	131.86	100.00

Most of trade payables are trade payables from car purchases to provide services according to customer requirements, car repair and maintenance expenses and car insurance premiums. The company has different credit terms for each creditor with payment due dates for debts at between 15 to 45 days. The company's trade payables as of 31 December 2015, 2016 and 2017 equaled to 48.93 million baht, 190.98 million baht and 89.71 million baht, respectively. As of 31 December 2017, the company's trade payables decreased significantly due to car trade payables arising from the purchase of lease cars decreased from 2016 due to the policy of cars purchase in order to receive tax benefits.

(2) Short-term Loans from Related Parties

The company's short-term loans from connected businesses as of 31 December 2015, 2016 and 2017 amounted to 115.40 million baht, 174.40 million baht and zero, respectively. All short-term loans from related party are short-term loans from Toyota @ United. Repayments are scheduled to occur when inquiries are made for collection with interest rate set at five percent per year without collateral.

The company spends the aforementioned short-term loans as working capital to operate the company's business and source of funds for the land for use in the construction of the asap Auto Park car service center. In 2017, the company shifted to borrowing from financial institutes instead of Toyota @ United and repaid loans for land costs to Toyota @ United. As of 31 December 2017, the company had no outstanding loans received from Toyota @ United.

(3) Loans from Financial Institutes

As of 31 December 2015, 2016 and 2017, the company's loans from financial institutes totaled at 8.64 million baht, 366.37 million baht and 1,359.13 million baht, respectively. For the most part, the company spends short-term loans from financial institutes in as working capital and spends long-term loans from financial institutes in parts for car purchases in order to provide services that meet customer requirements. The increased financial institute loans as of 31 December 2016 and 2017 mainly resulted from borrowing to repay short-term loans from a connected business. The company borrowed funds to repay the price of the land for the establishment of the asap Auto Park car service center. Additionally, the company also spends funds borrowed from financial institutes partially in car purchases in order to receive tax benefits of 1.50 times.

Financial Institute Loans as of 31 December 2015, 2016 and 2017

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Short-term Loans from Financial Institutes	-	-	35.82	9.78	47.22	2.93
Long-term Loans from Financial Institutes						
Due for Repayment within 1 Year	7.55	87.40	35.10	9.58	253.51	15.72
Due for Repayment within More than 1 Year	1.09	12.60	295.46	80.64	1,311.91	81.35
Total Long-term Loans from Financial Institutes	8.64	100.00	330.55	90.22	1,565.43	97.07
Total Loans from Financial Institute	8.64	100.00	366.37	100.00	1,612.64	100.00

(4) Debts under Financial Lease Contracts

The company enters into financial lease contracts to purchase cars for providing services that meet customer requirements. Accordingly, the company specifies the term of each financial lease contract to be similar to the duration of each car lease contract with customers. For example, if the



customer wishes to lease cars for a period of four years, the company would generally enter into a financial lease contract with a financial institute or a captive finance company for period of four years. The most of the company's financial lease contracts has a term between four and five years with specified monthly payments in equal installments for every month. Additionally, most contracts have balloon payments in the final installment to be consistent with the company's characteristics of received cash flow, as the company's received cash flow occurs from car leasing of four to five years in line with contract durations and received cash flow from sales of cars from expired contracts.

The company's debts under financial lease contracts as of 31 December 2015, 2016 and 2017 amounted to 2,668.20 million baht, 4,814.98 million baht and 5,582.42 million baht, respectively. These are increase rates of 80.46 percent and 15.94 percent, respectively. The increased debts under financial lease contracts over the aforementioned period concur to the company's business growth, which included increased car purchases.

Debts under Financial Lease Contract as of 31 December 2015, 2016 and 2017

Item	As of 31 December					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Debts under Financial Lease Contract						
Due for Repayment within 1 Year	730.93	27.39	997.94	20.73	1,181.48	21.16
Due for Repayment within More than 1 Year	1,937.27	72.61	3,817.05	79.27	4,400.94	78.84
Total Debts under Financial Lease Contract	2,668.20	100.00	4,814.98	100.00	5,582.42	100.00

3.2.2 Shareholders' Equity

Shareholders' Equity as of 31 December 2015, 2016 and 2017

Item (Unit: Million Baht)	As of 31 December		
	2015	2016	2017
Registered Capital	225.00	330.00	330.00
Issued and Paid-up Capital	225.00	225.00	330.00
Premium on share capital	-	-	510.95
Retained Earnings, Allocated-Legal Reserves	-	3.49	11.03
Retained Earnings, Unallocated	369.19	435.52	553.44
Total Shareholders' Equity	594.19	664.01	1,405.42

Shareholders' equity as of 31 December 2015, 2016 and 2017 amounted to 549.19 million baht, 664.01 million baht and 1,405.42 million baht, respectively, amounting to increase rates of 11.75 percent and 111.66 percent, respectively.

Shareholders' equity as of 31 December 2016 increased from as of 31 December 2015 due to in 2016 the company's retained earnings increased from net profit during the period by 69.83 million baht and as of 31 December 2017 increased from the end of 2016 because of improved company returns with net profit at 151.85 million baht. Additionally, the company increased its issued and paid-up capital from previously at 225.00 million baht to 330.00 million baht by the issuance of 210.00 million shares at 0.50 baht marked price per share from the initial public offering which the company had premium on share capital of 510.95 million baht. As a result, the shareholders' equity of the company significantly increased. Accordingly, the company used the entire amount of the funds obtained from the aforementioned issuance of capital increase ordinary shares in 1) repayment of short-term loans from related party of 389.51 million baht and 2) repayment of liabilities under finance leases of 833.52 million baht.

3.3 Liquidity and Key Ratios

3.3.1 Cash Flow

Cash Flow for 2015, 2016 and 2017

Item (Unit: Million Baht)	Year Ending on 31 December		
	2015	2016	2017
Cash Flow from Activities before Changes in Working Assets and Liabilities	596.63	848.68	1,250.47
Changes in Working Assets and Liabilities	266.62	(5.09)	58.58
Net Cash Received from (spent on) Working Activities	863.25	843.59	1,307.32
Net Cash Received from (spent on) Investment Activities	(7.01)	(291.71)	(1,525.24)
Net Cash Received from (spent on) Financing Activities	(846.71)	(561.30)	251.39
Cash and Cash Equivalent Transactions-Ending Basis	16.12	6.70	40.17

The company's cash flow from activities before changes in working assets and debts equaled 596.63 million baht, 848.68 million baht and 1,250.47 million baht in 2015, 2016 and 2017, respectively. The aforementioned changes in cash flow are consistent with the company's recent changes in revenues.



Changes in working assets and debts in 2016 primarily resulted from 1) changed trade receivables and other receivables from trade receivables and other receivables that decreased by 4.10 million baht in 2015 to trade receivables and other receivables increasing by 92.83 million baht in 2016; 2) changed trade payables and other payables from increased trade payables and other payables by 11.86 million baht in 2015 to decreased trade payables and other payables by 111.53 million baht for 2016 and 3) changed other current assets from decreased other current assets by 2.19 million baht in 2015 to increased other current assets by 50.37 million baht in 2016.

While, changes in working assets and debts in 2017 mainly resulted from 1) changed inventories that decreased from the increases in selling used cars from expired lease contracts from 881 cars in 2016 to 1,024 cars in 2017 and 2) changed trade receivables and other receivables that increased by 16.61 million baht.

The company's net cash flow spent in investment activities amounted to 7.01 million baht, 291.71 million baht and 1,525.24 million baht in 2015, 2016 and 2017, respectively, Most cash flow spent in the purchase of lease cars.

Net cash flow received from (spent in) financing activities in 2015, 2016 and 2017 amounted to (846.71) million baht, (561.30) million baht and 251.39 million baht, respectively. Decreased net cash flow spent in financing activities in 2016 mostly resulted from 1) repayment of debts under financial lease contracts of 833.52 million baht and 2) repayment of short-term loans from related party of 389.51 million baht. Increased net cash flow received from financing activities in 2017 mostly resulted from 1) receipt of long-term loans from financial institutes of 1,295.57 million baht in line with the expansion of the company's business in which the company purchased more cars by using partial long-term loans from financial institutes instead of entering into finance leases in order to receive tax benefits of 1.50 times of the value of purchased cars and 2) ordinary share capital increase of 615.95 million baht from the initial public offering in March 2017.

For the aforementioned reasons, the company's cash and cash equivalent transactions amounted to 16.12 million baht, 6.70 million baht and 40.17 million baht as of 31 December 2015, 2016 and 2017, respectively.

3.3.2 Key Financial Ratios

Item	Accounting Year Ending on 31 December		
	2015	2016	2017
Current Ratio (times)	0.18	0.21	0.35
Average Collection Period (days)	30.99	32.94	31.60
Average Payment Period (days)	17.45	38.33	30.42
Returns on Equity (%)	11.71	11.10	14.57
Returns on Assets (%)	1.77	1.39	1.72
Asset turnover (times)	0.34	0.29	0.24
Debts to Equity Ratio (times)	5.17	8.60	5.23
Interest Coverage Ratio (times)	8.97	6.63	6.52
Debt Service Coverage (times)	0.76	0.50	0.40
Dividend Payout Ratio (%)	-	-	17.51

The company's current ratio equaled to 0.18 times, 0.21 times and 0.35 times as of 31 December 2015, 2016 and 2017, respectively. The aforementioned ratios are rather low, but consistent with the company's business characteristics because between 21 and 27 of the company's financial lease contracts entered by the company in car purchases are financial lease contracts due for payment within one year, making them current liabilities, while all of the company's cars are recorded as non-current assets.

The company's average collection period equaled to 30.99 days, 32.94 days and 31.60 days in 2015, 2016 and 2017, respectively. The company's average collection period follow the company's credit terms that the company sets for car leasing customers to range from 30 to 90 days as well as the company's average payment period from the sales of cars from expired lease contracts, which the company for the most part receives payment in cash.

The company's average payment period equals 17.45 days in 2015 was consistent to the company's mean credit term received from each creditor. For the most part, the company purchases cars through financial lease contracts. Therefore, the average payment period is quite short for car purchases. Meanwhile, the set average payment period for other parts and equipment purchases range from 15 to 45 days. For the year 2016 and 2017, the company's average payment period increased to 38.33 days and 30.42 days, respectively, because late in the year 2017 in order to obtain tax benefits of 1.50 times, the company repaid trade payables for cars prior to due payment.

Returns on equity in 2017 amounted to 14.57 percent, or an increase from returns on equity in 2016, which equaled 11.10 percent. This is primarily due to the increase of net profit in 2017 at 151.85 million baht, compared to net profit in 2016 of 69.83 million baht, due to tax benefits which the company received tax credit of 60.27 million baht and paid no corporate income tax in 2017.



The returns on assets in 2016 equaled 1.39, a decrease when compared to returns on assets in 2015, which was 1.77 percent; this is due to the fact that, as of 31 December 2016, the company's assets increased at a ratio that greater than increased net profit, mostly due to increased lease cars pending delivery to customers from 73 cars as of 31 December 2015 to 320 cars as of 31 December 2016. The aforementioned cars pending delivery to customers were new cars the company purchased in preparation to meet customer requirements and are pending delivery to customers. The rate of returns from assets in 2017 amounted to 1.72 percent. This was an increase from returns from assets in 2015, mainly due to significantly increased net profit in 2017 of 151.85 million baht because the company received tax benefits.

The company's asset turnover for 2015, 2016 and 2017 were 0.34 times, 0.29 times and 0.24 times, respectively. The company's asset turnover over the aforementioned period were similar, thereby indicating that the company is able to generate increased revenues at similar ratios to increased company assets.

The company's debts to equity ratio as of 31 December 2015 equaled 5.17 times, which increased to 8.60 times as of 31 December 2016 due to increased debts of the company in 2016 leading to increased retained earnings and shareholders' equity of the company. Most of debts increased from liabilities under finance leases in line with the expansion of the number of the company's lease cars. The company's debts to equity ratio decreased to 5.23 times as of 31 December 2017 due to the company's registered capital increased from 225.00 million baht to 330.00 million baht, and share premium from the initial public offering of ordinary shares in March 2017 of 510.95 million baht, which resulted in the increases in company's shareholders' equity at ratios that were more than increased liabilities.

The company's interest coverage ratios equaled 8.97 times, 6.63 times and 6.52 times in 2015, 2016 and 2017, respectively, which is rather high. This indicates the company's ability to repay interests. Interest coverage ratio in 2016, the company's interest coverage ratio decreased due to the company had increased interest arising from loans for investment in the land for accommodating the asap Auto Park car service center. For the year 2017, the company's interest coverage ratios decreased because the company's interest expenses increased from borrowing to purchase cars.

The company's debt service coverage ratios equaled 0.76 times, 0.50 times and 0.40 times in 2015, 2016 and 2017, respectively. These are rather low debt service coverage ratios, but consistent with the company's business characteristics because cash flow from activities are used as working capital in paying debts under financial lease contracts in car purchases. As the company operates business continuously, the company continuously has increased car purchases for leasing. For the year 2017, the company's debt service coverage ratio slightly decreased because the company paid a short-term loans from a connected business and had increased payment of debts under financial lease contracts.

In 2015, and 2016, the company did not pay any dividends whatsoever. However, the company paid interim dividends from retained earnings of 26.40 million baht or 0.04 baht per share in 2017.

4. Auditors' Fees

The company paid auditors fees as follows:

(Unit: Baht)

Accounting Period	Audit Office	Audit Fee	Other Service Fees	Total
2015	PV Audit Company Limited	1,040,000	130,385	1,170,385
2016	PV Audit Company Limited	600,000	166,760	766,760
	Siam Truth Audit Company Limited ¹	600,000	35,000	635,000
2017	Siam Truth Audit Company Limited	1,320,000	527,822	1,847,822

Remarks: ¹ At the Extraordinary General Meeting of Shareholders No. 1/2560 on 11 February 2017, the shareholders has a resolution to change the company's auditor for the accounting period ending 31 December 2016 to Siam Truth Audit Company Limited.



Description of Company Directors, Executives and Secretary

1. Description of Directors, Executives and Secretary of Synergetic Auto Performance Public Company Limited

First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience		
					Time Period	Position	Agency/Company Name Business Type
Mr. Yol Phokasub /Chairman /3 February 2017	57	<ul style="list-style-type: none"> - Imperial College, University of London - Bachelor of Engineering Science (Honors), Computer Science and Software Engineering. - Director Accreditation Program (DAP), Class 120, Year 2015. - High-ranking Executive Course, Capital Market Academy (CMA), Class 13, Year 2011. - High-ranking Executive Course on Energy Science, Thailand Energy Academy (TEA), Class 7, Year 2016. 	0.68	-	2017– Present	Chairman of the Board	Synergetic Auto Performance PCL. Car leasing business
					2016– Present	President of Central Group	Central Group Co., Ltd. Retail business
					2015– 2016	Managing Director and Company Director	Siam Commercial Bank PCL. Bank
					2015– 2016	Director	Siam Commercial Foundation Foundation
					2015– 2016	Director	Mrigadayavan Palace Foundation Foundation
					2013– 2016	Advisor Director	Master Card Asia/Pacific Pte. Ltd. Credit card and financial services business
					2011– 2015	Deputy Chairman of the Board	SCB Life Assurance PCL. Insurance
					2009– 2015	Chairman of the Board	SCB Asset Management Consolidated fund securities company
					2012– 2013	Advisor	Board of Investment of Thailand Government agency



First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience			
					Time Period	Position	Agency/Company Name	Business Type
Mr. Songvit Titipunya/ Director and Authorized Signatory, Deputy Chairman of the Board and Chief Executive Officer/10 April 2006	50	- High-school, Triam Udom Suksa Pattanakarn School - Director Accreditation Program (DAP) Class 126, Year 2016, Thai Institute of Directors	7.42	Husband of Prinyada Wongwittawat	2006– Present	Director with Signatory Authority Deputy Chairman of the Board and Chief Executive Officer	Synergetic Auto Performance PCL.	Car leasing business
					2016– Present	Company Director	At United Broker Co., Ltd.	Car insurance agent
					2015– Present	Company Director	At Solar Co., Ltd.	Sales of electricity generated from solar panels
					2015– Present	Company Director	At Solar Power Co., Ltd.	Sales of electricity generated from solar panels
					2015– Present	Company Director	At Properties Co., Ltd.	Real Estate Development
					2015– Present	Company Director	At Holding Co., Ltd.	Investments in company shares
					2015– Present	Company Director	Siam Nissan P2M	Sales agent of used Nissan vehicles
					2011– Present	Company Director and Managing Director	P2M Energy Co., Ltd.	LPG system installation, check-up and repair in vehicles
					2011– Present	Company Director and Managing Director	Vibharam-Chaiprakarn Co., Ltd.	Hospital
					2008– Present	Company Director and Managing Director	Toyota At United Used Car Co., Ltd.	Toyota sales representative; used Toyota vehicles
					2004– Present	Company Director and Chief Executive Officer	Toyota At United Co., Ltd.	Toyota sales representative
					1993– Present	Company Director	Chaiprakarn Co., Ltd.	Hospital

First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience		
					Time Period	Position	Agency/Company Name Business Type
Mrs. Parinda Vongvitavat/ Director and Authorized Signatory/Recruitment & Remuneration Director/ 10 April 2006	51	- High-school, Triam Udom Suksa Pattanakarn School - Director Accreditation Program (DAP) Class 118, Year 2015, and Financial Statement for Directors (FSD) Class 31, Year 2016, Thai Institute of Directors	10.50	Wife of Mr. Songwit Thitipunya	2006– Present	Director with Signatory Authority and Nomination and Remuneration Director	Synergetic Auto Performance PCL. Car Leasing Business
					2016– Present	Company Director	At United Broker Co., Ltd. Car insurance agent
					2015– Present	Company Director	At Solar Co., Ltd. Sales of electricity generated from solar panels
					2015– Present	Company Director	At Solar Power Co., Ltd. Sales of electricity generated from solar panels
					2015– Present	Company Director	At Properties Co., Ltd. Real estate development
					2015– Present	Company Director	At Holding Co., Ltd. Investments in company shares
					2012– Present	Company Director	Chiangban Biogen Co., Ltd. Electricity generation
					2011– Present	Company Director	P2M Energy Co., Ltd. NGV and LPG system vehicle installation, inspection/testing and repair services.
					2011– Present	Company Director	Vibharam-Chaiprakarn Co., Ltd. Hospital
					2008– Present	Company Director	Toyota At United Used Car Co., Ltd. Toyota sales representative; used Toyota vehicles
					2004– Present	Company Director and Managing Director	Toyota At United Co., Ltd. Toyota sales representative



First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience		
					Time Period	Position	Agency/Company Name Business Type
Mr. Chairat Kamonratap/ Director and Managing Director/ 1 November 2016	59	<ul style="list-style-type: none"> - Master of Business Administration, Marketing, National Institute of Development Administration - Bachelor of Engineering Science, Civil Engineering, Kasetsart University - Director Accreditation Program (DAP) Class 214, Year 2015, Thai Institute of Directors - Fellow Member DCP Diploma, Thai Institute of Directors - Risk Management Program for Corporate Leaders (RCL) 2016, Thai Institute of Directors 	0.11	-	2016–Present	Director and Managing Director	Synergetic Auto Performance PCL. Car Leasing Business
					2015–2016	Director, Executive Director, Risk Management Director and Managing Director	Krungsri Bank Leasing Co., Ltd. Hire, purchase and leasing financial support business for automobiles and other consumer products
					2012–2014	Managing Director	Chaipattana Transport Chiangmai Co., Ltd. Public transportation service business
Police Lieutenant General Doctor Paskorn Rukskul/ Director and Authorized Signatory/Recruitment & Remuneration Director/ 5 August 2014 (Resigned from the Board of Directors on February 27, 2018)	72	<ul style="list-style-type: none"> - Doctor of Medicine, Faculty of Medicine, Siriraj Hospital, Mahidol University - Tuberculosis Control Certificate, Tokyo Institute of Tuberculosis Research, Japan - Tropical Medicine and Public Health Certificate, Mahidol University - Advanced Police Management Course (APM) Class 10, Police College - High-ranking Executive Course 1 (HEC) Class 30, Office of the Civil Service Commission - Director Accreditation Program (DAP) Class 126, Year 2016, Thai Institute of Directors 	0.03	-	2014–Present	Director with Signatory Authority and Nomination and Remuneration Director	Synergetic Auto Performance PCL. Car Leasing Business
					2010–2014	Medical Director	Work Men's Compensation Fund, Social Security Office Internal Medicine Work Group, Police General Hospital Government Agency
					2005–2013	Advisor	Hospital

First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience			
					Time Period	Position	Agency/Company Name	Business Type
Associate Professor Pachara Pacharavanich/ Independent Director and Chairman of the Audit Committee/ 23 June 2015	47	- Master, University of North Carolina – Chapel Hill, USA - Bachelor of Accountancy, Thammasat University - Director Accreditation Program (DAP) Class 126, Year 2016, Thai Institute of Directors	0.29	-	2016– Present	Executive Director	Bangkok Mass Transit Authority	Transportation services business
					2015– Present	Independent Director and Chairman of the Audit Committee	Synergetic Auto Performance PCL.	Car Leasing Business
					2013– Present	Independent Director and Audit Director	TWZ Corporation PCL.	Information communication technology University
					1996– Present	Resident Professor, Faculty of Commerce and Accountancy	Thammasat University	
Mr. Surapong Uthaichalanond/ Independent Director, Audit Director and Recruitment and Remuneration Director/ 23 June 2015	65	- Master of Public Administration, National Institute of Development Administration - Bachelor of Education Science, Silpakorn University - Director Accreditation Program (DAP) Class 126, Year 2016, Thai Institute of Directors	0.15	-	2015– Present	Independent Director Audit Director and Chairman of the Nomination and Remuneration Committee	Synergetic Auto Performance PCL.	Car Leasing Business
					1977– 2013	Human Resources Manager	PTT PLC.	Comprehensive petroleum and petrochemical business
					2014– Present	Chairman of the Board, Independent Director and Audit Director	Synergetic Auto Performance PCL.	Car Leasing Business
General Siravudhi Sukanthanark/ Chairman of the Board, Independent Director and Audit Director/ 9 December 2014	63	- Bachelor of Science, Chulachomklao Royal Military Academy - Director Accreditation Program (DAP) Class 118, Year 2015, and Advanced Audit Committee Program (AACCP) Class 21, Year 2015, Thai Institute of Directors	0.18	-	2015– Present	Company Director	Somapa Information Technology PCL.	Sales of equipment and computers and designs, record and transfer of electronic databases



First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience		
					Time Period	Position	Agency/Company Name Business Type
Mr. Pratham Aranyakananda/ Independent Director and Audit Director/ 27 May 2014	64	- Bachelor of Accounting, Bangkok University - Director Accreditation Program (DAP) Class 118, Year 2015, Thai Institute of Directors	0.18	-	2015– 2016	Assistant General Manager of Operations	Royal Thai Army Radio and Television Television Station
					2013– 2016	Company Director	I-Tac Innovation Co., Ltd. Electronic equipment manufacturing and sales
					2013– 2014	Director-general, Office of Defense Budget	Office of the Secretary- general of the Ministry of Defense Government Agency
					2012– 2013	Director of Mobilization Department	Office of the Secretary- general of the Ministry of Defense Government Agency
					2010– 2012	Support Office Director	Office of the Secretary- general of the Ministry of Defense Government Agency
					2014– Present	Independent Director and Audit Director	Synergetic Auto Performance PCL Car Leasing Business
					2013– Present	Management Advisor	Delphys Hakuhoodo Thailand Co., Ltd. Consultant business on advertisement, design and marketing
					1977– 2013	Deputy Director of Sales, Bangkok Metropolitan Area	Toyota Motor (Thailand) Co., Ltd. Sales of Toyota vehicles and automotive parts

First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience		
					Time Period	Position	Agency/Company Name Business Type
Mr. Tanachai Buditvorapoom (Appointed as Director of Police, Lieutenant Colonel Rakkul on February 27, 2018)	45	<ul style="list-style-type: none"> - Master of Business Administration (English Program) – Finance, The National Institute of Development Administration - Bachelor of Law, Chulalongkorn University - Bachelor of Engineering (Civil), Chulalongkorn University - Director Certification Program (DCP) 252/2018 Thai Institute of Directors Association (IOD) 	-	-	2018 – Present	Director	Synergetic Auto Performance Public Company Limited Car rental service
					2018 - Present	Chief Executive Officer and Executive Committee Member	Absolute Clean Energy Company Limited Holding company who invests in power generation business.
					2012 - 2017	Head of Investment Banking	TISCO Securities Company Limited Securities Business
					2011 - 2012	Head of Investment Banking	TISCO Bank Public Company Limited Banking Business
					2003 - 2011	Assistant Managing Director – Investment Banking	Finansa Securities Limited Securities Business
Mr. Pakorn Bunpanya/ General Manager, Front Office/ 1 July 2016	49	<ul style="list-style-type: none"> - Bachelor of Laws, Ramkhamhaeng University 	0.14	-	2016– Present	General Manager, Front Office	Synergetic Auto Performance PCL. Car Leasing Business
					2010–2016	Service Center Manager	Toyota At United Co., Ltd. Toyota Sales Representative
Miss Ladda Satchoi/ General Manager, Post Sales/ 3 September 2012	47	<ul style="list-style-type: none"> - Bachelor of General Management, Suan Dusit Rajabhat University - Company Secretary Program (CSP) 2015 and Effective Minutes Taking Certificate (EMT), Thai Institute of Directors 	0.11	-	2012– Present	General Manager, After Sales	Synergetic Auto Performance PCL. Car Leasing Business
					2006–2012	Executive Personal. Secretary of Chairman and Acting Personal Manager	Phra Buddha Santitham Foundation
Miss Jaruvan Pawasri/ General Manager, Accounting and Finance/ 3 August 2016	37	<ul style="list-style-type: none"> - Master of Accounting, Ramkhamhaeng University - Bachelor of Accounting, Ramkhamhaeng University 	0.07	-	2015– Present	General Manager, Accounting and Finance	Synergetic Auto Performance PCL. Car Leasing Business
					2014– 2015	Assistant Manager of Accounting and Finance	Thai Yanagawa Co., Ltd. Manufacturing of auto parts
					2012– 2014	Assistant to the Accounting Manager Advisor	Royal James International Co., Ltd. Sales of gems and jewelry



First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience		
					Time Period	Position	Agency/Company Name Business Type
					2008–2012	Senior Accounting Officer	Bangkok Ranch PCL. Manufacturing of fresh and frozen ducks, processed food and animal feed
Mrs. Sudkhanueng Dumrongsak/ Accounting Manager/ 3 August 2016	38	- Bachelor of Cost Accounting, University of the Thai Chamber of Commerce	0.00	-	2014–2017	Accounting Manager	Synergetic Auto Performance PCL. Car Leasing Business
Miss Amarin Subbook Senior Accountant / June 1, 1960.	40	Bachelor's degree in Finance Ramkhamhaeng university	-	-	2006–2014	Assistant Accounting Manager	Toyota At United Co., Ltd. Toyota sales representative
(Retired from Senior Account Manager And the management of the company in November 2517)					2017	Senior Accountant	Synergetic Auto Performance PCL. Car Leasing Business
					2017	Staff Accountant	Lazada express Domestic Transportation
					2014–2017	Senior Accountant	Munster (Thailand) Import, export, manufacture, distribution and service of humidifiers
Miss Siriporn Sirisap/ Company Secretary/ 3 February 2017	35	- Master of Public Administration, Ramkhamhaeng University - Master of Business Administration, Ramkhamhaeng University - Bachelor of Computer Business, Suan Sunandha Rajabhat University - Corporate Secretary Development Program 2008, Thai Listed Companies Association	0.00	-	2017–Present	Company Secretary	Synergetic Auto Performance PCL. Car Leasing Business
					2011–2016	Company Secretary, Secretary of the Audit Committee and Secretary of the Nomination and Remuneration Committee	Thai Sugar Terminal PCL. Transport and logistics

First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience		
					Time Period	Position	Agency/Company Name Business Type
					2006– 2010	Company Secretary, Secretary of the Audit Committee and Secretary of the Nomination and Remuneration Committee	Porn Prom Metal PCL. Sales of industrial products
					2006	Company Secretary Employee	Samart Corporation PCL. Information and communication technology
					2005	Administrative Employee	Pena House PCL. Sales of fashion clothing



Descriptions of the Directors of Subsidiaries

1. Directors, Executives, Persons with Control Authority and Secretaries of Subsidiaries

- No subsidiaries. -



Description of Internal Audit Work and Company Operations Supervisors

Description of Internal Audit Work and Company Operations Supervisors

The company outsources the audit of the company's internal control system

Topic	Description								
Internal Audit Agency (Outsourced)	Dharmniti Auditing Company Limited 178 Dharmniti Building, 5 th Floor, Permsap (Pracha Chuen 20), Pracha Chuen Road, Bangsue, Bangkok, 10800 Tel.: 0-2536-0500								
Internal Audit Work Supervisor	Mr. Lapasrada Lertpanurot, Vice Chairman of Executive Committee.								
Academic Degree	Bachelor Degree, Faculty of Business Administration, Accounting, Rajamangala University of Technology Thanyaburi Master of Science Program in Corporate Governance, Chulalongkorn University								
Work Experience	<table border="0"> <tr> <td>2018–Present</td><td>Vice Chairman of Executive Committee</td></tr> <tr> <td>2016–2017</td><td>Executive Director and And Internal Audit Manager 3 Dharmniti Auditing Co., Ltd</td></tr> <tr> <td>2012–2016</td><td>Procurement Manager, Secretary, Risk Management Committee, Secretary to the Board of President Bakery Public Company Limited</td></tr> <tr> <td>2009–2011</td><td>Internal Audit Manager, Secretary to the Audit Committee President Bakery Public Company Limited</td></tr> </table>	2018–Present	Vice Chairman of Executive Committee	2016–2017	Executive Director and And Internal Audit Manager 3 Dharmniti Auditing Co., Ltd	2012–2016	Procurement Manager, Secretary, Risk Management Committee, Secretary to the Board of President Bakery Public Company Limited	2009–2011	Internal Audit Manager, Secretary to the Audit Committee President Bakery Public Company Limited
2018–Present	Vice Chairman of Executive Committee								
2016–2017	Executive Director and And Internal Audit Manager 3 Dharmniti Auditing Co., Ltd								
2012–2016	Procurement Manager, Secretary, Risk Management Committee, Secretary to the Board of President Bakery Public Company Limited								
2009–2011	Internal Audit Manager, Secretary to the Audit Committee President Bakery Public Company Limited								
Related Training	<ul style="list-style-type: none"> – Internal Audit Course 1 (Association of Accountants and Auditors of Thailand). – Internal Audit Course 2 (Association of Accountants and Auditors of Thailand). <ul style="list-style-type: none"> – Certificate of Internal Auditor CPIAT – Self-Assessment on Anti-Corruption Measures – Leadership Skills for Auditors – Value-Added Business Control Program The Right – COSO ERM Course Theory and Practice – Internal Audit Quality System – GMP / HACCP Course 								



Topic	Description
	<ul style="list-style-type: none">- Corporate Vision, Mission and Strategy Course- Curriculum-Framing Indicators (KPIs)- Leadership- Asian Confederation of Institutes of Internal Auditors (ACIIA) Conference 2016 Principles of Good Corporate Governance By the Stock Exchange of Thailand
Professional License or Certificate	<ul style="list-style-type: none">- Internal Auditor of Thailand (CPIAT)
Duties and Responsibilities	<ul style="list-style-type: none">- Specify objectives, strategies and plans and monitor internal audit performance for each customer to comply with plan specifications.- Offer services related to risk management and internal audit.- Provide knowledge and understanding about internal audit for work teams and coordinate collaboration with customers.

Details Associated with Asset Appraisals



Details Associated with Asset Appraisals

- None -

Report on the Board of Directors' Responsibilities for Financial Statements

Board of Directors Synergetic Auto Performance Public Company Limited is aware of the importance of its functions. The responsibility for the operation is in accordance with good corporate governance. The Board of Directors is responsible for the financial statements of the Company. Including financial information. Annual Report Financial Statements for the year December 31, 2017, prepared in accordance with generally accepted accounting standards. The policy has been chosen. And always. Include reasonable estimates in the preparation of the report. The Company also discloses significant information in the notes to the financial statements and have passed. And unconditional comment from an independent auditor. The financial statements reflect the financial position. And the results of the operation in the past year correctly. Complete in essence. It is also beneficial to the shareholders and investors.

The Board of Directors has appointed the Audit Committee. It consists of independent directors who are supervised quality of financial reports Evaluate the internal control system. Risk Management System and processes. For information support And financial documents to be effective. To have confidence in that. The accounting records are accurate, complete, and prevent fraud or unusual operation. The opinion of the Audit Committee on this matter. This is shown on the Audit Committee Report page. The Company's Board of Directors Have a comment that Company's internal control system at Synergetic Auto Performance Public Company Limited



(Mr. Songvit Titipunya)

Deputy Chairman of the Board and Chief Executive Officer



(Mr. Chairat Kamonoratep)

Director/ Managing Director



Report of the Audit Committee

To Shareholders,

The Audit Committee of Synergetic Auto Performance Public Company Limited comprises of 4 professional independent directors who have sufficient knowledge and experience to reliably audit the financial statements. In 2017, the Audit Committee held 5 meetings. The names of the members of Audit Committee and the number of the meetings they have attended are as follows:

1. Associate Professor Pachara Pacharavanich, President of the Audit Committee attending 2/5 meetings
2. General Siravudhi Sukanthanark, Member of the Audit Committee attending 5/5 meetings
3. Mr. Surapong Uthaichalanond, Member of the Audit Committee attending 5/5 meetings
4. Mr. Pratarn Aranyakananda, Member of the Audit Committee attending 5/5 meetings

The Audit Committee performed its duties independently within the scope of the responsibilities assigned by the Board of Directors to audit and ensure that the company has appropriate good corporate governance in compliance with the regulations and good practices for the Audit Committee provided by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee has had the meetings with the executives, the auditor, the internal auditor for consideration and suggestions on important matters. The Audit Committee has reported the overall operations and expressed its opinion thereon as presented in their report to the Board of Directors on quarterly basis for the Board of Directors to consider taking appropriate actions. The essential issues can be summarized as follows:

Financial Reports

- The Audit Committee has audited the quarterly financial information and the financial statements of the year 2017 which have been audited and examined by the auditor. The Audit Committee also invited the executives and the auditor to discuss the audit prior to approval of the financial reports, adjusted entries which significantly affect the financial statements and sufficiency of information disclosure.
- The Audit Committee has approved the reports prepared by the accounting and financial management that these financial reports are in accordance with Thai Financial Reporting Standards and of appropriate accuracy in significant essence and sufficient disclosure of appropriate, complete and reliable information, and the selection of accounting policy of the company is reasonable.

Internal Control and Audit System

Risk Management and Good Corporate Governance

- The Audit Committee has audited to ensure that the company has an efficient and effective internal control system by considering the reports on the internal audit and monitoring the results from the internal auditor on quarterly basis in accordance with the approved plan which covers the major work system of the company. Useful advice has been provided for the benefit of the internal control system improvements. In addition, the Audit Committee has reviewed the company's internal control system on the basis of COSO 2013, which has been revised by the Office of the Securities and Exchange Commission. However, no significant weakness or fault has been found, which affirms the efficiency and reliability of the internal control system.
- The Audit Committee is of an opinion that the company has appropriate, efficient and effective internal control system.
- The Audit Committee has supervised the internal audit operations by auditing the scope of work, duties and responsibilities, and independency to ensure that the internal audit operations have been performed properly and effectively. Furthermore, the Audit Committee has approved the annual audit plan proposed by the internal auditor which has been made based on the level of risks, and the plan has been adjusted in accord with the changing risks. Also, the Audit Committee has followed up the progress of the operations under the internal audit plan.
- The Audit Committee is of an opinion that the company's internal audit system has been operated appropriately, independently and effectively. The internal auditor has performed his/her duties within the indicated goals.

Regulatory Compliance

- The Audit Committee has reviewed the company's operations to ascertain compliance with the laws on securities and the stock market, the regulation of the Office of the Securities and Exchange Commission, the requirement of the Stock Exchange of Thailand and the Capital Market Commission, and other laws related to the company's business as well as the company's obligations with the third parties.
- The Audit Committee has to found any significant issues of violation of such laws and requirements.

Connected Transactions

Acquisition and Disposition of Assets

- The Audit Company has considered the transactions made between the company and related persons or juristic persons or the transactions which may cause the conflicts of interest with the company under the principles and practices indicated by the Office of the Securities and Exchange Commission, the requirement of the Stock Exchange of Thailand and the Capital Market Commission, and other related authorities to ensure that the said transactions are reasonable and most beneficial for the company.
- The Audit Committee has agreed on the report proposed by the chief of financial and accounting operations that the connected trading transactions or financial assistance transactions have been performed under the normal business conditions which are generally acceptable, fair and beneficial for the company. In addition, the



significant transactions have been disclosed in the financial statements and the notes to the financial statements correctly and completely.

External Auditor

- The Audit Committee has considered and assessed the independency and performance of the external auditor in 2017 and found that the overall operations are satisfactory and appropriately independent.

- The Audit Committee has agreed to propose the Board of Directors to request for an approval of the shareholders' meeting to appoint the auditor from Siam Truth Auditing Co., Ltd. as the company's auditor for 2017.

The total audit fee is 1,450,000 Baht.

Overall Opinions and Observations

- In performing its duties, the Audit Committee has employed its knowledge, ability, carefulness, and independency without limitations in acquisition of information, resources and cooperation provided by the management, the employees and related persons. Also, the Audit Committee has expressed its opinions and given advice straightforwardly for the equal benefit of all interested parties.

On behalf of the Audit Committee

(Associate Professor Pachara Pacharavanich)

President of the Audit Committee



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Bangkok 10310, Thailand
Telephone 02 275 9599, 094 559 3894
<http://www.siamtruth.com>

AUDITOR'S REPORT

To the Shareholders of Synergetic Auto Performance Public Company Limited

Opinion

I have audited the accompanying financial statements of Synergetic Auto Performance Public Company Limited ("the Company"), which comprise the statement of financial position as at December 31, 2017, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Synergetic Auto Performance Public Company Limited as at December 31, 2017, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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 Company in accordance with the Code of Ethics for Professional Accounts issued by the Federation of Accounting Professions under the Royal Patronage of his Majesty the King that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

Key Audit Matters

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

<i>The key audit matter</i>	<i>Audit procedures</i>
<i>Rented vehicles – determining of residual value and the existence of rented vehicles</i> The Company has a number of vehicles providing for rental as operating lease with a variety of types, models and brands as for customer need. Most of rented vehicles are in possession of customers distributing in the regions of Thailand with the rental period of daily, monthly and yearly. For the calculation of depreciation, which is main service cost for rental business, the management has made the judgement to determine the depreciable residual value of rented vehicles retired by estimating from the expected salable price less cost to make the sale.	Other than making the inquiries, the audit procedures included sampling test as follows: <ul style="list-style-type: none">- testing of internal control relates to the assets system;- assessing the process of estimation for residual value and costs to make the sale;- testing the information regarding to estimation for residual value with disposal information from past experience and external sources;- testing the revision of estimation for residual value;



<i>The key audit matter</i>	<i>Audit procedures</i>
<p>As at December 31, 2017, rented vehicles has the carrying amount of Baht 7,869.58 million and related depreciation for the year ended December 31, 2017 is of Baht 904.33 million as disclosed in note 12.</p> <p>I have identified that the mentioned above to be the key audit matters as its high value is material to the overall of financial statements. For the appropriateness of the management's judgement using in determining the depreciable residual value of rented vehicles retired, which directly affects to the depreciation and the estimation of expected salable price of rented vehicles retired, depends on the second-hand market price which is fluctuating according to the automotive industry, including the efficiency of control and tracking system of rented vehicles covering the maintenance and repair.</p>	<ul style="list-style-type: none"> - testing the control and tracking system of rented vehicles; - testing the system of maintenance and repair information occurred during the year; - physical inspecting all of rented vehicles with the rental report and observation report at end of period; - testing the calculation of depreciation for the year.
<p><i>Recognition of revenue from service rendered</i></p> <p>The Company has a number of revenue from rental under the vehicle operating leases, which is significant high value transaction. The rental agreement has a variety rental conditions such as rental period, payment terms, rental and discount. For the year ended December 31, 2017, revenue from service rendered is of Bath 1,681.63 million as disclosed in note 27.</p> <p>I have identified that the mentioned above to be the key audit matters as its high value is significant to the financial statements. In addition, a variety of rental conditions affects to the complex operations and revenue recognition.</p>	<p>Other than making the inquiries, the audit procedures for revenue from service rendered included sampling test as follows:</p> <ul style="list-style-type: none"> - assessing the efficiency, testing the information system and test of internal control relates to the revenue system; - testing revenue report and revenue recognition with the rental conditions specified in rental agreement, including supporting documents as invoices and receipts; - analytical the information relating to revenue transactions to examine the errors that may occurred especially generated from journal voucher; - reviewing credit notes issued after reporting period; - comparing the revenue report with the vehicles register; - sending the outstanding confirmations to trade receivables.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the 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 Company 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.

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.

Kraisit Silapamongkonkul
Certified Public Accountant
Registration No.9429

Siam Truth Audit Company Limited
Bangkok, February 27, 2018

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

Baht

	Note	2017	2016
Assets			
Current assets			
Cash and cash equivalents	5	40,170,828	6,698,549
Current investments	6	3,397,933	-
Trade and other receivables	4, 7	201,810,258	185,425,792
Inventories	8	66,417,703	18,536,287
Other current assets	4, 9	251,151,342	108,498,454
Total current assets		562,948,064	319,159,082
Non-current assets			
Restricted bank deposits	10	12,954,965	10,075,319
Long-term receivables under finance leases	7	-	1,563,761
Investment property	11	120,790,811	-
Property plant and equipment	4, 12	7,909,911,605	5,929,043,532
Intangible assets		17,523,182	3,690,162
Deferred tax assets	18	28,474,100	-
Other non-current assets		104,460,877	111,071,750
Total non-current assets		8,194,115,540	6,055,444,524
Total assets		8,757,063,604	6,374,603,606

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

Baht

	Note	2017	2016
Liabilities and shareholders' equity			
Current liabilities			
Bank overdraft and short-term loans from financial institutions	13	47,217,432	35,819,000
Trade and other payables	4, 14	131,859,738	249,510,617
Short-term loans from related party	4	-	174,395,522
Current portion of debts	15	1,434,996,352	1,033,033,532
Other current liabilities		15,873,310	13,100,661
Total current liabilities		1,629,946,832	1,505,859,332
Non-current liabilities			
Long-term loans from financial institutions	16	1,311,912,588	295,457,151
Long-term liabilities under finance leases	17	4,400,938,290	3,817,046,705
Deferred tax liabilities	18	-	86,074,787
Employee benefit obligations	19	2,348,976	1,948,743
Other non-current liabilities		6,497,970	4,202,107
Total non-current liabilities		5,721,697,824	4,204,729,493
Total liabilities		7,351,644,656	5,710,588,825
Shareholders' equity			
Share capital	20		
Authorized share capital			
660,000,000 ordinary shares in year 2017, Baht 0.50 par value and 330,000,000 ordinary shares in year 2016, Baht 1 par value		330,000,000	225,000,000
Issued and paid-up share capital			
660,000,000 ordinary shares in year 2017 and 225,000,000 ordinary shares in year 2016, fully paid-up		330,000,000	225,000,000
Premium on share capital		510,951,425	-
Retained earnings			
Appropriated - legal reserve	22	11,030,857	3,491,357
Unappropriated	21	553,436,666	435,523,424
Total shareholders' equity		1,405,418,948	664,014,781
Total liabilities and shareholders' equity		8,757,063,604	6,374,603,606



SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

Baht

	Note	2017	2016
Revenue from sales and services	4	2,112,120,119	1,437,326,585
Cost of sales and services	4, 23	(1,661,121,398)	(1,126,677,207)
Gross profit		450,998,721	310,649,378
Other income	4	29,793,844	22,110,885
Selling and service expenses	4, 23	(33,915,612)	(19,394,416)
Administrative expenses	4, 23	(110,243,977)	(66,056,576)
Finance costs	4, 24	(246,114,522)	(157,776,888)
Profit before income tax		90,518,454	89,532,383
Tax income (expense)	26	60,271,549	(19,705,241)
Profit for the year		150,790,003	69,827,142
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial gains	19	1,322,913	-
Income tax relating to items that will never be reclassified to gains or loss	26	(264,583)	-
Other comprehensive income - net of tax		1,058,330	-
Total comprehensive profit		151,848,333	69,827,142
Earnings per share			
Basic earnings per share	3	0.25	0.16
Weighted average number of ordinary shares (shares)		611,095,890	450,000,000

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

		Issued and paid-up share capital	Premium on share capital	Retained earnings	Total
	Note			Legal reserve	Unappropriated
					shareholders' equity
Beginning balance as at January 1, 2016		225,000,000	-	-	369,187,639
Legal reserve	22	-	-	3,491,357	(3,491,357)
Total comprehensive income		-	-	-	69,827,142
Ending balance as at December 31, 2016		225,000,000	-	3,491,357	435,523,424
Increase in ordinary shares	20	105,000,000	510,951,425	-	-
Dividend paid	21	-	-	-	(26,395,591)
Legal reserve	22	-	-	7,539,500	(7,539,500)
Total comprehensive income		-	-	-	151,848,333
Ending balance as at December 31, 2017		330,000,000	510,951,425	11,030,857	553,436,666
					1,405,418,948

The accompanying notes are an integral part of these financial statements.



SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Baht

	2017	2016
Cash flows from operating activities		
Profit before income tax	90,518,454	89,532,383
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities		
Depreciation and amortization	914,551,719	595,904,309
Interest income	(1,163,443)	(201,003)
Interest expenses	245,742,082	157,384,041
Doubtful accounts	226,278	943,612
Loss on impairment of assets (reversal)	(1,119,744)	2,926,352
Unrealized gain from revaluation of current investments	(3,547)	-
Loss on devaluation of inventories (reversal)	-	1,389,256
(Gain) loss on sales of assets	(7,328)	248,206
Cash flow before changes in working capital	1,248,744,471	848,127,156
Changes in working capital		
Trade and other receivables	(16,610,745)	(92,825,204)
Receivables under finance leases	1,563,761	(1,110,437)
Inventories	398,621,111	290,852,665
Other current assets	(142,652,888)	(50,367,022)
Restricted bank deposits	(2,879,646)	(4,566,087)
Other non-current assets	(1,596,111)	(2,172,820)
Trade and other payables	(136,285,324)	(111,527,862)
Other current liabilities	2,772,650	7,510,696
Provisions incurred from employee benefit obligations	1,723,146	555,479
Other non-current liabilities	2,295,863	1,714,170
Cash generated from the operations	1,355,696,288	886,190,734
Income interest	1,163,443	201,003
Income tax refunded	20,498,679	-
Income tax paid	(70,033,761)	(42,799,976)
Net cash provided by operating activities	1,307,324,649	843,591,761

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Baht

	2017	2016
Cash flows from investing activities		
Purchase of current investments	(334,041,000)	-
Sale of current investments	330,646,614	-
Purchase of plant and equipment	(1,507,252,301)	(289,413,468)
Sales of assets	28,410	14,984
Purchase of intangible assets	(14,619,244)	(2,315,800)
Net cash used in investing activities	(1,525,237,521)	(291,714,284)
Cash flows from financing activities		
Increase in bank overdraft and short-term loans from financial institutions	11,398,432	35,819,000
Proceeds from short-term loans from related party	113,000,000	448,507,174
Repayment of short-term loans from related party	(287,395,522)	(389,507,174)
Proceeds from long-term loans from financial institutions	1,295,565,242	341,116,545
Repayment of long-term loans from financial institutions	(60,692,155)	(19,202,019)
Repayment of liabilities under finance leases	(1,139,135,619)	(833,524,264)
Interest paid	(271,570,088)	(144,505,940)
Increase in ordinary shares	615,951,425	-
Dividend paid	(25,736,564)	-
Net cash provided by (used in) financing activities	251,385,151	(561,296,678)
Net increase (decrease) in cash and cash equivalents	33,472,279	(9,419,201)
Cash and cash equivalents at the beginning of the year	6,698,549	16,117,750
Cash and cash equivalents at the end of the year	40,170,828	6,698,549

Additional details of non-cash items

1. The Company had transferred car for rent to inventories at net book value in the amount of Baht 391.57 million (year 2016: Baht 303.65 million).
2. The Company purchased cars for rent at cost in the amount of Baht 3,421.92 million (year 2016: Baht 3,400.83 million) by cash payment in the amount of Baht 1,471.54 million (year 2016: Baht 275.33 million), by payable for purchase of assets in the amount of Baht 43.80 million (year 2016: Baht 122.04 million) and by entering into a finance lease agreement for the remainder.



SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

Synergetic Auto Performance Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 149 Moo 3, Theparak, Muang Samutprakarn, Samutprakarn. As at December 31, 2017, the Company had 8 branches in Bangkok and upcountry.

The principal activities of the Company are a provider of car rental business and selling of used cars, including related car maintenance services.

These financial statements have been approved for issue by the Board of Directors of the Company on February 27, 2018.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), including the related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements are presented in Thai Baht, which is the Company’s functional currency. The preparation of these financial statements is in Thai and English language and issued for Thai reporting purposes.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Adoption of new and revised Thai Financial Reporting Standards

The FAP has issued the notifications, mandating the use of new and revised Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Standard Interpretations (“TSIC”), Thai Financial Reporting Interpretations (“TFRIC”) (revised 2016) and accounting guidance (“AG”), which its accounting period beginning on or after January 1, 2017 as follows:

TAS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows

TAS

TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Certain Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

TFRS

TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources

**TFRS**

TFRS 8 (revised 2016)
TFRS 10 (revised 2016)
TFRS 11 (revised 2016)
TFRS 12 (revised 2016)
TFRS 13 (revised 2016)

Topic

Operating Segments
Consolidated Financial Statements
Joint Arrangements
Disclosure of Interests in Other Entities
Fair Value Measurement

TSIC

TSIC 10 (revised 2016)

TSIC 15 (revised 2016)
TSIC 25 (revised 2016)

TSIC 27 (revised 2016)

TSIC 29 (revised 2016)
TSIC 31 (revised 2016)

TSIC 32 (revised 2016)

Topic

Government Assistance - No specific Relation to Operating Activities

Operating Leases-Incentives
Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Evaluating the Substance of Transactions Involving the Legal Form of a Lease

Service Concession Arrangements : Disclosures
Revenue - Barter Transactions Involving Advertising Services

Intangible Assets - Web Site Costs

TFRIC

TFRIC 1 (revised 2016)

TFRIC 4 (revised 2016)
TFRIC 5 (revised 2016)

TFRIC 7 (revised 2016)

TFRIC 10 (revised 2016)
TFRIC 12 (revised 2016)
TFRIC 13 (revised 2016)
TFRIC 14 (revised 2016)

TFRIC 15 (revised 2016)
TFRIC 17 (revised 2016)
TFRIC 18 (revised 2016)
TFRIC 20 (revised 2016)
TFRIC 21 (revised 2016)

Topic

Changes in Existing Decommissioning, Restoration and Similar Liabilities

Determining whether an Arrangement contains a Lease
Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies

Interim Financial Reporting and Impairment
Service Concession Arrangements
Customer Loyalty Programmes
TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Agreements for the Construction of Real Estate
Distributions of Non - cash Assets to Owners
Transfers of Assets from Customers
Stripping Costs in the Production Phase of a Surface Mine
Levies

AG**Topic**

Accounting guidance for derecognition of financial assets and financial liabilities

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

New and revised Thai Financial Reporting Standards not yet effective

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

The management of the Company is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**The measurement bases used in preparing the financial statements**

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenues

Revenue excludes value added taxes is arrived at after deduction of trade discounts.

Revenue for rental from operating leases

Revenue from rental is recognized to the statement of comprehensive income by the straight-line method over the term of the agreement.

Revenue from sales of goods

Revenue is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Interest income

Interest income is recognized as income on an accrual basis, based on the effective rate method.

Other income

Other income is recognized on an accrual basis.



Expenses

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.

Finance 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.

The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Expenses are recognized on an accrual basis.

Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees and presented as a deduction against the related loan account and amortized using the effective rate method.

Employee benefits

Short-term benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits – defined contribution plan

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund and obligations to defined contribution plan are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits – defined benefit plan

The employee benefit obligations in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Company through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes actuarial gains (losses) immediately in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents are cash on hand, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity excluded deposits at bank on obligation.

Current investments

Current investments are the investment in the marketable securities which are stated at fair value as at the end of reporting period. Any changes in value are recognized in the statement of comprehensive income.

The fair value of investment units is determined from their net asset values.

Gains and losses on disposals of investments are recorded upon disposals. The cost of securities on disposal is first-in, first-out cost method.

Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The Company records allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables.

In determining an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of inventories are calculated by first-in, first-out method.

The cars for rent under operating leases are transferred to inventories when ceased to rent and held for sale. These are measured lower of book value at that date or net realizable value.

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

Net realizable value is the estimated selling price in the normal course of business less the costs to make the sale.

A provision for devaluation of inventories is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Finance lease

The Company recognized finance leases as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods



during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Investment property

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

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

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalised borrowing costs.

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

Depreciation is included in determining income and no depreciation is provided on land and construction in progress.

Subsequent costs

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

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

Property, plant and equipment

Owned assets

Land is stated at cost, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expenses in profit or loss.

Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

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

Depreciation

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

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

Buildings improvements	3 and 5	years
Cars for rent and vehicles	5	years
Office equipment	5	years
Tools	5	years

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

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

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

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate.

The cars for rent had an objective to lease and sell. Therefore, the cars which have not yet been sold, then the assets are for service and recorded in "Equipment" and are depreciated over their useful lives as above mentioned and recorded in "Cost of services" until they are changed the objective to sell, then they will be stop the depreciation and will be reclassified to "Inventories" at the net book value. The Company will



recognize the cost of sales at the net book value (cost less accumulated depreciation and allowance for impairment) on the disposed date in the statement of comprehensive income in the period in which they are incurred.

Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

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

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Software	5 and 10	years
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No amortization is provided on assets under development.

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

Impairment

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

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

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value

using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

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

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

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Income tax

Income tax expense for the year comprises current and deferred tax.

Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Premium on share capital

According to the Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("Premium on share capital"). Share premium is not available for dividend distribution.

Dividends

Dividend and interim dividend payment are recorded in the financial statements in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

Basic earnings per share

Basic earnings per share for the years ended December 31, 2017 and 2016 is calculated by dividing profit for the years by the weighted average number of ordinary shares issued during the years, after adjusting the number of ordinary shares to reflect the impact of the changing the par value (see notes 20). The prior year's basic earnings per share have been recalculated as if the changing the par value had been distributed at the beginning of the earliest period reported.

For the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Profit for the years (Baht)	150,790,003	69,827,142
Weighted average number of ordinary shares (shares)		
Issued ordinary shares at the beginning of the year	450,000,000	450,000,000
Effect of shares issued	161,095,890	-
Weighted average number of ordinary shares	611,095,890	450,000,000
Basic earnings per share (Baht)	0.25	0.16

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 Company applied 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 Company measured fair value using valuation techniques that are appropriate in the circumstances and maximizes 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 categorized within the fair value hierarchy into three levels based on categorize 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 Company determined 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. TRANSACTIONS WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships or close members of the family of management. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

Significant transactions with related parties for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	2017	2016
Revenue from services		
Toyota @ United Company Limited	1,827,084	2,335,783
Thai smile Leasing Company Limited	1,630,800	1,969,600
Revenue from sales		
Toyota @ United Company Limited	261,682	-
Toyota @ United Used Car Company Limited	2,337,383	14,495,327
Other income		
Toyota @ United Company Limited	115,674	485,488
Toyota @ United Used Car Company Limited	16,355	20,280
Thaismile Leasing Company Limited	14,019	6,542
Purchase of cars		
Toyota @ United Company Limited	3,152,661,828	3,062,274,896
Toyota @ United Used Car Company Limited	2,542,056	-
Siam Nissan P2M Company Limited	3,071,828	44,623,877
Purchase of spare parts and equipment		
P2M Energy Company Limited	777,619	571,896
Siam Nissan P2M Company Limited	-	55,978
SMP Global Trading Company Limited	2,342,700	3,334,100
Repair and maintenance expenses		
Toyota Premium Phitsanulok Company Limited	230,999	42,815
Toyota @ United Company Limited	14,207,525	12,401,175
Toyota Phitsanulok Toyota's Dealer Company Limited	727,764	719,709
P2M Energy Company Limited	317,310	251,469
Siam Nissan P2M Company Limited	58,452	21,041



		<i>Baht</i>
	2017	2016
Office rental and other service expenses		
Toyota @ United Company Limited	5,394,660	3,334,320
P2M Energy Company Limited	29,200	-
SMP Global Trading Company Limited	4,047,239	2,495,894
Mrs. Parinda Vongvitavat	1,842,000	1,842,000
Consultant fee		
Toyota @ United Company Limited	-	350,000
Interest expense		
Toyota @ United Company Limited	2,639,948	11,762,301

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2017 and 2016 consisted of:

		<i>Baht</i>
	2017	2016
Short-term benefits	11,034,247	6,686,620
Long-term benefits	654,523	146,419
Total	11,688,770	6,833,039

Directors' remuneration

Directors' remuneration represents benefits paid to the directors of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the years ended December 31, 2017 and 2016, the Company paid directors' remuneration in the amount of Baht 2.99 million and Baht 1.43 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2017 and 2016 were as follows:

		<i>Baht</i>
	2017	2016
Trade receivables		
Toyota @ United Company Limited	25,800	2,400
Other receivables		
Toyota @ United Company Limited	214,986	8,410
Thai smile Leasing Company Limited	-	5,000

	<i>Baht</i>	
	2017	2016
Prepaid service expense		
SMP Global Trading Company Limited	2,262,904	1,699,529
Advance payment for inventories		
Toyota @ United Company Limited	-	10,126,957
Trade payables		
Toyota Premium Phitsanulok Company Limited	58,255	20,885
Toyota @ United Company Limited	27,526,878	102,021,545
Toyota Phitsanulok Toyota's Dealer Company Limited	116,838	81,081
P2M Energy Company Limited	226,204	174,437
Siam Nissan P2M Company Limited	1,383,432	2,752,958
SMP Global Trading Company Limited	1,065,264	792,229
Other payables		
Toyota @ United Company Limited	-	33,075,669
Mrs. Parinda Vongvitavat	-	307,000

Short-term loans from related party

Short-term loans from related party as at December 31, 2016 consisted of:

	<i>Baht</i>
Toyota @ United Company Limited	174,395,522

Movements of short-term loans from related party for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	2017	2016
Beginning balance	174,395,522	115,395,522
Increase	113,000,000	448,507,174
Decrease	(287,395,522)	(389,507,174)
Ending balance	-	174,395,522

The Company had short-term loans from Toyota @ United Company Limited by issuing promissory notes, due at call with interest charged at the rate referred to the bank's interest rate and unsecured

Significant agreements

The Company entered into an office buildings rental agreement with related party. The period of rental 3 years started from June 1, 2017 to May 31, 2020 with the fee in the amount of Baht 0.71 million per month.



Co-guarantee for liabilities

As at December 31, 2017, related parties had co-guarantee liabilities as follows:

Toyota @ United Company Limited and directors had co-guarantee for loans from financial institutions and liabilities under finance leases of the Company without compensation (see notes 13, 16 and 17).

Nature of relationship

Name	Country/ Nationality	Relation	Type of relation
Toyota @ United Company Limited	Thailand	Related company	Direct shareholding
Toyota @ United Used Car Company Limited	Thailand	Related company	Common shareholder and/or director
P2M Energy Company Limited	Thailand	Related company	Common shareholder and/or director
Siam Nissan P2M Company Limited	Thailand	Related company	Close members of the family of management and/or shareholder
Toyota Phitsanulok Toyota's Dealer Company Limited	Thailand	Related company	Close members of the family of management and/or shareholder
Toyota Premium Phitsanulok Company Limited	Thailand	Related company	Close members of the family of management and/or shareholder
SMP Global Trading Company Limited	Thailand	Related company	Close members of the family of management and/or shareholder
Thaismile Leasing Company Limited	Thailand	Related company	Close members of the family of management and/or shareholder
Mrs. Parinda Vongvitavat	Thai	Related person	Shareholder and director

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Rendering of purchase	Referred to market price
Rendering of selling of used cars	Referred to market price or bid price
Rendering of service	Stipulate in the agreement
Building rental and other service expenses	Stipulate in the agreement
Consultant fee	Stipulate in the agreement
Interest expense	Referred to the bank's interest rate.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Cash	545,000	458,000
Cash at banks	39,625,828	6,240,549
Total	40,170,828	6,698,549

6. CURRENT INVESTMENTS

Current investments as at December 31, 2017 consisted of:

	<i>Baht</i>		
	Cost	Fair value	Unrealized gain
Trading investment			
Fixed income fund	3,394,386	3,397,933	3,547

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Trade receivables		
Operating leases	192,700,424	172,571,310
Finance leases	1,808,543	2,269,732
Selling of used cars	1,433,800	-
Total	195,942,767	174,841,042
Less Allowance for doubtful accounts	(692,507)	(658,700)
Trade receivables - net	195,250,260	174,182,342
Other receivables	7,040,065	11,531,046
Less Allowance for doubtful accounts	(480,067)	(287,596)
Other receivables - net	6,559,998	11,243,450
Trade and other receivables - net	201,810,258	185,425,792

As at December 31, 2017 and 2016, the Company had outstanding balances of trade receivables aged by number of months as follows:

	<i>Baht</i>	
	2017	2016
Current	82,397,714	94,971,146
Overdue		
Not over 3 months	107,219,695	70,398,419
Over 3 months up to 6 months	3,733,328	4,522,930
Over 6 months up to 12 months	1,906,860	4,650,295
Over 12 months	685,170	298,252
Total	195,942,767	174,841,042

As at December 31, 2017 and 2016, the Company had a minimum amount to be received in the future under operating leases, as follows:

	<i>Millions Baht</i>	
Year	2017	2016
1	1,625.76	1,201.33
2 - 5	3,324.48	2,548.33
Total	4,950.24	3,749.66

Receivables under finance leases as at December 31, 2017 and 2016 consisted of:

	2017			2016		
	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
Year						
1	1,808,543	187,827	1,996,370	2,269,732	788,949	3,058,681
2 - 5	-	-	-	1,563,761	187,827	1,751,588
Total	1,808,543	187,827	1,996,370	3,833,493	976,776	4,810,269

The Company entered into the finance lease agreements for selling of cars, receivable monthly in the amount of Baht 0.17 million (year 2016: Baht 0.17 million). The current portion of receivables under finance leases in the amount of Baht 1.81 million (year 2016: Baht 2.27 million) was presented in trade receivables.

Movements of allowance for doubtful accounts for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	2017	2016
Beginning balance	946,296	2,684
Add Doubtful accounts	226,278	943,612
Ending balance	1,172,574	946,296

8. INVENTORIES

Inventories as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
New cars	44,343,047	-
Used cars	22,061,612	19,851,615
Parts	441,305	73,928
Total	66,845,964	19,925,543
Less Allowance for devaluation of inventories	(428,261)	(1,389,256)
Inventories - net	66,417,703	18,536,287

As at December 31, 2017, the carrying amount of inventories of Baht 11.63 million was pledged as collateral for liabilities under finance lease (year 2016: Baht 3.21 million) (see note 17).

Movements of allowance for devaluation of inventories accounts for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	2017	2016
Beginning balance	1,389,256	-
Add (Less) Loss on devaluation of inventories (reversal)	(960,995)	1,389,256
Ending balance	428,261	1,389,256



9. OTHER CURRENT ASSETS

Other current assets as at December 31, 2017 and 2016 consisted of:

		<i>Baht</i>
	2017	2016
Prepaid expenses	101,266,989	57,869,887
Advance payment for goods	-	10,126,957
Value added tax pending for credit	146,339,928	40,417,570
Others	3,544,425	84,040
Total	<u>251,151,342</u>	<u>108,498,454</u>

10. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2017 and 2016 consisted of:

		<i>Baht</i>	
Cash at banks	2017	2016	Guarantee
Savings / fixed deposits	<u>12,954,965</u>	<u>10,075,319</u>	Credit line for letter of guarantee / bank overdraft / performance guarantee

As at December 31, 2017, the Company had credit line for letter of guarantee issued by the financial institution of Baht 209 million (year 2016: Baht 160 million).

11. INVESTMENT PROPERTY

Movements of investment property for the year ended December 31, 2017 consisted of:

		<i>Baht</i>		
	Note	Land	Constuction in progress	Total
Cost				
At January 1, 2017		-	-	-
Increase / transfer in		-	-	-
Transfer in - Plant, property and equipment	12	106,801,020	13,989,791	120,790,811
Disposals / transfer out		-	-	-
At December 31, 2017		<u>106,801,020</u>	<u>13,989,791</u>	<u>120,790,811</u>
Accumulated depreciation				
At January 1, 2017		-	-	-
Depreciation / transfer in		-	-	-
Disposals / transfer out		-	-	-
At December 31, 2017		<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
At December 31, 2017		<u>106,801,020</u>	<u>13,989,791</u>	<u>120,790,811</u>

Investment property of the Company with its carrying amount of Baht 106.80 million were appraised with the appraisal value of Baht 110.13 million by World Valuation Co., Ltd., an independent appraiser engaged by the Company. The appraisal was based on market approach in accordance with professional standards of the Valuers Association of Thailand as per their appraisal reports dated August 8, 2016.



12. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, 2017 and 2016 were as follows:

	Note	Land	Buildings improvements	Cars for rent and vehicles	Office equipment	Tools	Construction in progress	<i>Baht</i> Total
Cost								
At January 1, 2016		112,690,096	-	4,206,494,754	3,329,512	1,191,959	1,395,000	4,325,101,321
Purchases / transfer in		-	4,371,120	3,407,717,782	4,055,839	106,112	3,001,112	3,419,251,965
Disposals / transfer out		-	(329,500)	(661,519,698)	(17,055)	-	(2,367,830)	(664,234,083)
At December 31, 2016		112,690,096	4,041,620	6,952,692,838	7,368,296	1,298,071	2,028,282	7,080,119,203
Purchases / transfer in		-	5,912,663	3,431,673,363	3,399,870	284,734	22,864,057	3,464,134,687
Transfer out - Investment property	11	(106,801,020)	-	-	-	-	(13,989,791)	(120,790,811)
Disposals / transfer out		-	(34,100)	(900,372,789)	(491,876)	-	(4,504,125)	(905,402,890)
At December 31, 2017		5,889,076	9,920,183	9,483,993,412	10,276,290	1,582,805	6,398,423	9,518,060,189
Accumulated depreciation								
At January 1, 2016		-	-	917,235,750	1,776,153	582,135	-	919,594,038
Depreciation		-	642,944	593,952,396	786,574	239,018	-	595,620,932
Disposals / transfer out		-	(80,873)	(367,648,029)	(2,498)	-	-	(367,731,400)
At December 31, 2016		-	562,071	1,143,540,117	2,560,229	821,153	-	1,147,483,570
Depreciation		-	1,680,563	907,208,100	1,456,176	220,510	-	910,565,349
Disposals / transfer out		-	-	(451,901,897)	(470,795)	-	-	(452,372,692)
At December 31, 2017		-	2,242,634	1,598,846,320	3,545,610	1,041,663	-	1,605,676,227

	Land	Buildings improvements	Cars for rent and vehicles	Office equipment	Tools	Construction in progress	<i>Baht</i> Total
Allowance for impairment							
At January 1, 2016	-	-	665,749	-	-	-	665,749
Loss from impairment	-	-	3,592,101	-	-	-	3,592,101
Reversal of loss from impairment	-	-	(665,749)	-	-	-	(665,749)
At December 31, 2016	-	-	3,592,101	-	-	-	3,592,101
Loss from impairment	-	-	1,534,348	-	-	-	1,534,348
Reversal of loss from impairment	-	-	(2,654,092)	-	-	-	(2,654,092)
At December 31, 2017	-	-	2,472,357	-	-	-	2,472,357
Net book value							
At December 31, 2016	112,690,096	3,479,549	5,805,560,620	4,808,067	476,918	2,028,282	5,929,043,532
At December 31, 2017	5,889,076	7,677,549	7,882,674,735	6,730,680	541,142	6,398,423	7,909,911,605



	<i>Millions Baht</i>	
	2017	2016
Depreciation for the years ended December 31, were included in		
- Cost of sales and services	907.45	594.32
- Selling and administrative expenses	3.12	1.30
Total	910.57	595.62
At December 31, The gross carrying amount of fully depreciated equipment that is still in use	1.65	1.41
Transferred cars for rent to inventories at net book value for the years ended December 31,	391.57	303.65
At December 31, The net book value of cars for rent under obligation were as follows:		
- Loans from financial institutions (see notes 13 and 16)	1,472.14	273.94
- Finance leases (see note 17)	6,061.75	5,350.43
Total	7,533.89	5,624.37

During the year 2017 and 2016, the Company had reviewed and changed the residual value of cars for rent in a certain model to consistent with the expected recoverable amount from sale of those assets. The result of changes affect to the decrease in depreciation for the year ended December 31, 2017 in the amount of Baht 3.32 million (year 2016: increase in the amount of Baht 0.75 million).

The car registrations were pledged as collateral for the credit facilities from the financial institution (see notes 13 and 16).

13. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short-term loans from financial institutions as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Bank overdraft	8,132,932	-
Promissory notes	39,084,500	35,819,000
Total	47,217,432	35,819,000

The details of the short-term loans from financial institutions as at December 31, 2017 and 2016 as follows:

Financial institutions	Type of credit	Credit line (Million Baht)		Referred interest rate
		2017	2016	(Percent)
Bank	Bank overdraft	15	5	MOR
Bank	Promissory notes	50	50	MLR
Bank	Letter of guarantee	140	160	

The car registrations were pledged as collateral for the mentioned loans (see note 12) In addition, Toyota @ United Company Limited and directors had co-guaranteed the credit line of term loans from financial institutions and letter of guarantee issued by the bank. (see note 4).

14. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Trade payables	89,710,752	190,977,329
Other payables		
Accrued expenses	33,612,843	55,312,342
Others	8,536,143	3,220,946
Total	42,148,986	58,533,288
Grand total	131,859,738	249,510,617

15. CURRENT PORTION OF DEBTS

Current portion of debts as at December 31, 2017 and 2016 consisted of:

		<i>Baht</i>	
	Note	2017	2016
Loans from financial institution	16	253,513,696	35,096,046
Liabilities under finance leases	17	1,181,482,656	997,937,486
Total		1,434,996,352	1,033,033,532

16. LOANS FROM FINANCIAL INSTITUTION

Loans from financial institution as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Loans from financial institution	1,565,426,284	330,553,197
Less Current portion	(253,513,696)	(35,096,046)
Long-term loans from financial institution	1,311,912,588	295,457,151



The details of the loans were summarized as follows:

Financial institutions	Credit line		<i>Millions Baht</i> Principal		Period	Referred interest rate (Percent)	Repayment
	2017	2016	2017	2016			
Bank	200	200	173.53	139.41	Sep 2016 - Jun 2022	MLR	Monthly principal repayment as follows: Period 1 - 59 monthly principal repayment with interest Baht 2.76 million each Period 60 repayment for the remainder.
Bank	1,277	120	619.70	111.46	Jul 2016 - Apr 2023	MLR	Monthly principal repayment Baht 0.24 - 22.29 million each
Bank	338	138	272.55	79.68	Aug 2016 - Jul 2024	MLR	Monthly principal repayment as follows: Period 1 - 24 monthly principal repayment Baht 2.46 million each Period 25 - 48 monthly principal repayment Baht 3.46 million each Period 49 - 72 monthly principal repayment Baht 2 million each Period 73 - 95 monthly principal repayment Baht 2.50 million each Period 96 repayment for the remaining amount
Bank	524	-	3.44	-	Aug 2017 - Sep 2020	MLR	Monthly principal repayment as follows: Period 1 - 35 monthly principal repayment Baht 0.07 million each Period 36 repayment for the remaining amount
			71.94	-	Nov 2017 - Nov 2021	MLR	Monthly principal repayment as follows: Period 1 - 46 monthly principal repayment Baht 1.20 million each Period 47 repayment for the remaining amount
			24.89	-	Jul 2017 - Dec 2021		Monthly principal repayment as follows: Period 1 - 47 monthly principal repayment Baht 0.42 million each Period 48 repayment for the remaining amount
			138.66	-	Jul 2017 - Dec 2022		Monthly principal repayment as follows: Period 1 - 59 monthly principal repayment Baht 1.95 million each Period 60 repayment for the remaining amount

Financial institutions	Credit line		<i>Millions Baht</i>		Period	Referred interest rate (Percent)	Repayment
	2017	2016	2017	2016			
Bank	290	-	42.87	-	Oct 2017 - Nov 2020	MLR	Monthly principal repayment as follows: Period 1 - 35 monthly principal repayment Baht 1.22 million each Period 36 repayment for the remaining amount
			9.42	-	Dec 2017 - Oct 2021	MLR	Monthly principal repayment as follows: Period 1 - 46 monthly principal repayment Baht 0.20 million each Period 47 repayment for the remaining amount
			45.52	-	Oct 2017 - Nov 2021	MLR	Monthly principal repayment as follows: Period 1 - 47 monthly principal repayment Baht 0.97 million each Period 48 repayment for the remaining amount
			165.30	-	Oct 2017 - Nov 2022	MLR	Monthly principal repayment as follows: Period 1 - 59 monthly principal repayment Baht 2.81 million each Period 60 repayment for the remaining amount
Total			<u>1,567.81</u>	<u>330.55</u>			

Movements of loans from financial institutions for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	2017	2016
Beginning balance	330,553,197	8,638,671
Increase	1,295,565,242	341,116,545
Decrease	(60,692,155)	(19,202,019)
Ending balance	<u>1,565,426,284</u>	<u>330,553,197</u>

The Company has pledge saving account and mortgaged land including existing construction and to be constructed and delivered the car registration and registered the Secured Transaction as collateral for the loans (see notes 10 and 12). In addition, Toyota @ United Company Limited and directors has co-guaranteed the Company's liabilities (see note 4).



17. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2017 and 2016 consisted of:

				<i>Baht</i>		
				2017		2016
Year	Present value	Deferred interest	Minimum	Present value	Deferred interest	Minimum
			lease payment			lease payment
1	1,181,482,656	200,786,860	1,382,269,516	997,937,486	176,069,699	1,174,007,185
2 - 5	4,400,938,290	312,020,599	4,712,958,889	3,817,046,705	316,481,355	4,133,528,060
Total	5,582,420,946	512,807,459	6,095,228,405	4,814,984,191	492,551,054	5,307,535,245

The Company entered into the finance lease agreements for purchase vehicles (see note 12), payable monthly in the amount of Baht 114.39 million. As at December 31, 2017, the current portion of liabilities under the finance leases in the amount of Baht 1,181.48 million (year 2016: Baht 997.94 million) was presented under current liabilities.

Toyota @ United Company Limited and directors had co-guarantee for liabilities under finance leases (see note 4).

18. DEFERRED TAX

Deferred tax as at December 31, 2017 and 2016 consisted of:

			<i>Baht</i>	
			2017	2016
Deferred tax assets			28,474,100	27,900,041
Deferred tax liabilities			-	(113,974,828)
Deferred tax assets (liabilities) - net			28,474,100	(86,074,787)

Movements in deferred tax assets and deferred tax liabilities during the years were as follows

	At January 1, 2016	Profit (loss)	At December 31, 2016	Adjust prepaid income tax	Profit (loss)	Other comprehensive income (loss)	At December 31, 2017
Deferred tax assets (liabilities)							
Inventories	-	277,851	277,851	-	(192,199)	-	85,652
Other current liabilities	96,449	441,869	538,318	-	435,140	-	973,458
Employee benefit obligations	278,653	111,096	389,749	-	344,629	(264,583)	469,795
Tax loss carry forward	-	26,694,123	26,694,123	(26,694,123)	21,497,045	-	21,497,045
Receivables under finance leases	(169,784)	4,635	(165,149)	-	165,149	-	-
Equipment	(66,574,864)	(47,234,815)	(113,809,679)	81,236,044	38,021,785	-	5,448,150
Total	(66,369,546)	(19,705,241)	(86,074,787)	54,541,921	60,271,549	(264,583)	28,474,100

19. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefit obligations as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Post-employment benefit plan		
Present value of obligations	2,348,976	1,948,743
Employee benefit obligations -		
Include in the statement of financial position	<u>2,348,976</u>	<u>1,948,743</u>

Movements of the present value of employee benefit obligations for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	2017	2016
Post-employment benefit plan		
Employee benefit obligations as at January 1,	1,948,743	1,393,264
Include in profit or loss:		
Current service cost	1,706,322	497,380
Interest cost	16,824	58,099
Defined benefit plan actuarial gains	(1,322,913)	-
Employee benefit obligations as at December 31,	<u>2,348,976</u>	<u>1,948,743</u>

The Company made defined benefit plan in accordance with severance payment as the labour law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

As at December 31, 2017 and 2016 principal actuarial assumptions (expressed as weighted averages) as follows:

	<i>Percent</i>	
	2017	2016
Discount rate	2.68	3.16 - 4.17
Salary increase rate	7	5 - 7
Disability rate	5 of Mortality rate	5 of Mortality rate

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table in year 2008.

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2017 are summarized below:

	<i>Baht</i>	
	Increase	Decrease
Discount rate (1% Movement)	(141,477)	163,949
Salary increase rate (1% Movement)	165,165	(146,152)
Turnover rate (1% Movement)	(152,254)	61,628

20. SHARE CAPITAL

During March 22 - 24, 2017 the Company offered the share capital in the amount of 210 million shares to the public for subscription shares at the offering price of Baht 3.03 per share.

The Company received the proceeds from the public for subscription shares, total amount Baht 636.30 million (the Company recorded expenses for selling increase share capital in the amount of Baht 20.35 million deducted from share premium account).

The Company registered the change in its paid-up share capital from share subscriptions received from Baht 225 million to Baht 330 million with the Ministry of Commerce on March 27, 2017.

The Extraordinary General Meeting of Shareholders held on February 11, 2017, passed the resolutions to approve as follows:

- 20.1 Change the par value from 330 million shares, with the par value of Baht 1 each to 660 million shares, with the par value of Baht 0.50 each.

The Company registered the changing the par value with the Ministry of Commerce on February 14, 2017.

- 20.2 Revise the resolutions of the Extraordinary General Meeting of Shareholders held on July 4, 2016 detailed as follows:

- 20.2.1 Formerly “increase in authorized share capital from Baht 225 million to Baht 330 million by issuing new 105 million ordinary shares with the par value of Baht 1 each”, corrected to

“increase in authorized share capital from Baht 225 million to Baht 330 million by issuing new 210 million ordinary shares with the par value of Baht 0.50 each.”

- 20.2.2 Formerly “Allot new ordinary shares of 105 million shares, with the par value of Baht 1 each for the Initial Public Offering”, corrected to

- 1) Allot new ordinary shares increased not exceeding of 21 million shares, with the par value of Baht 0.50 each for offering to directors and/or management of the Company, concurrently, initial offering to the general public as stated below in No. 2) under the same bases and approach. In the case that there are the remaining allotted shares from offering to directors and/or management of the Company, such remaining shares will be allotted to offer to the public as stated in No. 2).

- 2) Allot new ordinary shares increased not exceeding of 189 million shares, with the par value of Baht 0.50 each, for initial offering to the general public.

The Board of Director of the Company and/or Chief Executive Officer and/or the person represented to those mentioned were assigned to determine the necessary details and



conditions or others relating to such share offering as offering period, offering price, share repayment and the appointment of underwriter, etc.

At the Extraordinary General Meeting of Shareholders held on July 4, 2016, the resolutions were passed as follows:

- 20.3 Convert the Company limited's status to a public company.
- 20.4 Change the par value of share capital from 22.50 million shares at value of Baht 10 each to 225 million shares at value of Baht 1 each.
- 20.5 Increase in authorized share capital from Baht 225 million to Baht 330 million by issuing new 105 million ordinary shares with the par value of Baht 1 each.

The Company registered convert to a public company, change the par value of share capital and increase of its authorized share capital with the Ministry of Commerce on July 28, 2016.

- 20.6 Allot new ordinary shares of 105 million shares, with the par value of Baht 1 each for the Initial Public Offering.

Assign the Board of Directors has the authority to consider other details and conditions related to the allotment of shares, such as the period and price of offering, paid-up share capital and appointment of underwriters.

- 20.7 The Company applying to list its common shares on the Stock Exchange of Thailand.

21. DIVIDEND PAYMENT

At the Board of directors' Meeting held on May 9, 2017, a resolution was passed authorizing the interim dividend payment at the rate of Baht 0.04 per share, totalling Baht 26.40 million.

22. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

23. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Changing of inventories	399,695,032	309,646,813
Depreciation and amortization	914,551,719	595,904,309
Maintenance expenses	150,122,146	106,923,642
Car insurance expenses	109,369,683	76,774,629
Salary, wages and other employee benefits	116,390,139	61,003,581
Car registration fee	25,339,572	24,642,119

24. FINANCE COSTS

Finance costs for the years ended December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Interest expenses	245,742,082	157,384,041
Bank fees	372,440	392,847
Total	246,114,522	157,776,888

25. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company. The Fund is managed by Krung Thai Asset Management Public Company Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. In the year 2017, the Company contributed in the amount of Baht 1.39 million.

26. INCOME TAX

Income tax for the years ended December 31, 2017 and 2016 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Income tax reduction

The Revenue Code Amendment Act (No. 42) B.E. 2559 dated March 3, 2016, grants a reduction of the corporate income tax rate from 30% to 20% of net profit for accounting periods beginning on or after January 1, 2016, which will be effective on March 5, 2016, onwards.

Tax income (expense) for the years ended December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Current tax		
Current year	-	-
Deferred tax		
Movements in temporary differences	60,271,549	(19,705,241)
Tax income (expense)	60,271,549	(19,705,241)

Income tax recognized in other comprehensive income for the year ended December 31, 2017 consisted of:

	<i>Baht</i>
Employee benefit obligations	(264,583)

Reconciliation of effective tax rate

	2017		2016	
	Tax rate		Tax rate	
	(%)	<i>Baht</i>	(%)	<i>Baht</i>
Profit before income tax		90,518,454		89,532,383
Income tax using the corporate tax rate	20	18,103,691	20	17,906,477
Expenses not deductible for tax purposes		2,809,047		1,527,067
Revenues granted income tax exemption		-		(240,114)
Addition expenses deductible for tax purposes		(42,408,442)		(45,887,553)
Tax loss carry forward		21,495,704		26,694,123
Current tax	-	-	-	-
Movement in temporary differences		60,271,549		(19,705,241)
Tax expense	67	60,271,549	22	(19,705,241)

27. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Company operates the business involve 2 principal segments: (1) Car rental and (2) Selling of used cars, and its operations are mainly carried in the same geographic area in Thailand, which are classified by operating income and expenses for the years ended December 31, 2017 and 2016 were as follows:

For the year ended December 31, 2017

			<i>Baht</i>
	Car rental	Selling of used cars	Total
Revenue	1,681,625,376	430,494,743	2,112,120,119
Cost	(1,274,117,448)	(387,003,950)	(1,661,121,398)
Gross profit	407,507,928	43,490,793	450,998,721
Trade receivables as at December 31, 2017	192,700,424	3,242,343	195,942,767
Property, plant and equipment as at December 31, 2017			7,909,911,605
Total assets as at December 31, 2017			8,757,063,604

For the year ended December 31, 2016

	<i>Baht</i>		
	Car rental	Selling of used cars	Total
Revenue	1,133,003,346	304,323,239	1,437,326,585
Cost	(846,844,832)	(279,832,375)	(1,126,677,207)
Gross profit	286,158,514	24,490,864	310,649,378
Trade receivables as at December 31, 2016	172,571,310	3,833,493	176,404,803
Property, plant and equipment as at December 31, 2016			5,929,043,532
Total assets as at December 31, 2016			6,374,603,606

Information about major customers

For the year ended December 31, 2017, the Company has revenue from 2 major customer in the amount of Baht 364.65 million from car rental sector (year 2016: 1 major customer with total amount of Baht 183.03 million).

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2017, the Company had commitments and contingent liabilities as follows:

28.1 Commitments for payment under agreement as follows:

28.1.1 Payment under operating lease agreements in respect of the lease of building, future minimum lease payments under operating leases as follows:

	<i>Millions Baht</i>
Within 1 year	35.28
More than 1 year but not over 5 years	42.04

28.1.2 Payment under construction and service agreement in the amount of Baht 59.97 million

28.1.3 Payment under asset purchase agreement in the amount of EUR 0.04 million.

28.1.4 Payment under service agreement in the amount of Baht 0.39 million per month.

28.2 Letter of guarantee issued by bank in the amount of Baht 209 million (see note 10).

29. FAIR VALUE HIERARCHY

As at December 31, 2017, the company had the assets that were measured or disclosed at fair value using different levels of inputs as follows:

				Baht
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	-	3,397,933	-	3,397,933
Assets for which fair value are disclosed				
Investment property				
Book value amount of Baht 106.80 million	-	110,127,500	-	110,127,500

Valuation techniques and inputs to Level 2 valuation

The fair value of investments in investment units that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

The fair value of land is determined by independent valuers, which was determined on the basis of Market Approach.

During the year, there was not transfer within the fair value hierarchy.

30. SCLOSURE OF FINANCIAL INSTRUMENTS

30.1 Accounting policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in note 3.

30.2 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

30.3 Financial risk management policies

The Company is exposed to the fluctuations in interest rate in the market and the risks from default of the agreement by counterparties. The Company has risk management policies as follows

30.3.1 Interest rate risk

The Company is exposed to interest rate risk that relates primarily to cash at banks, restricted bank deposits, loans from financial institutions and liabilities under finance leases. Since most of the Company's financial assets and financial liabilities carry floating interest rates or have fixed interest rates, which are close to the market rates, the interest rate risk is low.

30.3.2 Credit risk – trade receivables

The Company has a policy to hedge credit risk from trade receivables by forming a conservative credit policy and by determining the receipt from the sales and rental. Therefore, the Company expects that the loss from the collection of those trade receivables should not exceed the allowance for doubtful accounts.

30.4 Fair value

Most of the financial assets are cash and cash equivalents, trade and other receivables, which are short-term credit. Most of the financial liabilities are trade and other payables, short-term loans from related party and loans from financial institution and liabilities under finance leases, which have interest rates close to the market rate, the carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

31. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on February 27, 2018, passed the resolutions to approve stock dividend payment at the rate of 10 existing ordinary shares to 1 new ordinary share, totaling Baht 33 million.

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