

Growth **Future**

Innovation



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Message from the Chairman of the Board



In 2018, the Board of Directors of Synergetic Auto Performance Public Company Limited has been performing its duties under the principle of good corporate governance. We are aware of the roles and responsibilities of the Board as an organization leader in defining the Company's objectives and goals, as well as support the development of the Board's knowledge and recruit top executives to promote innovation and responsible business operations. The risk management

and internal control systems have been properly supervised to maintain financial credibility and accurate disclosure in order to focus on the maximum benefits to the Company and shareholders, as priority.

For the overview of the auto industry, the number of car sales in 2018 totaled 1,040,000 units, which increased more than the estimate of 900,000 units, representing a growth rate of 16.34 percent from 2017, which shall benefit the corporate leased cars business of the Company.

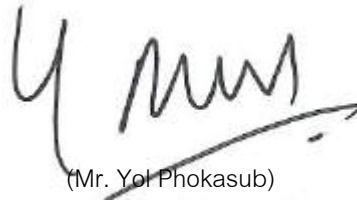
As of 31 December 2018, the Company had a total number of cars of 17,142 units, which increased by 50 percent compared to the total number of cars of 11,395 units as of 31 December 2017. The total number of cars can be classified into number of leased cars by type of business, including long-term leased cars of 14,750 unit, short-term leased cars of 693 units, limousine leased cars of 141 units, leased cars via application of 95 units, lease cars pending delivery to customers of 147 units, replacement cars of 1,295 units, and other cars (cars pending for sales, cars pending scrap claim from insurance companies, etc.) of 21 units. Details are as follows;

- Long-term cars leasing; the Company is a front line company of long-term corporate cars leasing and the Company still maintains a large customer base. The major customers of the Company have continuously expanded the number of leased cars with the Company.

- Short-term cars leasing; currently, the Company has short-term cars leasing branches at seven international airports in Thailand, 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 has expanded channels for foreign tourists to book short-term cars leasing services through travel websites and global car leasing services operators, such as booking.com, rentalcars.com, ZuzuChe and CTrip, causing foreign tourists from Europe and America, as well as Chinese customers who travel in Thailand use more services.
- Cars after contract expiration; the Company has sold cars after contract expiration by selling through an online channel which is the Company's business partner. The Company also sold cars after contract expiration through the Company's own channel in which the Company has established "asap Auto Park" project, which has already started its business operation.
- Cars leasing via application; the Company has developed a new application under "asap app" name, which is an application that not only supports asap go application, but can also use other services of asap business, whether they are short-term car leasing service, long-term car leasing service, limousine car leasing service, as well as second-hand car leasing service. This application shall be officially launched for download by January 2019.
- asap Select franchise; the Company has branched out its business from asap Auto Park by operating as a franchise business, namely asap Select. The Company has targeted to set up 30 franchises throughout Thailand within 5 years. In 2019, the Company shall sign franchise agreements in order to support short-term car leasing service in upcountry areas, especially large cities.

Last of all, on behalf of the Board of Directors, Synergetic Auto Performance Public Company Limited would like to thank the shareholders for their trust in the Company's business operation. 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 in order to balance the benefits of all stakeholders, whether it shall be shareholders, business partners and alliances.

In addition, we would like to take this opportunity to thank all the Management and employees of the Company who have collaborated to perform their duties with diligence and responsibilities in their works, causing the Company to have stable and sustainable growth, as well as continue to achieve organizational goals in the future.

A handwritten signature in black ink, appearing to read 'Yol Phokasub', with a long horizontal stroke extending to the right.

(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 ออโต้ เพอร์ฟอร์แมนซ์ จำกัด (มหาชน)
Company Name (English)	Synergetic Auto Performance Public Company Limited
Business Characteristics	Car Rental Business
Company Registration Number	0107559000371
Authorized share capital	363,000,000.00 Baht
Paid-up share capital	As of 31 December 2018, 362,999,986.00 Baht
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	Thailand Securities Depository Co., Ltd., 93 , Floor 14 Stock Exchange of Thailand Building, Ratchadapisek Road, Din Daeng, Bangkok 10400 Telephone: 02-0099000, Call Center : 02-0099999 E-mail : TSDCallCenter@set.or.th www.set.or.th/tsd
Auditor	Siam Truth Audit Co., Ltd. 338 Preecha Complex Building A, 8th Floor, Ratchadaphisek Road, Samsennok, Huaykwang, Bangkok, 10310, Thailand Telephone : 02-2759599 and 094-559-3894 E-mail : audit@siamtruth.com Mr.Bunjong Pichayaprasat CPA Registration 7147, Miss Khaymanundt Chaichuen CPA Registration 8260, Mr.Kraisit Silapamongkonkul CPA Registration 9429,

Significant Financial Information

1. Tables Summarizing Financial Statements

Statement of Financial Position

Item	As of 31 December					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current assets						
Cash and cash equivalents	6.70	0.11	40.17	0.46	71.71	0.57
Current investments			3.40	0.04	0.67	0.01
Trade and other receivables	185.42	2.91	201.81	2.30	311.25	2.46
Inventories	18.54	0.29	66.42	0.76	7.20	0.06
Other current assets	108.50	1.70	251.15	2.87	403.65	3.19
Total current assets	319.16	5.01	562.95	6.43	794.48	6.29
Non-current assets						
Restricted bank deposits	10.08	0.16	12.96	0.15	15.09	0.12
Long-term receivables under finance leases	1.56	0.02			2.07	0.02
Investment property			120.79	1.38	168.95	1.34
Property, plant and equipment	5,929.04	93.01	7,909.91	90.33	11,386.60	90.09
Intangible assets	3.69	0.06	17.52	0.20	27.30	0.22
Deferred tax assets			28.47	0.33	50.22	0.40
Other non-current assets	111.07	1.74	104.46	1.19	194.79	1.54
Total non-current assets	6,055.44	94.99	8,194.11	93.57	11,845.02	93.71
Total assets	6,374.60	100.00	8,757.06	100.00	12,639.50	100.00

Item	As of 31 December					
	2016		2017		2018	
	ล้านบาท	ร้อยละ	ล้านบาท	ร้อยละ	ล้านบาท	ร้อยละ
Liabilities and shareholders' equity						
Current liabilities						
Bank overdraft and short-term loans from financial institutions	35.82	0.56	47.21	0.54	19.26	0.15
Trade and other payables	249.51	3.91	131.86	1.51	530.15	4.19
Short-term loans from related party	174.40	2.74				
Current portion of debts	1,033.03	16.21	1,435.00	16.39	2,223.01	17.59
Other current liabilities	13.10	0.21	15.87	0.18	18.86	0.15
Total current liabilities	1,505.86	23.62	1,629.94	18.61	2,791.28	22.08
Non-current liabilities						
Long-term loans from financial institutions	295.46	4.63	1,311.91	14.98	2,493.54	19.73
Long-term liabilities under finance leases	3,817.05	59.88	4,400.94	50.26	5,847.68	46.27
Deferred tax liabilities	86.07	1.35				
Employee benefit obligations	1.95	0.03	2.35	0.03	1.34	0.01
Other non-current liabilities	4.20	0.07	6.50	0.07	12.31	0.10
Total non-current liabilities	4,204.73	65.96	5,721.70	65.34	8,354.87	66.10
Total liabilities	5,710.59	89.58	7,351.64	83.95	11,146.15	88.19
Shareholders' equity						
Authorized share capital						
726,000,000 ordinary shares in year 2018, Baht 0.50 par value, 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	330.00	5.18	330.00	3.77	363.00	2.87
Issued and paid-up share capital						
725,999,972 ordinary shares in year 2018, 660,000,000 ordinary shares in year 2017 and 225,000,000 ordinary shares in year 2016, fully paid-up	225.00	3.53	330.00	3.77	363.00	2.87
Premium on share capital			510.95	5.83	510.95	4.04
Retained earnings						
Appropriated - legal reserve	3.49	0.05	11.03	0.13	15.51	0.12
Unappropriated	435.52	6.83	553.44	6.32	603.89	4.78
Total shareholders' equity	664.01	10.42	1,405.42	16.05	1,493.35	11.81
Total liabilities and shareholders' equity	6,374.60	100.00	8,757.06	100.00	12,639.50	100.00

Comprehensive Profit and Loss Statement

Item	For the Year Ending 31 December					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales and services	1,437.33	100.00	2,112.12	100.00	2,634.34	100.00
Cost of sales and services	-1,126.68	-78.39	-1,661.12	-78.65	-2,091.67	-79.40
Gross profit	310.65	21.61	451.00	21.35	542.67	20.60
Other income	22.11	1.54	29.79	1.41	40.82	1.55
Selling and service expenses	-19.39	-1.35	-33.92	-1.61	-43.04	-1.63
Administrative expenses	-66.06	-4.60	-110.24	-5.22	-134.63	-5.11
Finance costs	-157.78	-10.98	-246.11	-11.65	-338.42	-12.85
Profit before income tax	89.53	6.23	90.52	4.29	67.40	2.56
Tax income (expense)	-19.70	-1.37	60.27	2.85	22.24	0.84
Profit for the year	69.83	4.86	150.79	7.14	89.64	3.40
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Defined benefit plan actuarial gains for						
Employee benefit			1.32	0.06	2.48	0.09
Income tax relating to items that will never be reclassified to						
gains or loss			-0.26	-0.01	-0.49	-0.02
Other comprehensive income - net of tax			1.06	0.05	1.99	0.08
Total comprehensive income	69.83	4.86	151.85	7.19	91.63	3.48
Earnings per share						
Basic earnings per share	0.16		0.22		0.12	
Weighted average number of ordinary shares (shares)	450.00		677.10		726.00	

Cash Flow Statement

				(Unit: Million Baht)
Item		For the Year Ending 31 December		
		2016	2017	2018
Cash flows from operating activities				
Profit before income tax		89.53	90.52	67.40
Adjustments to reconcile profit before income tax to cash generated (paid) from operating activities				
Depreciation and amortization		595.90	914.55	1,191.15
Interest income		-0.20	-1.16	-0.69
Interest expenses		157.38	245.74	337.28
Doubtful accounts		0.94	0.23	1.64
Loss on impairment of assets (reversal)		2.93	-1.12	4.26
Unrealized gain from revaluation of investments		1.39		
Gain from sales of assets		0.25	-0.01	-0.22
Cash flow before changes in working capital		848.12	1,248.75	1,600.82
Changes in working capital				
Trade and other receivables		-92.82	-16.61	-109.27
Receivables under finance leases		-1.11	1.56	
Inventories		290.85	398.62	384.87
Other current assets		-50.37	-142.65	-152.50
Restricted bank deposits		-4.56	-2.88	-2.13
Other non-current assets		-2.17	-1.60	0.61
Trade and other payables		-111.53	-136.28	0.85
Other current liabilities		7.51	2.77	2.98
Employee benefit obligations		0.56	1.72	1.47
Other non-current liabilities		1.71	2.29	5.81
Cash generated from the operations		886.19	1,355.69	1,733.51
Interest received		0.20	1.16	0.48
Income tax refunded			20.50	
Income tax paid		-42.80	-70.03	-90.94
Net cash provided by operating activities		843.59	1,307.32	1,643.05

Cash Flow Statement

				(Unit: Million Baht)
Item		For the Year Ending 31 December		
		2016	2017	2018
Cash flows from investing activities				
Purchase of current investments			-334.04	-180.00
Sale of current investments			330.65	183.00
Purchase of investment property				-49.10
Purchase of plant and equipment		-289.41	-1,507.25	-1,218.58
Sales of assets		0.01	0.03	0.06
Purchase of intangible assets		-2.31	-14.62	-10.68
Net cash used in investing activities		-291.71	-1,525.23	-1,275.30
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions		35.82	11.40	-27.95
Proceeds from short-term loans from related party		448.51	113.00	
Repayment of short-term loans from related party		-389.51	-287.39	
Proceeds from long-term loans from financial institutions		341.11	1,295.56	1,808.60
Repayment of long-term loans from financial institutions		-19.20	-60.69	-362.05
Repayment of liabilities under finance leases		-833.52	-1,139.14	-1,419.39
Interest paid		-144.51	-271.57	-332.37
Cash received from increase in ordinary shares			615.95	
Dividend paid			-25.74	-3.05
Net cash provided by (used in) financing activities		-561.30	251.38	-336.21
Net increase in cash and cash equivalents		-9.42	33.47	31.54
Cash and cash equivalents at the beginning of the year		16.12	6.70	40.17
Cash and cash equivalents at the end of the year		6.70	40.17	71.71

2. Financial Ratios

	For the Year Ending 31 December		
	2016	2017	2018
Liquidity Ratios			
Current Ratio (times)	0.21	0.35	0.28
Quick Ratio (times)	0.13	0.15	0.14
Operating Cash Flow Ratio (times)	0.66	0.83	0.74
Account Receivable Turnover (times)	10.30	10.91	10.27
Average Collection Period (days)	35.42	33.46	35.54
PROFITABILITY RATIO			
Gross Profit Margin (%)	21.61	21.35	20.60
Net Profit Margin (%)	4.78	7.04	3.35
Returns on Equity (%)	11.10	14.57	6.18
EFFICIENCY RATIOS			
Return of Assets (%)	1.39	1.99	0.84
Asset Turnover (times)	0.29	0.28	0.25
FINANCIAL POLICY RATIO			
Debt to Equity Ratio (times)	8.60	5.23	7.46
Interest Coverage Ratio (times)	1.57	1.37	1.20
Dividend Payout Ratio (%)	0.00	17.51	4.13
Book Value Per Share (Baht)	2.01	2.13	2.06

Board of Directors



Mr. Yol Phokasub

Chairman



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
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 4) Car rental service through the application (asap GO & Haupcar), which focuses on providing services to corporate customers and general customers with temporary car needs in Bangkok parking spots and in early 2019, the company will develop the application of the company named asap App, which will be able to use the services of the company in all services. Complete Including food and beverage sources and 6) asap Select franchise, short-term car rental and second-hand car sales centers

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 13th year of business, 17,142 units, which increased by 50 percent compared to the total number of cars 11,395 units as of December 31, 2017 divided into cars for rent by business type, including long-term rental cars of 14,750 units, short-term rental cars, 693 cars, rental cars With 141 drivers, cars for rent through 95 applications, rental cars, waiting for delivery, 147 cars, 1,295 replacement cars and other cars (cars West await Cars, waiting for the carcasses, etc.) 21 cars

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 sap 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 of 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

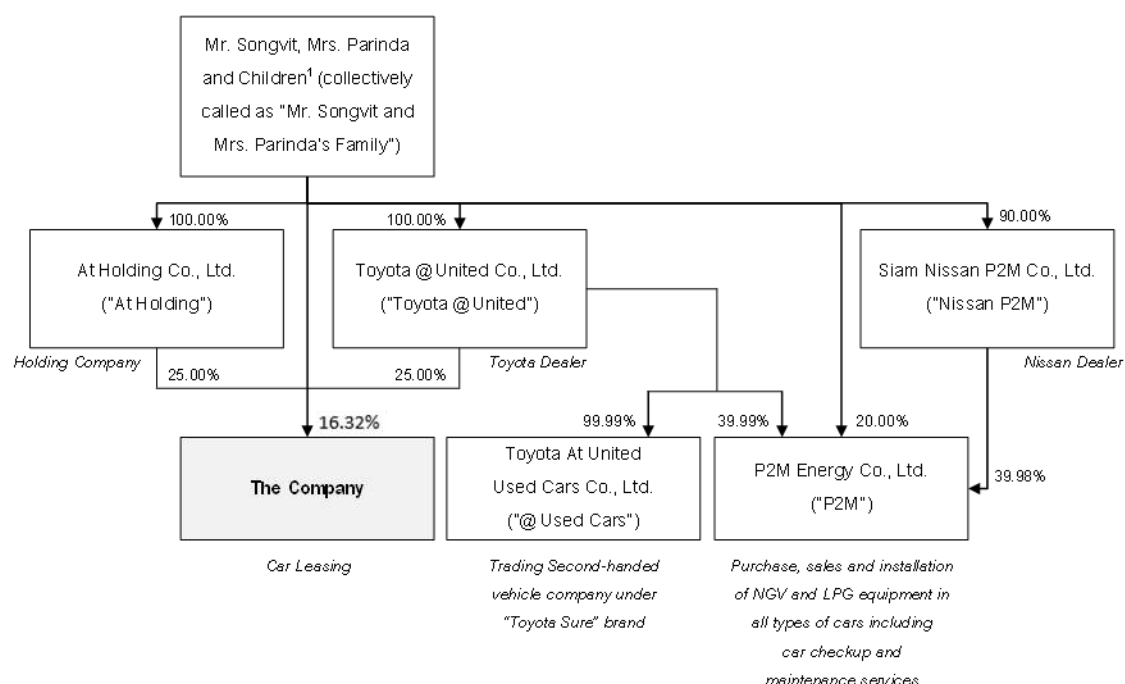
	<p>to 1.00 baht per share. Furthermore, the extraordinary general meeting of the shareholder also passed a resolution to increase registered capital from 225.00 million baht to 330.00 million baht by the issuance of 105.00 million capital increase ordinary shares at 1.00 baht marked price per share for offering to the public for the first time. Additionally, the company's ordinary shares were listed on the Stock Exchange of Thailand.</p> <p>: An asap counter was opened for short-term car rental at Hat Yai Airport.</p> <p>: The company registered its transfer to become a public limited company on 28 July 2016.</p> <p>: Business expanded to include limousine rental.</p>
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) for Corporate customers
June 2018	: Expand asap GO service, car rental, Phase 2, which is charged according to actual usage To reinforce the car sharing concept by focusing on expanding the customer base to the general customer group You can download the application via the Appstore and Playstore in the haup car name and click to register asap GO to access the service immediately. And adding a parking spot to serve as 100 points according

	to leading supermarkets such as Foodland, financial institutions and real estate projects of single-family homes Townhome and Condominium
July 2018	: Open a fully integrated car service center 'asap Auto Park', Bangna-Trad zone Near Suvarnabhumi Airport In the first phase, there will be a short-term car rental service and the sale of second-hand cars, asap rental contract with Starbucks coffee shop. Tire Change Service Center Auto Razor and KFC To accommodate the needs of customers in the Eastern Zone
October 2018	Launching the 'asap Auto Park' franchise under the asap Select brand, including 4 models for the growth of the rental car market and the second-hand car market in Thailand that continues to grow, emphasizing low investment with a starting price 1 million baht with support for car rental and second hand cars Making a difference from other franchises in the industry, allowing investors to return capital faster, aiming to open asap Select 30 points within 5 years.
November 2018	Receive 100 Toyota C-HR cars from Toyota Motor Corporation, Japan and President of Toyota Motor Thailand Co., Ltd. to provide services to customers in the car rental business based on distance under the asap GO brand, which has adopted the Car Sharing concept as the core of business operations Hoping to reduce the use of private cars and carbon dioxide emissions that create air pollution In accordance with the Toyota Group campaign around the world That wants to create sustainability and environmental friendliness.

1.3 Company Share Structure

As of 31 December 2018, 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 2018, 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 16.32 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 66.32 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 2016 to 2018 are shown in the following table:

Item	For the Year Ending 31 December					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Car Rental						
1) Revenue from Long-Term Rental:						
Private Companies:						
Retail/Wholesale Businesses.	310.53	21.28	384.30	17.94	376.35	14.07
Transportation Businesses.	130.18	8.92	109.91	5.13	201.85	7.55
Other Businesses.	421.10	28.85	710.95	33.19	1,195.56	44.69
Total Private Companies.	861.81	59.05	1,205.16	56.27	1,773.76	66.30
Government Agencies And State Enterprises.	222.32	15.23	364.88	17.04	298.54	11.16
Ordinary Persons	1.96	0.13	0.86	0.04	0.28	0.01
Total Revenue From Operating Lease	1,086.09	74.42	1,570.90	73.34	2,072.58	77.47
2) Revenue From Short-Term Rental.*	18.83	1.29	54.24	2.53	78.80	2.95
3) Revenue From Limousine Rental*	28.08	1.92	56.46	2.64	63.59	2.38
4) Revenue From Car Rental via Mobile Application	-	-	0.03	0.00	2.56	0.10
Total Revenue from Car Rental	1,133.00	77.63	1,681.63	78.51	2,217.53	82.89
Revenue from Car Sales	304.32	20.85	430.49	20.10	415.13	15.52
Rental of space and service income**					1.68	0.06
Other Revenues***	22.11	1.51	29.79	1.39	40.82	1.53
Total Revenue	1,459.43	100.00	2,141.91	100.00	2,675.16	100.00

Remarks: * The company began to offer limousine rental in July 2016 and car rental via mobile application in July 2017.

** asap Auto Park open to rent some spaces in July 2018

*** Other revenues consist of revenues from insurance claims of car scraps.

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) Long-Term 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 2016 to 2018

Unit: Cars

Item	As of 31 December		
	2016	2017	2017
Vehicles for Lease:			
Long-term Lease	7,080	9,970	14,750
Short-term Lease	304	410	693
Limousine Lease	128	130	141
Lease via Mobile Application	-	49	95
Total Vehicles for Lease	7,512	10,559	15,679
Leased Vehicles pending Delivery	320	207	147
Replacement Vehicles	510	574	1,295
Other Vehicles*	63	55	21
Total Vehicles	8,405	11,395	17,142

* Remarks: Other cars consist of cars pending for sales, cars pending scrap claim from insurance companies, cars used in administration, and others.

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 2018), 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 1,266 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 2018, the company had 5 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 2018, the company has a total of 1,295 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 2018, 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 chauffers. In July 2016, the company officially began providing limousine rental services for the first time and which the company has gained trust in providing services from several major private companies.

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 chauffers and daily car and chauffer management based on the usage requirements of customers. The company procures chauffers through direct employment and outsourcing. Accordingly, the company trains chauffers 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 2018, the company had up to 141 cars available for limousine rental with a total of 163 chauffers (119 directly employed and 44 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 expanding services to corporate customers The company has developed a new application under the name asap app, which is an application that does not support just asap go applications, but can also use other services of the asap business, whether is a short-term car rental, long-term car rental, a car with driver, including a second hand car This application is open for official download from January 1, 2019. As of December 31, 2018, the company has cars for rent through applications, totaling 95 units, representing an increase from 2017 94 percent

2.2.5 asap select is a franchise for investors who desire to be business owners, branching out from its parent company, by creating a joint venture between business owners and the parent company with benefits sharing as mutually agreed. But the unique charm of asap select is that investors do not have to bear the cost of cars (rental cars and second-hand cars) in which the parent company will support investors and be responsible for the costs itself.

There are 4 sizes of the franchise as follows;

- 1.Size SS provides short-term car rental services only.
- 2.Size S provides short-term car rental services and the sales of quality second-hand cars in the same area.
- 3.Size M provides short-term car rental services and the sales of quality second-hand cars in the same area.
- 4.Size L provides short-term car rental services and the sales of quality second-hand cars in the same area.

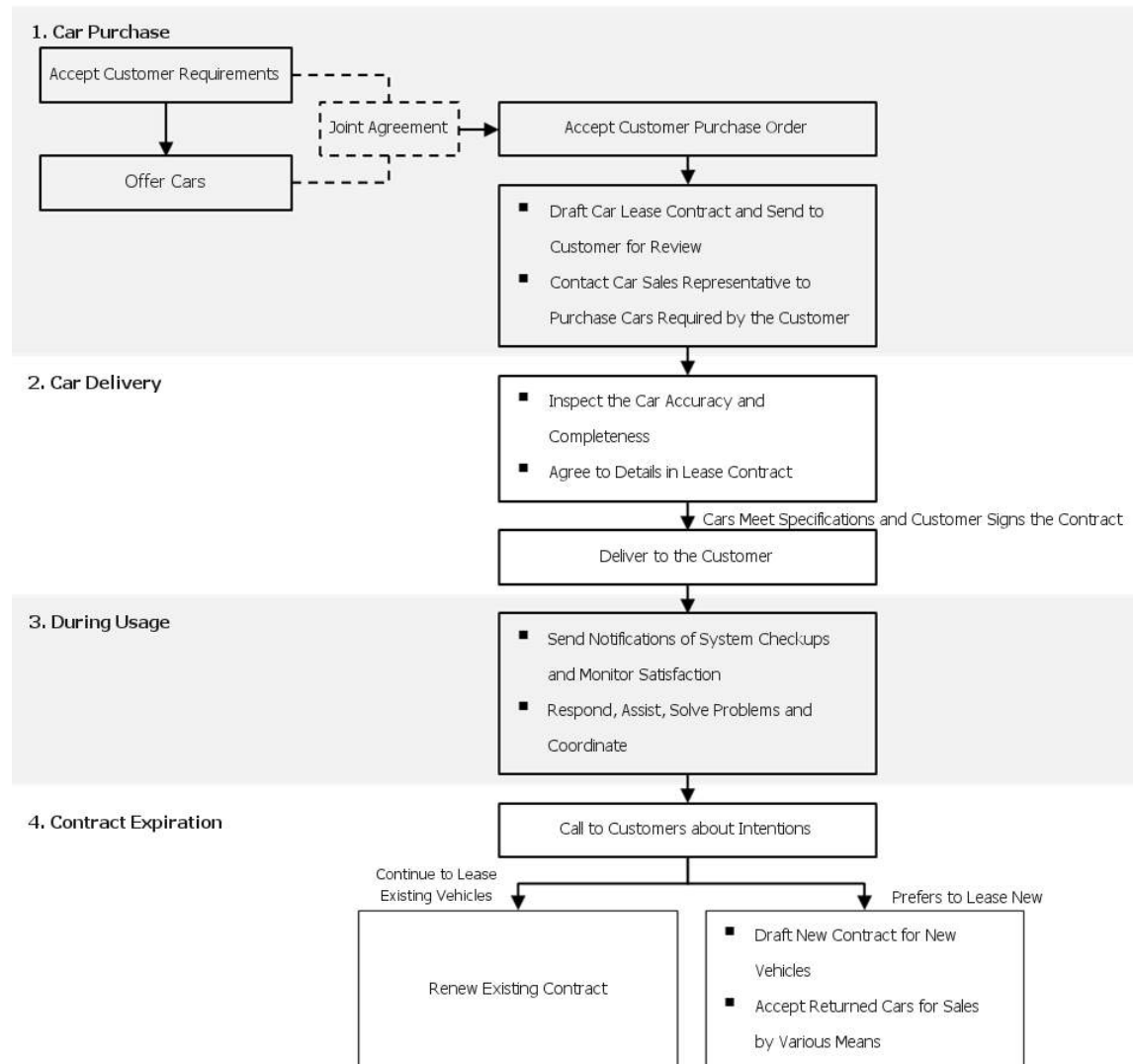
Each size is classified according to the size of the area, franchise fee, and the number of cars delivered to the franchise.

Current branch locations

There is a prototype branch of asap auto park, Bangna branch, located in Bangna Km. 12.

2.3 The Company's Rental Service Processes

2.3.1 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 car 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.

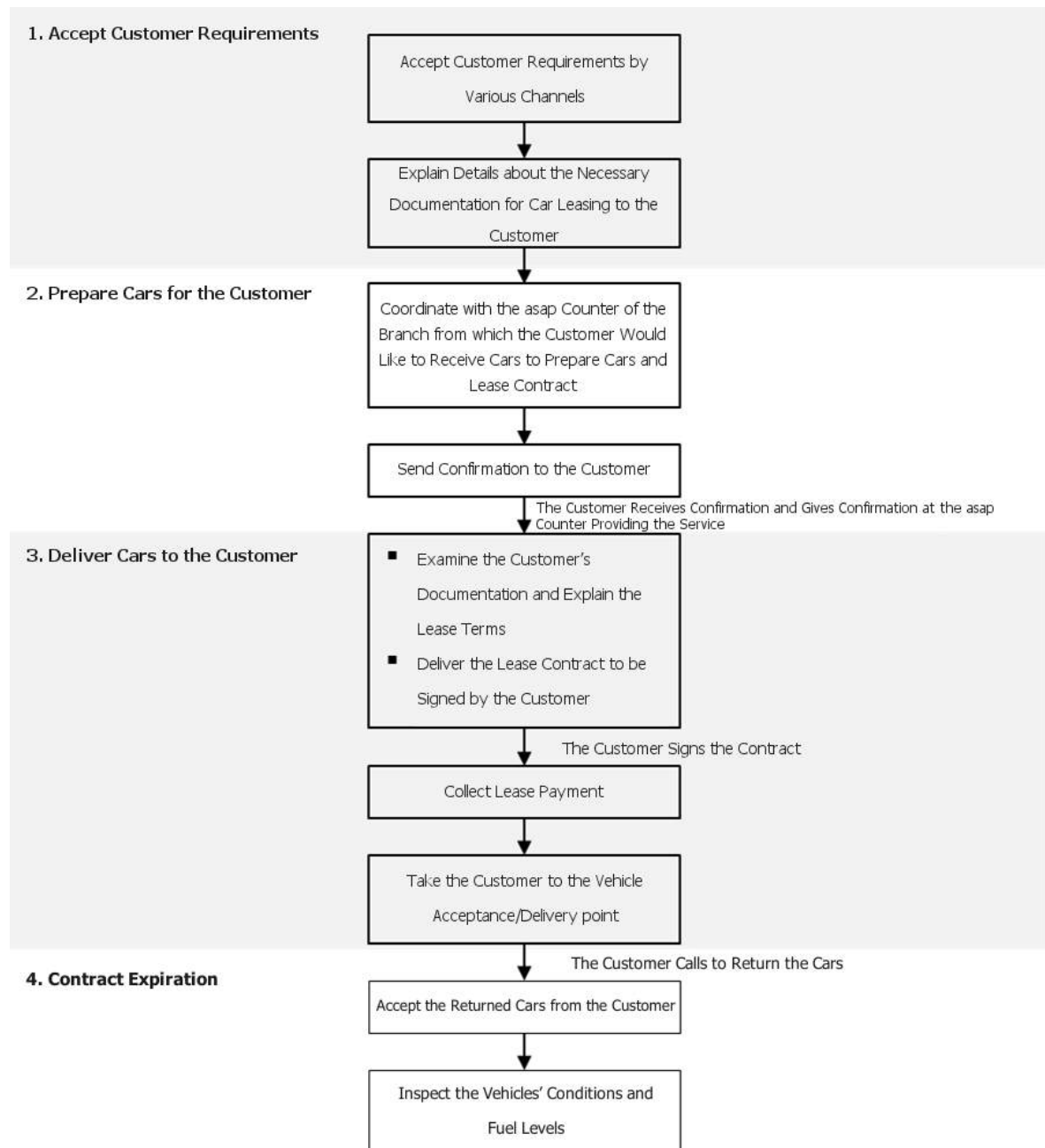
- 1.3) **During Usage** - Once the customer has accepted the vehicles and the vehicles are being used, the call center will call users to notify them about scheduled checkups according to standards in addition to other maintenances. If the user encounters a problem during usage or requires assistance, 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.

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

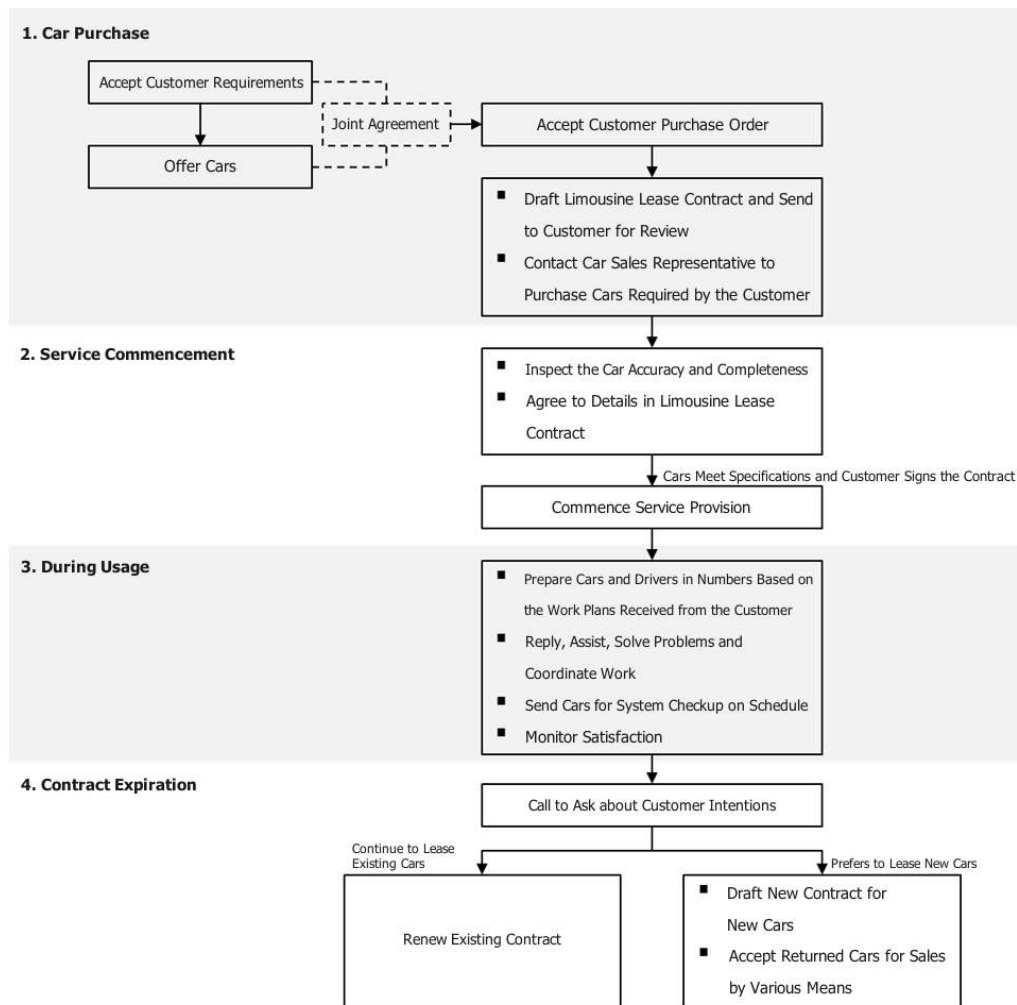


1) **Receive Customer Demands** - Once a customer wishes to use the company's short-term rental services, the customer can express the aforementioned intention in advance by a number of channels such as the company's main office, telephone, the LINE application to asap's account and the company's website 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) **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.
- 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.
- 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.

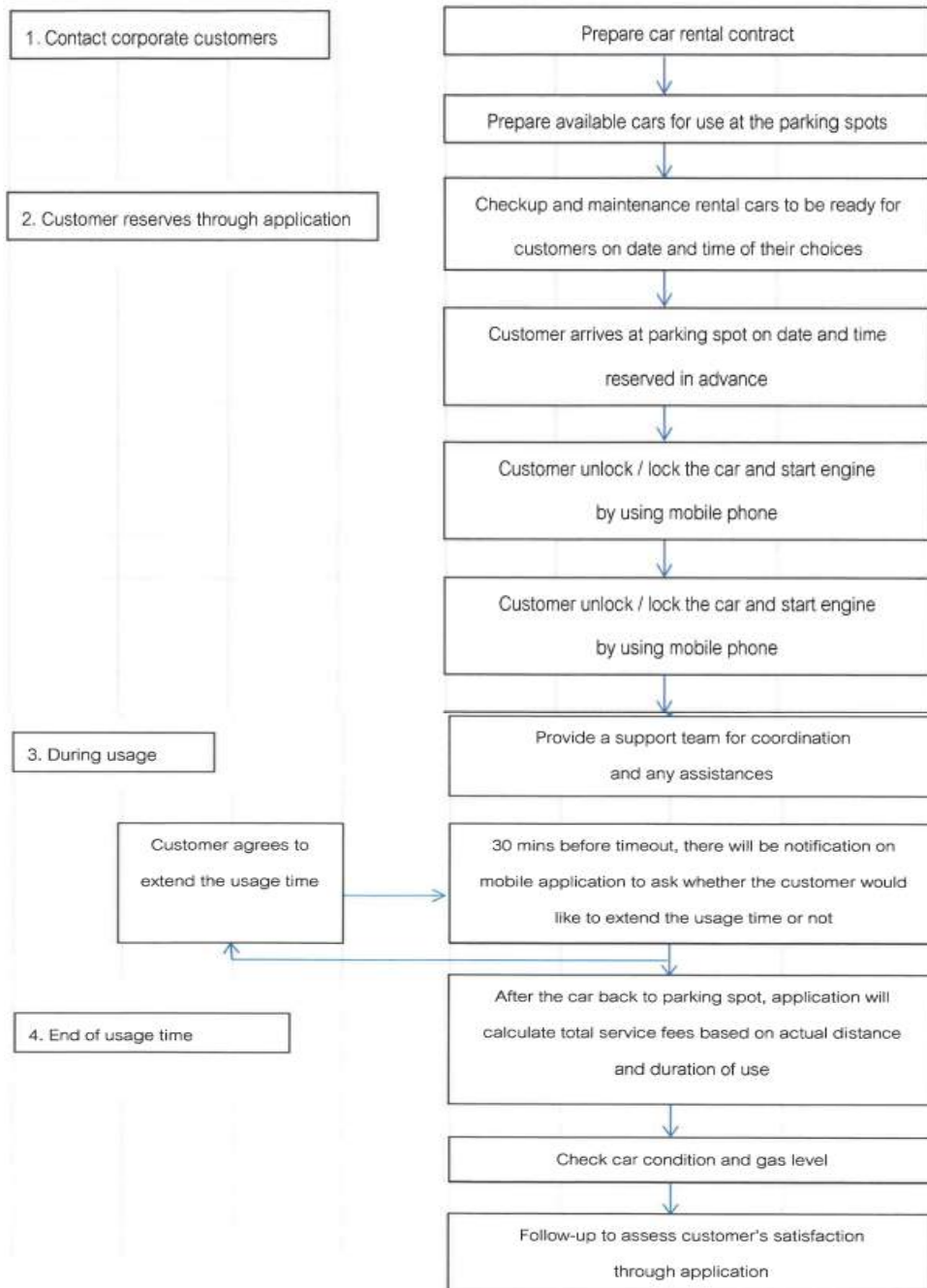
2.3.3 The processes for limousine rental can be summarized as follows:



- 1) **Car Purchase** - Similar to the same process for comprehensive operating lease.
- 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) **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.
- 4) **Contract Expiration**—The procedures are the same as for comprehensive operating lease.

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



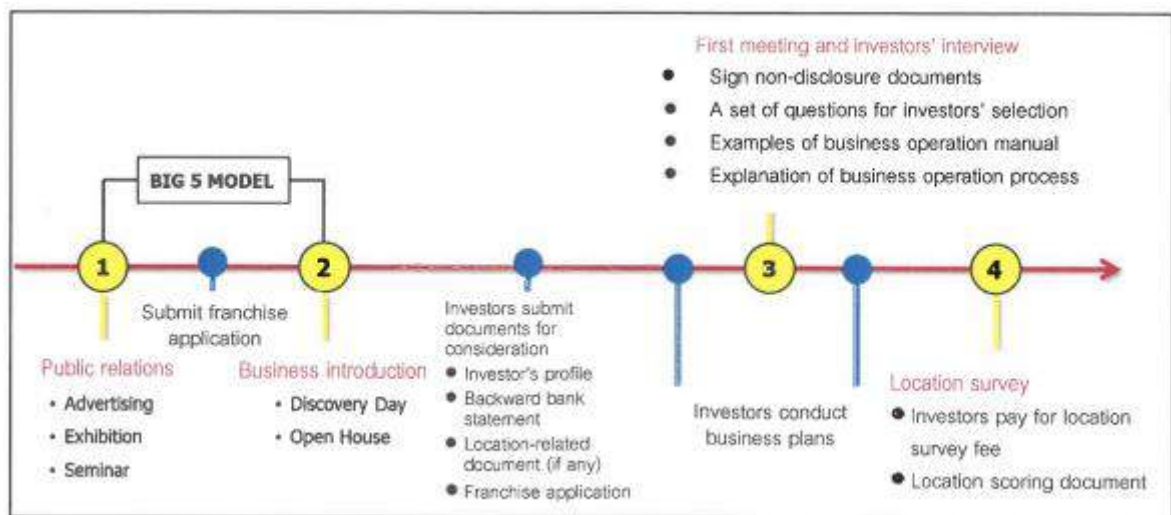
- 1) **Contact corporate customers** - The company will select companies that have a problem of insufficient amount of cars for their staff. The company will offer car rental services via the application and also coordinate until they can use the services in a format of corporate customers.
- 2) **Customer 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. In this regard, the customer must be approved by a supervisor. When the aforementioned date and time are reached, customer can unlock and start engine by using mobile application.
- 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) **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.

2.3.5 Processes of selling the franchise

Activities performed with target customers in each step of selling the franchise

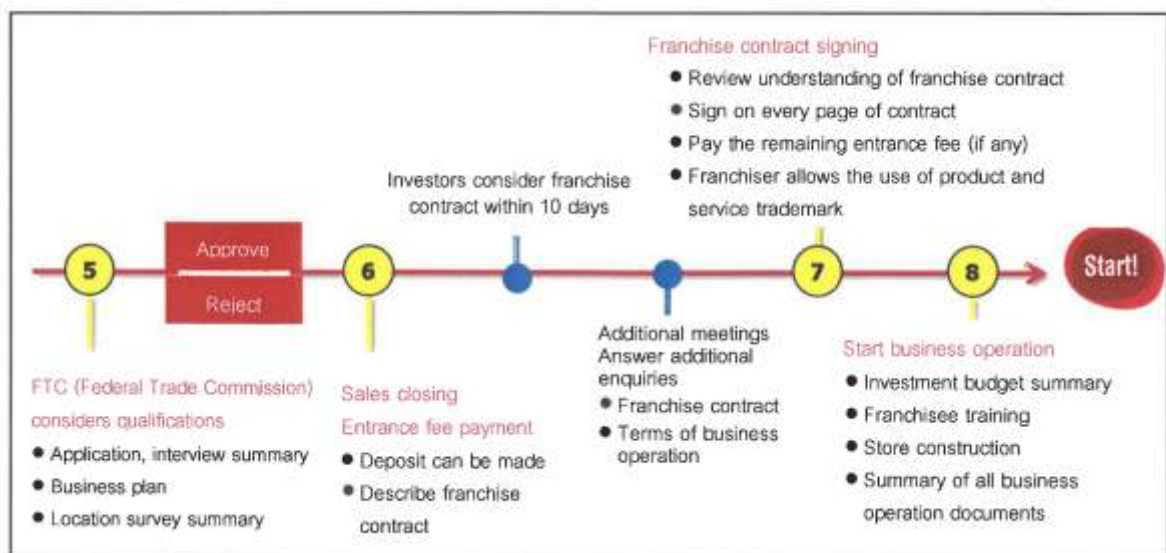
Overview step 1-4

Collection of investors' information and readiness assessment of franchise business operation



Overview step 5-8

Sales closing processes and preparation for franchise business operation



Processes of selling the franchise usually takes approximately 4-6 months from start to the sales closing. In addition to business selection proceeded by investors, franchiser should have processes for selecting investors as well in order to acquire franchisees who are ready and accept franchise business system as much as possible.

Franchiser should have persons in charge who will coordinate with investors (Sales Person) only 1-2 persons at an early stage for correct communication, following up, accuracy in the delivery of significant information.

Overview of franchise selling processes

<u>Sales Process Steps</u>	<u>Activities</u>	<u>Additional</u>
1. Public relations Initial inquiry	<ul style="list-style-type: none"> ● Advertising ● Business exhibition ● Franchise business seminars ● Collect basic information ● Send information to customers ● Set up following-up schedules 	<ul style="list-style-type: none"> ● Search for investors who are interested in franchise business ● Complete franchise application
2. Business introduction First contact	<ul style="list-style-type: none"> ● Discovery Day ● Open House ● Invite to visit the headquarters ● Evaluate investors' qualifications ● Describe business model ● Collect inquiry of individual investor ● Recommend to submit application and other information for consideration ● Make an appointment for the first meeting to start interview 	<ul style="list-style-type: none"> ● Describe business by VDO or presentation ● Investors send documents for consideration <ul style="list-style-type: none"> - Investors' profile - Backward bank statement - Location-related document (if any) - Franchise application
3. First meeting Investors' interview	<ul style="list-style-type: none"> ● Sign non-disclosure documents ● A set of questions for investors' selection 	<ul style="list-style-type: none"> ● Invite only investors who submitted complete documents

	<ul style="list-style-type: none"> ● Present examples of business operation manual ● Explain business operation process ● Answer questions and doubts about business operation in detail ● Record investors' information to assess readiness ● Inform customers regarding franchise buying process 	<ul style="list-style-type: none"> ● Check offering circular, non-disclosure documents ● Investors conduct business plans for presentation ● Investors can invite spouse, lawyer, accountant, business partners / investors to join the meeting and franchiser should also rate these people
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Overview of franchise selling processes (Cont.)

<u>Sales Process Steps</u>	<u>Activities</u>	<u>Additional</u>
4. Location survey	<ul style="list-style-type: none"> ● Make an appointment for location survey ● Investors pay for location survey fee prior to surveying day ● Location scoring document ● For investors who do not have location, franchiser can offer locations for their selection 	<ul style="list-style-type: none"> ● Location survey fee can be deducted from entrance fee. But if investors are not selected, location survey fee will not be refunded.
5. FTC (Federal Trade Commission) considers qualifications	<ul style="list-style-type: none"> ● Wait for 10 days to consider qualifications ● Verify information in the application ● Check history ● Examine business plans ● Scoring summary of location survey ● Rate applicants ● Contact by phone in order to maintain investors' interest ● Make an appointment after 10 working days 	<ul style="list-style-type: none"> ● An internal meeting of the franchise sales team
6. Sales closing Entrance fee payment	<ul style="list-style-type: none"> ● Entrance fee can be paid by installments or deposited (100 percent payment is preferable) ● Prepare enter material term documents, a set of legal documents ● Explain franchise contract ● Explain terms of business operation ● Answer questions / disputes ● Investors consider franchise contract within 10 days 	<p>Additional meetings</p> <p>Answer additional enquiries</p> <ul style="list-style-type: none"> - Franchise contract - Terms of business operation

Overview of franchise selling processes (Cont.)

<u>Sales Process Steps</u>	<u>Activities</u>	<u>Additional</u>
7. Franchise contract signing	<ul style="list-style-type: none"> ● Review investors' understanding of franchise contract ● Sign on every page of franchise contract ● Pay the remaining entrance fee (if any) ● Franchiser prepares documents to allow the use of product and service trademark ● Investors are officially approved to operate the business 	<ul style="list-style-type: none"> ● Franchise contract cannot be adjusted according to investors' need. Franchiser should clearly explain each item.
8. Start business operation	<ul style="list-style-type: none"> ● Summary of investment budget, construction, and other expenses ● Contractor selection ● Branch store design ● Franchisee training ● Start construction of branch store, together with training ● Summary of all business operation documents, such as company registration, licenses application, etc. 	Organize a stage for contract signing to officially start business operation.

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 six 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; 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 and in early 2019, the company will develop the application of the company named asap App, which will be able to use the services of the company in all services. 5) Lifestyle Street Mall (asap Auto Park) car rental center and second hand cars Complete Including food and beverage sources and 6) asap Select franchise, short-term car rental and second-hand car sales centers

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

1) Outsourcing Trends

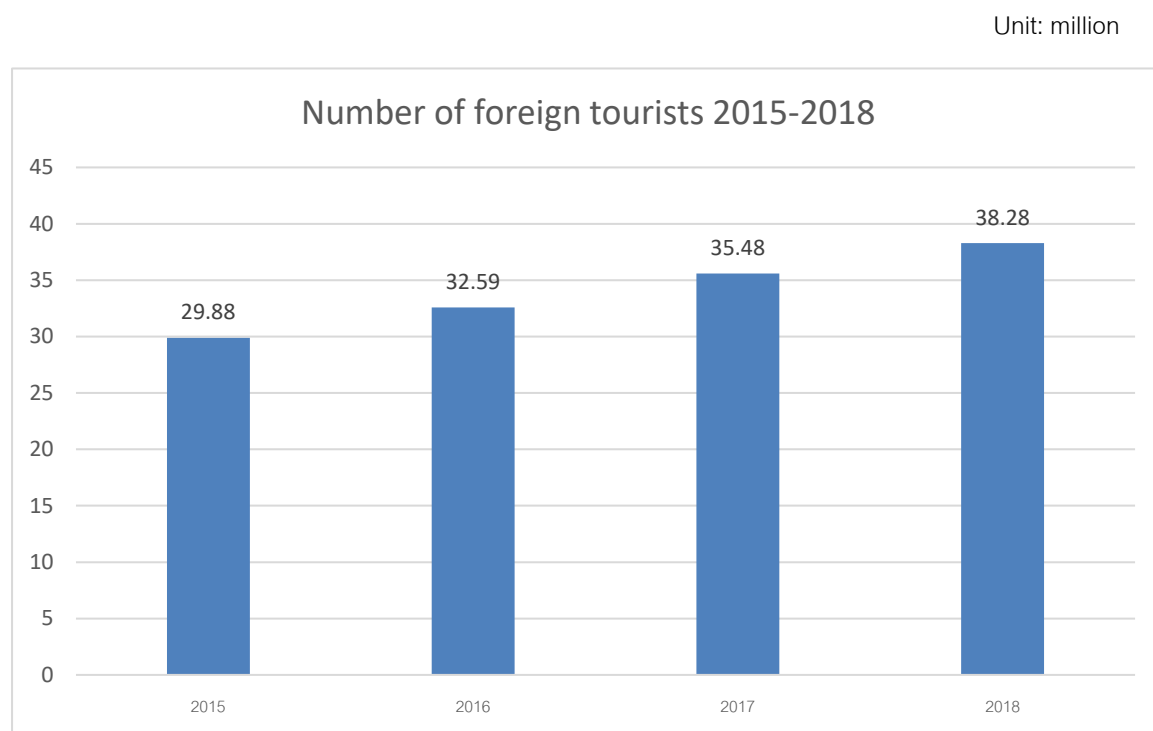
Outsourcing (“outsourced services”) is another form of business whereby the company that is employing the service assigns a part of its work processes such as product design, building cleaning, shipping and freighting, etc. to a service provider company that specializes in the respective work process. 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.

2) 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.

For tourism of foreign tourists, data from the Ministry of Tourism and Sports indicated that in 2018, there were approximately 38.28 million foreign tourists traveling in Thailand and earning from tourism approximately 2.00 trillion baht, an increase of hundreds. 7.54 per cent and 9.63 per cent from the same period last year respectively



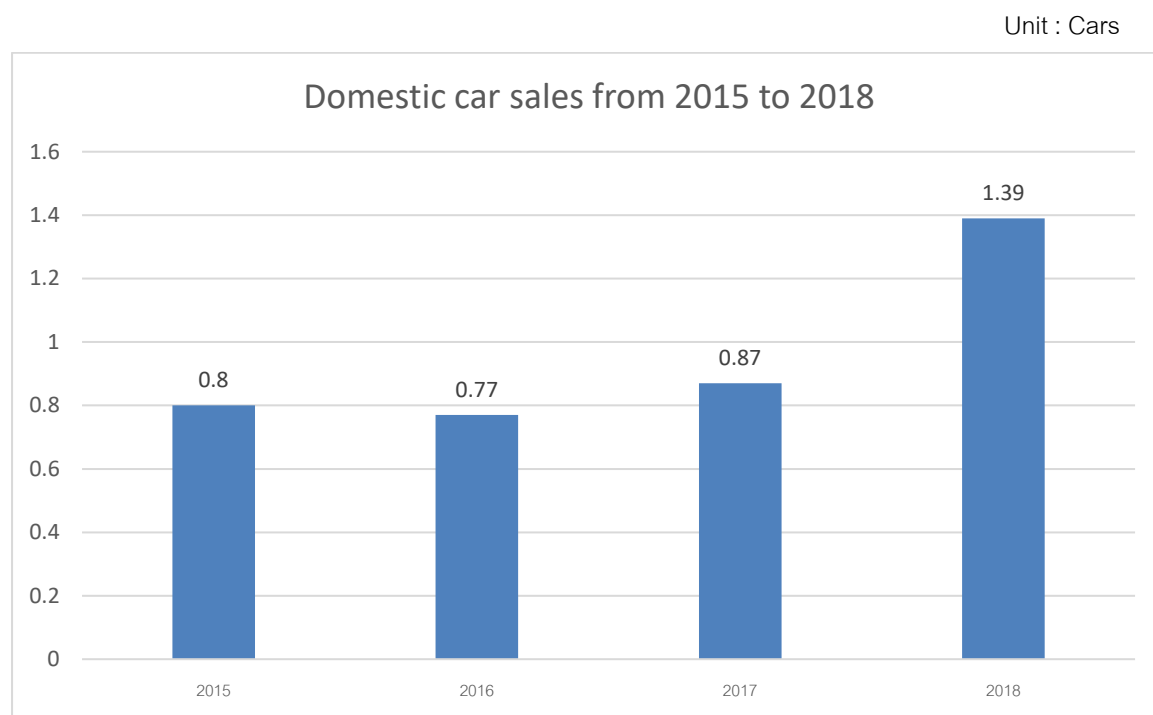
Remarks: Department of Tourism Ministry of Tourism and Sports

3) 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.



Source: The Federation of Thai Industries.

2.4.2 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:

2.4.3 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.

2.4.4 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.

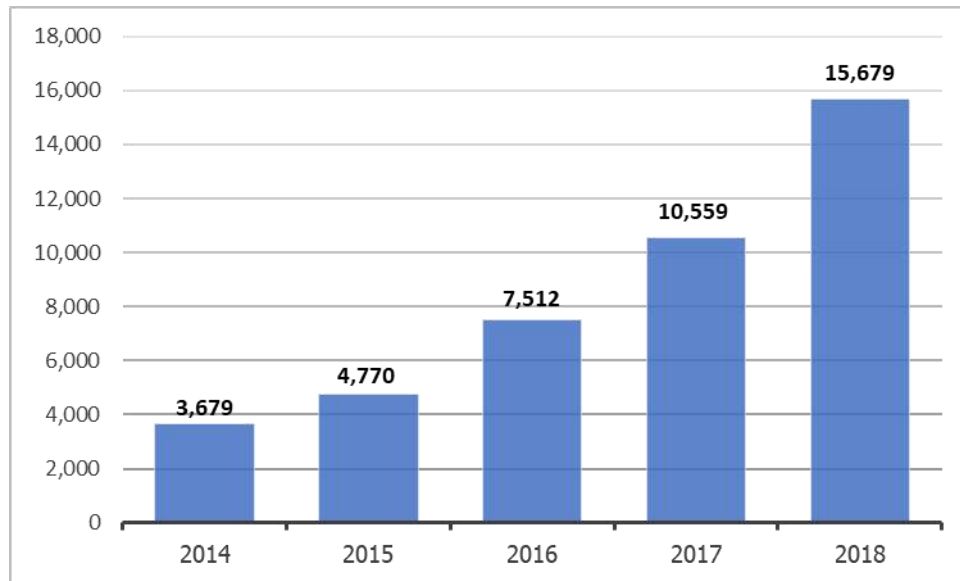
2) Ability to Procure Cars that Meet Customer Requirements

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 cars for rent (cars) as of December 31



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.

2.5 Procurement of Products and Services

2.5.1 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 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.

2.5.2 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.

2.6 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, 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

In 2018, the company has about 500 long-term car rental customers, but the top 10 customers use 51.32 percent of long-term car rental. Which shows that the company relies on the main customer group. Therefore, if one or more of the major customers cancel the contract And / or do not renew the contract with the company May affect the financial status and operating results of the company significantly.

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 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. 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 are 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 reposess 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 4 rai and 60 square wah 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. 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 2016, 2017 and 2018 is shown as follows:

Item	As of 31 December					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade Payables and Other Payables	249.51	4.37	131.86	1.79	530.15	4.76
Short-term Loans from related party	174.40	3.05	-	-	-	-
Loans from Financial Institutes	366.37	6.42	1,612.64	21.94	3,032.38	27.21
Debts under Financial Lease	4,814.98	84.32	5,582.42	75.93	7,551.12	67.75
Other Liabilities	105.33	1.84	24.72	0.34	32.50	0.29
Total Liabilities	5,710.59	100.00	7,351.64	100.00	11,146.15	100.00
Shareholders' equity	664.01		1,405.42		1,493.35	
Debt to equity ratio (times)	8.60		5.23		7.46	

The Company has a debt to equity ratio (D / E Ratio) equal to 8.60 times, 5.23 times and 7.46 times as at 31 December 2016, 2017 and 2018 respectively, which is a high debt to equity ratio. Therefore, the company is at risk if there is a negative event affecting the cash flow and asset value of the company which it may cause the company to be unable to repay the debt.

However, such financial structure is considered normal for the car rental business which most or all of the sources of funds for purchasing cars are from loans. As of 31 December 2018, the company has short-term loan from financial institutions and short-term debt under finance lease agreements amounting to 2,242.27 million baht and long-term loan from financial institutions and long-term debt under finance lease agreements amounting to 8,341.22 million baht. It shows that majority of the company's liabilities is from long-term debts which divided into several installments to accommodate with cash in-flow from monthly rental revenue under long-term car rental agreements. Therefore, the company believes that risk from unable to pay debt is relatively low. In addition, the company has not been defaulted in paying debt before.

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.

Most of the company's source of fund for purchasing cars are in the form of financial leases and loan from financial institutions with fixed interest rate. Therefore, the company believes that there is low risk of fluctuation from float-rate interest.

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 2018, Mr. Songvit and Mrs. Parinda's family hold shares in the company directly and indirectly at the ratio of 66.32 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. Additionally, 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 decreased risks that might occur.

Assets Used in Business Activities

As of 31 December 2017 and 2018 , the primary assets used by the company to operate business were as follows:

1. Primary Assets Used in Business Activities

(Unit: Million Baht)						
category	Proprietary characteristics	Obligation	As of 31 December 2017		As of 31 December 2018	
			Capital price	Net book value	Capital price	Net book value
Land	Owner	a guarantee given for loan with a	5.89	5.89	5.89	5.89
Building	Owner	financial institution in the amount of	9.92	7.68	43.20	38.06
Cars for rent and vehicles	Owner / make financial lease and loan agreement	As of 31 December 2017, there were 11,395 cars, consisted of 10,777 cars under finance lease and loan agreements with 3-5	9,483.99	7,882.67		
		As of 31 December 2018, there are 17,142 cars, consisted of 16,834 cars under finance lease and loan agreements with 3-5 years term and 308 cars without any obligations.			13,764.61	11,328.12
office equipment	Owner	None	10.28	6.73	19.19	13.42
Craftsman tool	Owner	None	1.58	0.54	2.41	1.11
Construction in progress	Owner	None	6.40	6.40		
Land, plant and equipment			9,518.06	7,909.91	13,835.30	11,386.60
Investment property - asap Auto Park project	Own - Commercial space for rent	a guarantee given for loan with a financial institution in the amount of 220 million baht	120.79	120.79	170.69	168.95
Land and office building Location No. 149, Moo 3, Thepharak Sub-district Mueang Samut Prakan District Samut Prakan Province	Rental agreement	The lease term is 3 years from 1 June 2017 to 31 May 2020.	n/a	n/a	n/a	n/a

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.

Legal Disputes

As of 31 December 2018, 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. -

Management Structure

Securities and Shareholding Information

1. Company's Securities

As of 31 December 2018, the company's registered capital at 363.00 million baht, of which 362,999,986 baht is paid up, divided as 725,999,972 shares at marked price of 0.50 baht per share.

2. Shareholders

As of 31 December 2018, 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⁾	181,500,000	25.00
1.2 At Holding Company Limited ²⁾	181,500,000	25.00
1.3 Mrs. Parinda Vongvitavat	64,633,900	8.90
1.4 Mr. Songvit Titipunya	53,900,000	7.42
2. Thai NVDR Company Limited	45,344,370	6.24
3. Mr.Piriyarat Pattarakitkasam	18,027,000	2.48
4. N.C.B.TRUST LIMITED-NORGES BANK 5	13,827,000	1.90
5. Mr.Taweechat Jurangkul	9,954,300	1.37
6. Krungsri Financial Focus Dividend Fund	8,583,800	1.18
7. Mr.Porntap Somboonlap	7,238,200	0.99
8. Mr.Yol Phokasub	4,950,000	0.68
9. Krungsri SET50 LTF (KFLTF50)	4,626,100	0.63
10. United Thai Small and Mid Cap Equity Fund (UTSME)	4,141,580	0.57
Subtotal	598,226,250	82.40
Others	127,773,722	17.60
Total	725,999,972	100.00

- ¹⁾ As of 31 December 2018, 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 Dejrumrong	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 2018, 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:

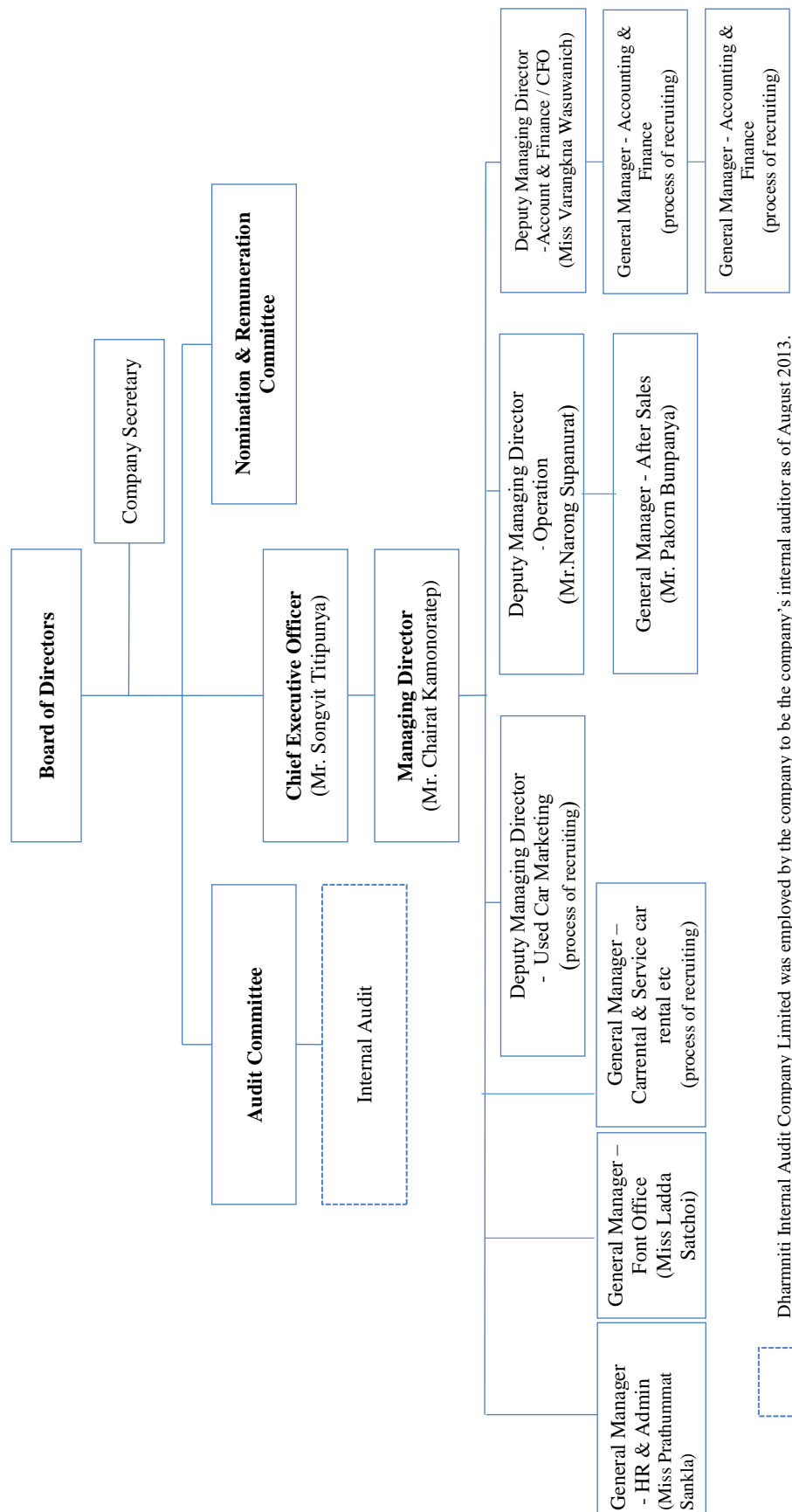
Shareholder	No. of Shares	%
1. Mrs. Parinda Vongvitavat	40,000	40.00
2. Mr. Songvit Titipunya	30,000	30.00
3. Mr. Sarut Titipunya	10,000	10.00
4. Miss Pitchapat Titipunya	10,000	10.00
5. Miss Pimpisa Titipunya	10,000	10.00
Total	100,000	100.00

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 28 February 2019, 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:



1. Board of Directors

As of 31 December 2018, 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.	Mr. Chairat Kamonoratep	Director
5.	Associate Professor Pachara Pacharavanich	Independent Director / Chairman of the Audit Committee
6.	Mr. Pratarn Aranyakananda	Independent Director / Audit Director
7.	General Siravudhi Sukanthanark	Director
8.	Mr. Surapong Uthaichalanond	Independent Director / Audit Committee / Chairman of the Nomination & Remuneration Committee
9.	Police Lieutenant General Doctor Passakorn Rukskul ¹⁾	Director / Nomination & Remuneration Committee
10.	Mr. Tanachai Bunditvorapoom ²⁾	Director / Nomination & Remuneration Committee

Note :

- 1) Police Lieutenant General Doctor Passakorn Rukskul Resigned from the position of director on 27 February 2018
- 2) Mr. Tanachai Bunditvorapoom Became a director of the company in lieu of the Police Lieutenant General Doctor Passakorn Rukskul on February 27, 2018

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 General Siravudhi Sukanthanark. 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.

Summary of Board of Directors' Meetings from 2016–2018

No.	Name	Position	No. of Attendance/ No. of Meetings		
			2016	2017	2018
1.	Mr. Yol Phokasub	Director/ Chairman	-	4/5	5/5
2.	Mr. Songvit Titipunya	Director/ Vice Chairman	6/6	5/5	5/5
3.	Mrs. Parinda Vongvitavat	Director	6/6	4/5	4/5
4.	Mr. Chairat Kamonoratep	Director	1/6	5/5	5/5
5.	Associate Professor Pachara Pacharavanich	Independent Director	5/6	2/5	5/5
6.	Mr. Pratarn Aranyakananda	Independent Director	5/6	5/5	5/5
7.	General Siravudhi Sukanthanark	Director	6/6	5/5	5/5
8.	Mr. Surapong Uthaichalanond	Independent Director	6/6	5/5	5/5
9.	Police Lieutenant General Doctor Passakorn Rukskul ¹	Director	6/6	5/5	1/5
10.	Mr. Tanachai Bunditvorapoom ²	Director	-	-	4/5

Remarks:

- ¹⁾ Mr. Police Lieutenant General Doctor Passakorn Rukskul Resigned from the position of director on 27 February 2018
- ²⁾ Mr. Tanachai Bunditvorapoom Became a director of the company instead of the police Lieutenant General Dr. Passakorn Rakkun on February 27, 2018

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:

2. Audit Committee

As of 31 December 2018, 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.	Mr. Surapong Uthaichalanond	Audit Director

General Siravudhi Sukanthanark was appointed as an authorized director on February 27, 2018 and therefore could not perform his duties audit Committee

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 2016–2018

No.	Name	Position	No. of Attendance/ No. of Meetings		
			2016	2017	2018
1.	Associate Professor Pachara Pacharavanich ¹⁾	Audit Committee Chairman	3/6	2/5	4/4
2.	Mr. Pratarn Aranyakananda	Audit Director	5/6	5/5	4/4
3.	General Siravudhi Sukanthanark ²⁾	Audit Director	6/6	5/5	1/4
4.	Mr. Surapong Uthaichalanond	Audit Director	6/6	5/5	4/4

Remarks:

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

²⁾ General Siravudhi Sukanthanark Was appointed as an authorized director, signed on February 27, 2018, therefore unable to perform duties as Audit Committee

3.Nomination and Remuneration Committee

As of 31 December 2018, 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.	Mr. Tanachai Bunditvorapoom ¹	Nomination and Remuneration Director

Remarks:

- ¹⁾ Police Lieutenant General Doctor Passakorn Rukskul resigned from the Board of Directors on 27 February 2018 and the Board of Directors appointed Mr. Tanachai Bunditvorapoom to be appointed as a member of the Nomination and Remuneration Committee on 26 April 2018.

Summary of Meeting Attendance of the Nomination and Remuneration Committee from 2016–2018

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	2/2
2.	Mrs. Parinda Vongvitavat	Nomination and Remuneration Director	2/2	3/3	2/2
3.	Police Lieutenant General Doctor Passakorn Rukskul ¹	Nomination and Remuneration Director	2/2	3/3	1/2
4.	Mr. Tanachai Bunditvorapoom	Nomination and Remuneration Director	-	-	1/2

Remarks:

- ¹⁾ Police Lieutenant General Doctor Passakorn Rukskul resigned from the Board of Directors on 27 February 2018 and the Board of Directors appointed Mr. Tanachai Bunditvorapoom to be appointed as a member of the Nomination and Remuneration Committee on 26 April 2018.

4. Management Team

As of 31 December 2018, there are seven 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 Varangkna Wasuwanich ²⁾	Deputy Managing Director -Account & Finance / CFO
4.	Mr.Narong Supanurat ³⁾	Deputy Managing Director - Operation
5.	Mr. Pakorn Bunpanya	General Manager - After Sales
6.	Miss Ladda Satchoi	General Manager - Front Office
7.	Miss Prissana Sakulthanayong ⁴⁾	Accounting Manager/ Accountant

Remarks:

- ¹⁾ Mr. Chairat Kamonoratep was appointed as one of the management team in October 2016.
- ²⁾ Miss Varangkna Wasuwanic Entered the executive position in November 2018
- ³⁾ Mr.Narong Supanurat Entered the executive position in October 2018
- ⁴⁾ Miss Prissana Sakulthanayong Entered the executive position in November 2018

5. 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.

6. Remunerations for Directors and Executives

6.1 Monetary Remunerations

1) Directors' Remunerations

The Annual General Meeting of Shareholders 2018 on 26 April 2018 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

The remunerations for company directors for the years 2018 are as follows:

No.	Name	Monthly compensation	Meeting allowance			
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1.	Mr. Yol Phokasub	480,000	50,000	-	-	530,000
2.	Mr. Songvit Titipunya	240,000	50,000	-	-	290,000
3.	Mrs. Parinda Vongvitavat	240,000	40,000	-	10,000	290,000
4.	Police Lieutenant General Doctor Paskorn Rukskul*	40,000	10,000	-	5,000	55,000
5.	Mr. Chairat Kamonoratep	240,000	50,000	-	-	290,000
6.	Associate Professor Pachara Pacharavanich	240,000	50,000	20,000	-	310,000
7.	Mr. Pratarn Aranyakananda	240,000	50,000	20,000	-	310,000
8.	General Siravudhi Sukanthanark	240,000	50,000	5,000	-	295,000
9.	Mr. Surapong Uthaichalanond	240,000	50,000	20,000	10,000	320,000
10.	Mr. Tanachai Bunditvorapoom**	200,000	40,000	-	5,000	245,000
	Total	2,400,000	440,000	65,000	30,000	2,935,000

Remarks:

* Police Lieutenant General Doctor Passakorn Rukskul resigned from the Board of Directors on 27 February 2018

**Mr. Tanachai Bunditvorapoom appointed as a director effective from 27 February 2018

The remunerations for company directors for the years 2017 are as follows:

No.	Name	Monthly compensation	Meeting allowance			
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1.	Mr. Yol Phokasub***	440,000	40,000	-	-	480,000
2.	Mr. Songvit Titipunya	240,000	50,000	-	-	290,000
3.	Mrs. Parinda Vongvitavat	240,000	40,000	-	15,000	295,000
4.	Police Lieutenant General Doctor Paskorn Rukskul*	40,000	50,000	-	15,000	305,000
5.	Mr. Chairat Kamonoratep	240,000	50,000	-	-	290,000
6.	Associate Professor Pachara Pacharavanich	240,000	20,000	10,000	-	270,000
7.	Mr. Pratarn Aranyakananda	240,000	50,000	25,000	-	315,000
8.	General Siravudhi Sukanthanark	260,000	50,000	25,000	-	335,000
9.	Mr. Surapong Uthaichalanond	240,000	50,000	25,000	15,000	330,000
	Total	2,380,000	400,000	85,000	45,000	2,910,000

Remarks:

*** Mr. Yol Phokasub appointed as Chairman Effective from 11 February 2017

6.2 Executives' Remunerations

Remunerations for executives (excluding remunerations executives receive from holding position as directors) consist of two main parts, namely, salaries and bonuses. For the year 2016, year 2017 and year 2018, the company paid management remuneration are shown in the following table:

	2016	2017	2018
No. of Persons	6	7 ¹⁾	6 ²⁾
Remunerations (Million Baht)	6.53	11.44	14.65

Remark:

- During the year 2017, the company has 1 executive leaving the position and starting work within 2017, 1 person
- During the year 2018, the company has 4 executives leaving the position and starting work within the year 2018, 3 people.

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

Employee compensation (Excluding executive compensation) consisting of salary, bonus, overtime, fuel, telephone and diligent premiums. The company has paid compensation for employees for the year 2018, the total amount 105,400,214.64 baht. As of December 31, 2018, the company has a total of 511 employees, divided into the number of employees according to the main department as shown in the table.

Department	No. of Employees (Persons)
1. Short-term Leasing	70
2. Operating Leasing	25
3. Limousine Service	133
4. Fleet Management	19
5. Customer Relations	3
6. Car Replacements	84
7. Call Center	45
8. Mechanics and Mobile Service	36
9. Human Resources and Administration	20
10. Information Technology	3
11. Accounting	21
12. Finance	33
13. Company Secretary	1
14. Driver	4
15. Branch management staff	8
16. asap Go staff	3
17. asap Auto Park staff	6
Total	511

7. 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.

8. Labor Disputes over the Past Year

- None. -

9. Human Resources Development Policy

The company recognizes the value of human resources. That will help drive the company to grow steadily. The company therefore focuses on personnel development and provide promotion and development of knowledge and competency of personnel by requiring training according to the course that is appropriate for the job type and position, such as

Training on "Service Mind" for all employees Training techniques, effective communication and negotiation for all employees Gas system training and car maintenance procedures for the Call Center and related departments Training for income tax and tax invoice for rental car business for accounting department and finance department etc.

CSR activity on 30 June 2018, storage room repair activities Painted a dining table to repair any wood at Wat Khlong Khon School

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.

2. Monitoring of compliance with good corporate governance principles

In the year 2018, the company received the awards of pride as follows:

- The Company received an assessment of the quality of the AGM Checklist for the year 2018 with 97 points from the Thai Investors Association (TIA), with an average score of 657 listed companies, equal to 92.42 points.
- The company received the corporate governance assessment results of Thai listed companies (CGR) in 2018, equal to 78 percent.

3. Applying the principles of good corporate governance for listed companies in 2018 to apply

The Board of Directors has adopted the principles of good corporate governance for listed companies in the year 2012 of the Stock Exchange of Thailand to continuously implement the policy and has reviewed the corporate governance policy annually or at least once a year. Which has reviewed the corporate governance policy in the past year. In 2017, the Securities and Exchange Commission announced Good governance or a new issue. Corporate Governance Code (CG Code) for listed companies to apply the principles to be used in appropriate practices Is beneficial to create value for the business sustainably and has good performance in the long term Which the Board of Directors has considered implementing the CG Code to be suitable for the nature of the business or other alternative measures However, the company will adopt practices that have not been implemented as guidelines for further development.

In the year 2018, the company would like to give an example of the matter that the company has not yet complied with the following reasons.

No.	Not yet practical	Reason
1.	The Board of Directors should consider determining the number of listed companies that each director will hold no more than 5 positions.	Because there is currently no director Holding the position of director in more than 5 listed companies, therefore, there is no need to define

No.	Not yet practical	Reason
2.	The board of directors should clearly specify the term of office of independent directors in the corporate governance policy. Which should be set for no more than 9 years without exception	Since the company started to register to the Stock Exchange of Thailand for only 2 years, it was deemed that there was no need to determine the term of independent directors.
3.	The Board of Directors should arrange for the evaluation of the entire Board of Directors, individual and sub-committees. Which should reveal the process And criteria for assessment	Since the company started to register into the Stock Exchange of Thailand for only 2 years, it was deemed that there was no need to evaluate the performance of the committee.
4.	The Board of Directors should consider the appointment of the CG Committee and the Risk Management Committee.	Because the company There is a Risk Management Working Team which reports to the Audit Committee. Therefore able to take care of various risks And saw that it was not necessary to appoint a Risk Management Committee

The company has published a policy of good corporate governance. Business ethics Policy on the use of internal information and guidelines in the event that there may be a conflict of interest Both Thai and English At the company website www.asapcarrent.com under the heading of company information / good corporate governance For shareholders, investors, stakeholders all groups acknowledge

Board of Directors believe that adherence to good governance ethics and morality in business operations will help add value to the business in the long run and strive to improve the level of corporate governance to be in accordance with the new CG Code principles and the ASEAN CG Scorecard, with follow-up and preparation of reports to report the implementation of the good corporate governance principles of the company in 2018 Important 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.

In the meeting of the Board of Directors No. 1/2019, the Board of Directors approved the safety, occupational health, and working environment policy as follows;

- The Company is committed to complying with the Law and other regulations in terms of safety, occupational health, and working environment.
- The Company supports resources in terms of personnel, appropriate and adequate budget for safety, occupational health, and working environment issues.
- The Company improved and prevented several dangers, including the development of safety, occupational health, and working environment systems, as well as the continuous and consistent environment management.

- All employees must take into account the safety of themselves and their colleagues, as well as the Company's assets as priority. Employees must also be conscious and aware of impacts on the environment and help prevent problems that may affect the environment.
- All employees must cooperate with and participate in the Company's safety, occupational health, and working environment projects, as well as have the rights to provide opinions to improve safe working conditions and working approaches.
- The Company is committed to reducing resources usage and energy consumption in both activities that have impacts on the environment and have no impacts on the environment, as well as encouraging reuse and recycle.
- The Company evaluates performance according to the aforementioned policy on a regular basis.

In June 2018, the company organized activities Repair the storage room painted the dining table repair wooden logs at Wat Khlong Khon School Mueang Samut Songkhram District Samut Songkhram Province

In the meeting of the Board of Directors No. 1/2019, the Board of Directors approved the Whistle Blowing Policy in which the details are as follows;

Scope of notification of clues or complaints

According to this policy, complainants can provide clues or complaints about important issues that may have a negative impact for the Company as follows;

1. Illegal acts or failure to comply with corporate governance policy, Anti-corruption Policy and Code of Conduct.
2. Violation of regulations and regulations of the Company.
3. Invalid financial reports, insufficient internal control systems and false financial documents.
4. Conflicts of Interest.

Approaches for notification of clues or complaints

The Company provides opportunities for both internal and external stakeholders to report clues or complaints about the following offenses;

1. Complainant must specify name, address, and contact number, including the name of the offender and the offense that are reliable, together with witnesses and evidences (if any). However, the complainant can choose not to disclose themselves if the disclosure shall cause unsecure or any damage, but self-disclosure shall allow the Company to report progress, clarify the facts or to relieve the damage quickly.
2. If both internal and external stakeholders saw any offenses, they can report clues or complaints through various channels as deemed appropriate as follows;

2.1 Inform directly responsible and reliable supervisors

2.2 Send an electronic letter to supervisors

2.3 Mail to the Chairman of the Audit Committee / Secretary of the Audit Committee as the following address;

Chairman of the Audit Committee / Secretary of the Audit Committee

Synergetic Auto Performance Public Company Limited

149 Moo 3, Theparak Road, Theparak, Muang, Samut Prakan 10270

2.4 Send an electronic letter to the Chairman of the Audit Committee / Secretary of the Audit Committee at acsecretary@asapcarrent.com or scan QR code to the Secretary of the Audit Committee.

Processes when receiving clues or complaints

1. When receiving clues or complaints, the Company shall assign the Secretary of the Audit Committee or other appropriate departments to collect all relevant facts in order to consider the information received from the whistleblower or the complainant. In case that facts were found during the examination, the Secretary of the Audit Committee or other assigned departments shall present to the Audit Committee and the Board of Directors to consider and acknowledge, as well as order or determine procedure guidelines and appoint an investigation committee to consider relevant information.
2. After the investigation committee has verified the aforementioned facts, it shall provide action plans to the Audit Committee and the Board of Directors to consider, order, and set corrective guidelines, as well as consider penalty as the next step.

Protection of Whistleblowers or the Complainant in order to create confidence for the whistleblower or the complainant who inform clues or complaints with honest intent, the whistleblower or the complainant shall be protected from the Company as follows;

1. Whistleblower, complainant, or those who cooperate with the investigation, the Company shall not disclose name, surname, address, and any other information that can identify the whistleblower or the complainant. Then, an investigation shall be proceeded whether there is any fact or not.

2. The Company shall keep relevant information confidential and shall disclose information as necessary with regard to safety and damage of the whistleblower or the complainant, or those who cooperate with the investigation, source of information, or related persons.
3. In the event that the whistleblower or the complainant, or those who cooperate with the investigation of facts feel unsecure or may be damaged, they can request the Company to set appropriate protection measures or the Company may determine protection measures in which the whistleblower or the complainant, or those who cooperate with the investigation of facts may not request if it is likely to cause damage or insecurity.
4. Those who have suffered damage shall receive relief measures through appropriate and fair procedures.
5. The Company shall not do anything unfair to the whistleblower or the complainant whether by changing positions, job characteristics, work place, suspension, threatening, work interfering, termination, or other actions that have unfair manners to the whistleblower or the complainant, or those who cooperate with the investigation of facts.

False notification of clues or complaints

If the Company found that clues or complaints or any other information has an evidence to proof that an act of intentional dishonesty, false and is intended to cause damage, in case of employees of the company, they shall be subject to disciplinary action in accordance with the Company's regulations. However, in case of other person, the Company shall consider legal action against such person if the action causes the damage to the Company.

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. Investors can contact the investor relations of the company by email: Siriporn.s@asapcarent.com or by calling 0-20918000 ext. 1100 or via the company website.

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.

7. The company gives importance to dissemination of information through investor relations activities. The senior management has been involved in providing information and meeting investors in order to have a

better understanding of the management of the company. Strengthen good relationships Including encouraging continuous exchange of ideas With important activities in 2018 including

activities	Number of time
Opportunity Days	2 times (March and September)
Analysis Meeting	2 times (May and November)

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 oversee 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

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.

In the year 2019, Mr. Tanachai Buditvorapoom, Director and Nomination and Remuneration Committee Attend training courses Certificate of Nomination and Compensation Program (BNCP), Class 6/2019, Thai Institute of Directors Association (IOD)

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 specializes 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

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.

5. Recruitment and Appointment of Directors and Chief Executive Officer

5.1 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.

5.2 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.

5. 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.

5.3 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.

5.4 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.

5.5 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.

5.6 Report on changes in shareholding of directors and executives in 2018

Information as of December 31, 2018

No	Name	Position	Number of shares held on 31 December 2017	Number of shares held on 31 December 2018	Number of changes increased / (decreased) in 2018	Shareholding in the company in 2018 (%)
1.	Mr. Yol Phokasub	Chairman	4,500,000	4,950,000	0	0.681
2.	Mr. Songvit Titipunya/	Vice Chairman	49,000,000	53,900,000	0	7.424
3.	General Siravudhi Sukanthanark	Director	1,200,000	1,300,000	100,000	0.179
4.	Mrs. Parinda Vongvitavat/	Director	69,330,000	65,133,900	4,196,100	8.902
5.	Mr. Chairat Kamonoratep/	Managing Director	715,000	509,500	205,500	0.070
6.	Mr. Surapong Uthaichalanond	Independent Director	1,000,000	1,100,000	100,000	0.151
7.	Mr. Pratam Aranyakananda	Independent Director	1,165,000	1,281,500	116,500	0.176
8.	Associate Professor Pachara Pacharavanich	Independent Director	1,946,900	2,547,690	600,790	0.350
9.	Mr. Tanachai Bunditvorapoom	Director	0	0	0	0

Note: At the 2018 Annual General Meeting of Shareholders, the meeting approved the stock dividend payment at the rate of 10 existing shares per 1 stock dividend.

6. Oversight of the Activities of Subsidiaries and Joint Companies

As of 31 December 2018, 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.

7. 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.

8.Audit Fees

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 the revenue certified report for Airports of Thailand Public Company Limited and 0.39 million baht of out of pocket, which are expenses other than audit fees such as travel fees, allowances, overtime fees, stationery fees, etc.

For the 2018 accounting year ending 31 December 2018, the company paid remunerations for audit of the company's financial statements by the amount of 1.95 million baht, composed of 1.45 million baht of audit fees, 0.27 million baht of the revenue certified report for Airports of Thailand Public Company Limited and 0.23 million baht of out of pocket, which are expenses other than audit fees such as travel fees, allowances, overtime fees, stationery fees, etc.

9.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.

For various public benefits which demonstrates social responsibility. In the year 2018, the company has organized safe driving training activities for customers and / or employees of customers.

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. 1/2019 on 28 February 2019, 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. In queries 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

Juristic person(s) / person(s) who are connected to the Company

Name of Juristic Person(s) / Person(s)	Type of Business	Relationship
Mr. Songvit Titipunya	-	Mr. Songvit Titipunya is a director and a major shareholder of the Company, having a shareholding of 7.42 percent of total registered and paid-up capital (according to the shareholder register as of 28 December 2018).
Mrs. Parinda Vongvitavat	-	Mrs. Parinda Vongvitavat is a director and a major shareholder of the Company, having a shareholding of 8.90 percent of total registered and paid-up capital (according to the shareholder register as of 28 December 2018).
Toyota At United Company Limited	A Toyota car supplier	Toyota At United Company Limited is a major shareholder of the Company with a shareholding of 25.00 percent of total registered and paid-up capital (according to the shareholder register as of 28 December 2018). Toyota At United Company Limited has Mr. Songvit Titipunya, Mrs. Parinda Vongvitavat, and family as its major shareholders and directors.
Toyota At United Used Car Company Limited	A Toyota used car supplier	Toyota At United Used Car Company Limited has Mr. Songvit Titipunya, Mrs. Parinda Vongvitavat, and family as its major shareholders and directors.

P2M Energy Company Limited	Purchase, sales and installation of NGV and LPG equipment in all types of cars, as well as car check-up and repair services	P2M Energy Company Limited has Mr. Songvit Titipunya, Mrs. Parinda Vongvitavat, and family as its major shareholders and directors.
Siam Nissan P2M Company Limited	A Nissan car supplier	Siam Nissan P2M Company Limited has Mr. Songvit Titipunya as its director, as well as also has a connected person with Mr. Songvit Titipunya and Mrs. Parinda Vongvitavat as its major shareholder and director.

Name of Juristic Person(s) / Person(s)	Type of Business	Relationship
Toyota Phitsanulok Toyota's Dealer Company Limited	A Toyota car supplier	Toyota Phitsanulok Toyota's Dealer Company Limited has a connected person with Mr. Songvit Titipunya as its major shareholder and director.
SMP Global Trading Company Limited	Distribution and installation of GPS system in cars	SMP Global Trading Company Limited has Miss Paweena Vongvitavat, a connected person with Mrs. Parinda Vongvitavat and a shareholder of the Company with a shareholding of 0.16 percent of total registered and paid-up capital (according to the shareholder register as of 28 December 2018), as its major shareholder and director.
Thai Smile Leasing Company Limited	Taxi leasing	Thai Smile Leasing Company Limited has connected persons with Mr. Songvit Titipunya as its major shareholders and directors.
Toyota Premium Phitsanulok Company Limited	A Toyota car supplier	Toyota Premium Phitsanulok Company Limited has Mr. Songtham Titipunya, a connected person with Mr. Songvit Titipunya and a shareholder of the Company with a shareholding of 0.29 percent of total registered and paid-up capital (according to the shareholder register as of 28 December 2018), as its major shareholder and director.

The Company has related transactions with companies / connected person for the fiscal year ending 31 December 2018 and 2017 which can be summarized as follows;

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 18	31 Dec 17		
Toyota At United Company Limited	Being a major shareholder and having common shareholders / directors.	The Company was a car leasing service provider and received lease fees.	1.95	1.83	The transaction is a normal business transaction of the Company in which the Company charged service fees and offered 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 deemed the service revenues obtained to be reasonable and beneficial to the Company's normal business activities.
Toyota At United Company Limited	Being a major shareholder and having common shareholders / directors.	The Company sold cars after contract expiration and received revenue from cars sold.	57.83	0.26	The transaction is a normal business transaction of the Company. The Company sold cars after contract expiration to Toyota At United Company Limited in cases where Toyota At United Company Limited is the highest bidder, through the normal auction method of the sales of cars after contract expiration of the Company.	The aforementioned transaction resulted from necessity in the Company's normal business activities. The prices of cars after contract expiration by which Toyota At United Company Limited makes purchase are the highest prices set by auctions. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.
Toyota At United Company Limited	Being a major shareholder and having common shareholders / directors.	The Company sold car tires and charged electricity and tap water bill from using utilities in the area of asap Auto Park project.	1.44	0.12	The Company is a distributor of some tire brands which is a transaction that supports a normal business activities of the Company. The Company set the selling price and trade conditions to Toyota	The aforementioned transactions are from the result of necessity in the Company's normal business activities.

					At United Company Limited in the same manner as those specified for other customers. Toyota At United Company Limited uses the utilities of the Company in the area of asap Auto Park project. The Company charges electricity and tap water bill from the actual usage with service rates and trade conditions in the same manner as those specified for other customers.	The Audit Committee has considered the aforementioned transaction and deemed the revenues obtained to be reasonable and beneficial to the Company's normal business activities.
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Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 18	31 Dec 17		
Toyota At United Company Limited	Being a major shareholder and having common shareholders / directors.	The Company purchased TOYOTA brand cars for the Company's normal business operations.	4,166.55	3,152.66	The transaction is a normal business transaction of the Company. The Company purchased cars by considering the ability to procure cars according to specifications and speed of delivery on scheduled, as well as purchase discounts. Toyota At United Company Limited is one of the major car suppliers in Thailand and is able to deliver cars that meet customer specifications in large quantities within a limited period of time at greater discount and discount to purchases made from other Toyota suppliers. The Audit Committee has considered the aforementioned transaction and deemed the aforementioned transaction to be reasonable and beneficial to the Company's normal business activities.	

Toyota At United Company Limited	Being a major shareholder and having common shareholders / directors.	The Company used car repair and maintenance services, as well as purchased TOYOTA's spare parts and equipment.	14.55	14.21	<p>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 At United Company Limited (revised edition)", in which the calculation method of prices for car purchases is clearly specified.</p>	<p>The aforementioned transaction resulted from necessity in the Company's normal business activities. The prices and trade conditions of repairs and maintenance are comparable to the prices and trade conditions of other service providers.</p> <p>The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.</p>
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Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 18	31 Dec 17		
Toyota At United Company Limited	Being a major shareholder and having common shareholders / directors.	The Company borrowed short-term funds and paid interest in return.	-	2.64	The Company borrowed funds for using as working capital in normal business activities and land purchase, with the loan amount as of 1 January 2017 of 174.40 million baht, interest rate of 5 percent per year (without collateral). The Company has fully repaid loans in Q1/2017 and, in 2018, the Company did not borrow from Toyota At United Company Limited.	The aforementioned transaction resulted from necessity in the Company's normal business activities. The Company occasionally borrows funds from Toyota At United Company Limited as necessary due to greater convenience and speed than loans from financial institutions, 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 deemed it to be reasonable and beneficial to the Company's normal business activities.
Toyota At United Company Limited	Being a major shareholder and having common shareholders / directors.	The Company leased land and office building, as well as paid for other services.	5.22	5.39	The Company leases land and office building of 680 square wah of land area and 2,526 square meters of building area situated on 149 Moo 3, Theparak Road, Theparak Sub-district, Muang Samut Prakan District, Samut Prakan Province for using as the Company's office. The Company pays lease fees at the rate of 553,940 baht per month, which is 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 office building lease transaction resulted from a necessity to facilitate customers in conducting business with the Company. The Audit Committee has considered the aforementioned transaction and deemed the aforementioned transaction to be reasonable with lease fee rates equivalent to those evaluated by an independent appraiser.

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 18	31 Dec 17		
Toyota At United Used Car Company Limited	Having common shareholders / directors.	The Company sold cars after contract expiration.	1.46	2.34	The transaction is a normal business transaction of the Company. The Company sold cars after contract expiration to Toyota At United Used Car Company Limited in cases where Toyota At United Used Car Company Limited is the highest bidder, through the normal auction method of the sales of cars after contract expiration of the Company.	The aforementioned transaction resulted from necessity in the Company's normal business activities. The prices of cars after contract expiration by which Toyota At United Used Car Company Limited makes purchase are the highest prices set by auctions. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.
Toyota At United Used Car Company Limited	Having common shareholders / directors.	The Company sold car tires to Toyota At United Used Car Company Limited	-	0.02	The Company is a distributor of some tire brands which is a transaction that supports a normal business activities of the Company. The Company set the selling price and trade conditions to Toyota At United Used Car Company Limited 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 deemed it to be reasonable and beneficial to the Company's normal business activities.
Toyota At United Used Car Company Limited	Having common shareholders / directors.	The Company purchased cars from Toyota At United Used Car Company Limited.	-	2.54	Because there were some short-term car leasing customers required to lease a new car model but such model was in short supply. Accordingly, the	The aforementioned transaction resulted from necessity in the Company's normal business activities.

Mr. Songvit Titipunya Mrs. Parinda Vongvitavat	A major shareholder A major shareholder	The Company leases land and buildings in which the said land and buildings are a joint ownership of Mr. Songvit Titipunya, Mrs. Parinda Vongvitavat, and Mr. Sarut Titipunya (son of Mr. Songvit Titipunya and Mrs. Parinda Vongvitavat). The Company paid lease fees.	1.84	1.84	Company considered to purchase a used car by considering condition and price of the car that was reasonable compared to other sellers.	The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.
		The Company leases land and building (partially) situated on 149 Moo 3, Theparak Road, Theparak Sub-district, Muang Samut Prakan District, Samut Prakan Province for using as the Company's office. The Company pays lease 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.	1.84			The aforementioned land and office building lease transaction resulted from a necessity to facilitate customers in conducting business with the Company. The Audit Committee has considered the aforementioned transaction and deemed the aforementioned transaction to be reasonable with lease fee rates equivalent to those evaluated by an independent appraiser.

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 18	31 Dec 17		
Toyota Phitsanulok Toyota's Dealer Company Limited	Toyota Phitsanulok Toyota's Dealer Company Limited has persons related to major shareholders/directors of the Company as shareholders/directors.	The Company partially used repairs and maintenance services from Toyota Phitsanulok Toyota's Dealer Company Limited.	0.69	0.73	Because some repairs of electrical systems and engines are complicated and required to sent cars 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 as 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 are comparable to the prices and trade conditions of other service providers. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.
Toyota Premium Phitsanulok Company Limited	Toyota Premium Phitsanulok Company Limited has persons related to major shareholders/directors of the Company as shareholders/directors.	The Company partially used repairs and maintenance services from Toyota Premium Phitsanulok Company Limited.	0.51	0.23	Because some repairs of electrical systems and engines are complicated and required to sent cars 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 as 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 are comparable to the prices and trade conditions of other service providers. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.

P2M Energy Company Limited	Having common shareholders / directors.	The Company purchased parts and equipment related to NGV and LPG gas systems in parts by brands and specifications set by customers, as well as also used repair and maintenance services for cars using NGV and LPG gas systems from P2M Energy Company Limited.	0.47	1.12	According to the aforementioned purchase and use of repair and maintenance services, the Company has compared with other parts and equipment suppliers. In this regard, price and trading conditions that the Company paid are comparable to those of other parts and equipment suppliers.	The aforementioned transaction resulted from necessity in the Company's normal business activities. The prices and trade conditions of repairs and maintenance are comparable to the prices and trade conditions of other service providers. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.
Siam Nissan P2 M Company Limited	Having common directors.	The Company sold car tires to Siam Nissan P2M Company Limited.	0.03	-	The Company is a distributor of some tire brands which is a transaction that supports a normal business activities of the Company. The Company set the selling price and trade conditions to Siam Nissan P2 M Company Limited 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 deemed it to be reasonable and beneficial to the Company's normal business activities.

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 18	31 Dec 17		
Siam Nissan P2 M Company Limited	Having common directors.	The Company partially used repairs and maintenance services for NISSAN cars from Siam Nissan P2M Company Limited.	0.09	0.06	Because some repairs of electrical systems and engines are complicated and required to sent cars 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 as 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 are comparable to the prices and trade conditions of other service providers. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.
Siam Nissan P2 M Company Limited	Having common directors.	The Company purchased NISSAN cars from Siam Nissan P2M Company Limited.	22.16	3.07	The Company purchased cars by considering the ability to procure cars according to specifications and speed of delivery on scheduled, as well as purchase discounts. Siam Nissan P2M Company Limited is one of the major NISSAN car suppliers in Thailand and is able to deliver cars that meet customer specifications in large quantities within a limited period of time at greater discount and services to purchases made from other NISSAN suppliers. The Audit Committee has considered the aforementioned transaction and deemed the aforementioned transaction to be reasonable and beneficial to the Company's normal business activities.	The aforementioned transaction resulted from necessity in the Company's normal business activities. Siam Nissan P2M Company Limited has the ability to deliver cars that meet customer specifications in large quantities within a limited period of time at greater discount and services to purchases made from other NISSAN suppliers. The Audit Committee has considered the aforementioned transaction and deemed the aforementioned transaction to be reasonable and beneficial to the Company's normal business activities.

Thai Smile Leasing Company Limited	Thai Smile Leasing Company Limited has persons related to major shareholders/directors of the Company as shareholders/directors.	The Company provided car leasing services to Thai Smile Leasing Company Limited.	1.22	1.63	"a policy and protocol on car purchases from Siam Nissan P2M Company Limited". 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 deemed the service revenues obtained to be reasonable and beneficial to the Company's business activities.
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Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 18	31 Dec 17		
Thai Smile Leasing Company Limited	Thai Smile Leasing Company Limited has persons related to major shareholders/directors of the Company as shareholders/directors.	The Company sold car tires to Thai Smile Leasing Company Limited	0.03	0.01	The Company is a distributor of some tire brands which is a transaction that supports a normal business activities of the Company. The Company set the selling price and trade conditions to Thai Smile Leasing Company Limited 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 deemed it to be reasonable and beneficial to the Company's normal business activities.
SMP Global Trading Company Limited	SMP Global Trading Company Limited has persons related to major shareholders/directors of the Company as shareholders/directors.	The Company purchased GPS equipment for installation in leased cars and the Company paid an annual fee for the GPS system installed in the leased cars to SMP Global Trading Company Limited.	5.20	6.39	Because the prices for GPS devices and service fees of SMP Global Trading Company Limited are better than when comparing 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 prices for GPS devices and service fees of SMP Global Trading Company Limited are cheaper when comparing with other GPS suppliers, while the trade conditions are comparable to other GPS suppliers. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's normal business activities.

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 18	31 Dec 17		
Toyota At United Company Limited Mr. Songvit Titipunya Mrs. Parinda Vongvitavat	Being a major shareholder and having common shareholders / directors. A major shareholder A major shareholder	Toyota At United Company Limited, Mr. Songvit Titipunya, and Mrs. Parinda Vongvitavat jointly provided collateral for the Company's loans from financial institutions and liabilities under financial lease contracts.	Total Collateral Amount 3,000.00	Total Collateral Amount 6,690.52	The Company has several types of credit lines with many financial institutions to be as sources of funds for business operations and the Company is required to enter into financial lease contracts to be as sources of funds to procure leased cars used in its business operations. The aforementioned guarantee of financial institutions loans follows the conditions set forth by financial institutions, and the Company is not required to pay any remuneration for the aforementioned guarantee.	The aforementioned transaction resulted from necessity to obtain funds for using in the Company's business operations. Furthermore, the Company is not required to pay any remuneration for the aforementioned guarantee. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's business activities.
Mr. Songvit Titipunya	A major shareholder	Mr. Songvit Titipunya provided collateral for the Company's loans from financial institutions and liabilities under financial lease contracts.	Total Collateral Amount 9,580.36	Total Collateral Amount 3,180.10	The Company has several types of credit lines with many financial institutions to be as sources of funds for business operations and the Company is required to enter into financial lease contracts to be as sources of funds to procure leased cars used in its business operations. The aforementioned guarantee of financial institutions loans follows the conditions set forth by financial institutions, and the Company is not required to pay any remuneration for the aforementioned guarantee.	The aforementioned transaction resulted from necessity to obtain funds for using in the Company's business operations. Furthermore, the Company is not required to pay any remuneration for the aforementioned guarantee. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's business activities.

Mrs. Parinda Vongvitavat	A major shareholder	Mrs. Parinda Vongvitavat provided collateral for the Company's loans from financial institutions and liabilities under financial lease contracts.	Total Collateral Amount 9,580.36	Total Collateral Amount 3,180.10	The Company has several types of credit lines with many financial institutions to be as sources of funds for business operations and the Company is required to enter into financial lease contracts to be as sources of funds to procure leased cars used in its business operations. The aforementioned guarantee of financial institutions loans follows the conditions set forth by financial institutions, and the Company is not required to pay any remuneration for the aforementioned guarantee.	The aforementioned transaction resulted from necessity to obtain funds for using in the Company's business operations. Furthermore, the Company is not required to pay any remuneration for the aforementioned guarantee. The Audit Committee has considered the aforementioned transaction and deemed it to be reasonable and beneficial to the Company's business activities.
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2. Measures or Procedures for Authorizing Connected Transactions

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.

3.2 Trends of Connected Transactions with Persons with Potential Conflict of Interest

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 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.

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.

4. Summary of the Policy and Protocol on Car Purchases from Toyota @ United United 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 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.

5. Summary of Policy and Protocol for Car Purchases from Siam Nissan P2M Co., Ltd.

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

Overview of the Company's Performance

Throughout the period from 2015-2018, the Company had continuous growth in terms of number of leased cars, number of serviced cars, and revenue from cars leasing business.

As of 31 December 2018, the Company had a total number of cars of 17,142 units, which increased by 50 percent compared to the total number of cars of 11,395 units as of 31 December 2017. The aforementioned increase in number of cars of 5,747 units consisted of an increase in long-term leased cars of 4,780 unit, short-term leased cars of 283 units, limousine leased cars and leased cars via application of 57 units, and replacement cars of 721 units. While, leased cars pending delivery to customers decreased by 60 units and other cars decreased by 34 units.

(Unit: Cars)

Item	As of 31 December		
	2016	2017	2018
Leased Cars			
Long-Term Leased Cars	7,080	9,970	14,750
Short-Term Leased Cars	304	410	693
Limousine Leased Cars	128	130	141
Leased Cars Via Application		49	95
Total Leased Cars	7,512	10,559	15,679
Lease Cars Pending Delivery to Customers	320	207	147
Replacement Cars	510	574	1,295
Other Cars *	63	55	21
Total Cars	8,405	11,395	17,142

Remarks: * Other cars consist of cars pending for sales, cars pending scrap claim from insurance companies, cars used in administration, and others.

The Company's growth of leased cars from 4,770 units as of 31 December 2015 to 7,512 units as of 31 December 2016 and increased to 10,559 units as of 31 December 2017 and amounted to 15,679 units as of 31 December 2018, or an average increase of more than 40 percent every year because the Company focused on a provision of services by considering safety, speed, and ability to exactly respond to customers' needs with a well-customers and business partners relationship management. The growth of the leased car business of the Company is in the same direction as the growth of the overall leased car market in the past period, which is mainly due to the growth demand of leased cars in private organizations, government agencies, and state enterprises, the growth of logistics business, the expansion of Thai tourism industry, as well as supporting policies for domestic tourism by issuing government tax reduction measures.

According to the number of leased cars of 15,679 units as of 31 December 2018, there were long-term leased cars which had the average contract period of approximately 4-5 years in the amount of 14,750 units, or equivalent to 94 percent of the total number of leased cars, in which the proportion was close to the year 2016 and 2017. Long-term leased cars are considered as the Company's core business line which causes the Company to have relatively stable revenue and operating cash flow in every month. In 2018, the Company could increase the number of long-term leased cars by 4,780 units from the total number of increased cars of 5,747 units, resulting in the Company's increasingly stable revenue in every month. Moreover, most of the Company's customers are private organizations that are in several businesses, causing the Company to reduce risks of relying on few customers or relying on only one private organization.

As of 31 December 2018, the Company had 693 short-term leased cars, which increased by 283 units compared to the same date of the year 2017. The main increase came from an increase of leased cars serving at airports in provinces with traffic congestion, including Suvarnabhumi Airport, Don Muang Airport, Chiang Mai Airport, Chiang Rai Airport, Phuket Airport, Hat Yai Airport, and U-Tapao Airport, as well as an increase of leased cars via application, in order to support the continuous expansion of Thai tourism industry, which can be seen from the increasing number of foreign tourists traveling to Thailand. In addition, the supporting policies for domestic tourism of the government sector also encouraged Thai people to travel continuously as well.

The number of foreign tourists traveling to Thailand

	Year 2018	Year 2017	Increase (Decrease) Percent
December	3,845,811	3,571,662	7.68
November	3,177,569	3,039,567	4.54
October	2,712,033	2,725,943	-0.51
September	2,655,563	2,600,279	2.13
August	3,228,595	3,133,411	3.04
July	3,175,981	3,088,042	2.85
June	3,025,279	2,711,490	11.57
May	2,755,059	2,590,533	6.35
April	3,092,725	2,827,560	9.38
March	3,497,260	3,007,833	16.27
February	3,566,898	2,989,171	19.33
January	3,544,528	3,197,053	10.87
Total	38,277,301	35,482,544	7.88

Remark: Preliminary information from the Division of Economy, Tourism and Sports

As of 31 December 2018, the Company had lease cars pending delivery to customers of 147 units and replacement cars of 1,295 units, which increased by 721 units, or 126 percent compared to 574 units on the same date of the year 2017. An increase in high proportion of replacement cars compared to the increases in other types of cars because the Company focused on providing quality services thoroughly and quickly to customers. In the event that leased cars of the customers have problems, accidents or have to enter into periodical maintenance, the Company will be able to rapidly send the replacement cars to replace the main leased cars of the customers. The Company focuses on providing quality and fast services that are able to respond to the customers' needs in which the Company believes that it is one approach to increase competitiveness and create sustainable growth for the Company in the future.

In 2018, the Company had total revenue of 2,675.16 million baht, which increased by 25 percent compared to the total revenue of 2,141.91 million baht in 2017, which was due to an increase in the number of leased cars. While, in 2018, the Company had total expenses of 2,585.52 million baht, which increased by 30 percent compared to the total expenses of 1,991.12 million baht in 2017, which mainly due to an increase in

cost of sales and services from an increase in the number of customers and leased cars. Therefore, in 2018, the Company had net profit of 89.64 million baht, decreased by 41 percent compared to net profit of 150.79 million baht in 2017.

Company Performance

Revenue Structure of the Company in 2016 - 2018

Item	For the Year Ending on 31 December					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Cars Leasing:						
1) Revenues from Long-term Cars Leasing	1,086.09	74.42	1,570.90	73.34	2,072.58	77.47
2) Revenues from Short-term Cars Leasing	18.83	1.29	54.24	2.53	78.80	2.95
3) Revenues from Limousine Cars Leasing	28.08	1.92	56.46	2.64	63.59	2.38
4) Revenues from Cars leasing via application	-	-	0.03	0.00	2.56	0.10
Total Revenues from Cars Leasing	1,133.00	77.63	1,681.63	78.51	2,217.53	82.89
Revenues from Car Sales	304.32	20.85	430.49	20.10	415.13	15.52
Rent of Space and Services Revenue					1.68	0.06
Other Revenue	22.11	1.51	29.79	1.39	40.82	1.53
Total Revenue	1,459.43	100.00	2,141.91	100.00	2,675.16	100.00

Total revenue of the Company in 2018 amounted to 2,675.16 million baht, an increase of 533.25 million baht, or 25 percent from 2,141.91 million baht in 2017, mainly due to an increase in revenue from long-term cars leasing of 501.68 million baht and short-term car leasing of 24.56 million baht. Revenue from long-term car leasing in 2018 amounted to 2,072.58 million baht, or 77 percent of total revenue, while, revenue from long-term car leasing in 2017 was 1,570.90 million baht, or equivalent to 73 percent of total revenue. If comparing the growth of revenue from long-term car leasing in 2018 and 2017, we found an increase of 32 percent, which was in the same direction as the increasing number of long-term leased cars from 9,970 units as of 31 December 2017 to 14,750 units as of 31 December 2018 in order to respond to the increasing demand for leased cars in private sector. Revenue from short-term car leasing was 78.80 million baht in 2018, increased by 45 percent compared to 54.24 million baht in 2017, due to an increase in the number of tourists and the number of cars

serving at the airports, as well as the Company's car parking center increased by 283 vehicles from 410 vehicles in 2017 to 693 vehicles in 2018.

Revenue from car sales is the sale of cars at the expiration of the lease agreements and other cars (replacement cars, cars used in administration, and others) that expire their lifespan. In 2018, revenue from car sales was 415.13 million baht, which came from the total cars sales of 911 units, compared to the year 2017, which had revenue from car sales of 430.49 million baht from the total cars sales of 1,172 units.

The Company has developed a land plot with a land size of approximately 4 rais 60 square wahs, located on Bangna-Trad Road under "asap Auto Park" name. Some areas are used as a short-term cars leasing center and a place for the sales of cars after contract expiration of the Company, in which the remaining area will be utilized by the Company to provide rental space for other services. This project has started opening for lessees to use certain spaces since July 2018, resulting in the year 2018, the Company had rent of space and services revenue from this project in an amount of 1.68 million baht.

Other revenue mainly came from the sales of insurance related to cars leasing and claim compensation from the insurance company in the event of leased cars confronting with accidents.

Total expenses of the Company in 2018 amounted to 2,607.76 million baht, an increase of 556.37 million baht, or 27 percent from 2,051.39 million baht in 2017, which was a result of an increase in the number of leased cars and the development of the Company's services.

Item	For the Year Ending on 31 December				Increase	
	2017		2018		(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Costs of Sales and Services	1,661.12	80.98	2,091.67	80.21	430.55	25.92
Selling and Services Expenses	33.92	1.65	43.04	1.65	9.12	26.89
Administrative Expenses	110.24	5.37	134.63	5.16	24.39	22.12
Financial Costs	246.11	12.00	338.42	12.98	92.31	37.51
Total Expenses	2,051.39	100.00	2,607.76	100.00	556.37	100.00

In 2018, the Company had costs of sales and services in the amount of 2,091.67 million baht, or equivalent to 80 percent of the Company's total expenses, which was the percentage close to the year 2017 that had costs of sales and services of 1,661.12 million baht, or equivalent to 81 percent of the total expenses. Costs of sales and services consist of main expenses, including 1) car depreciation, which, in 2018, increased from the year 2017 at the rate of 30 percent, which was the result of an increase in the number of leased cars 2) costs of car sales were the book value of cars after contract expiration and sold in 2018 in an amount of 374.20 million baht, a decrease of 3 percent compared to the year 2017, because, in 2018, there were a number of cars sold in an amount of 911 units, compared to 1,172 cars sold in 2017 3) maintenance costs and vehicle expenses were maintenance, inspection of leased cars in accordance with the Company's service standards, increased by 42 percent as a result of an increase in the number of leased cars from 2016-2018.

Item	For the Year Ending on 31 December				Increase	
	2017		2018		(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Depreciation and Amortization	914.55	44.58	1,191.15	45.68	276.60	30.24
Costs of Car Sales	386.98	18.86	374.20	14.35	-12.78	-3.30
Maintenance Costs	150.12	7.32	213.57	8.19	63.45	42.27
Other Direct Costs	209.47	10.21	312.75	11.99	103.28	49.31
Costs of Sales and Services	1,661.12	80.98	2,091.67	80.21	430.55	25.92

In 2018, the Company had financial costs of 338.42 million baht, an increase of 38 percent compared to 246.11 million baht in 2017, which was a result of an increase in the number of leased cars because the Company's main source of funds for purchasing cars was entering into financial lease contracts and long-term loans from financial institutions. As of 31 December 2018, the Company had outstanding liabilities from financial lease contracts and long-term loans from financial institutions of 10,564.23 million baht, an increase of 3,416.38 million baht, or 48 percent from the amount of 7,147.85 million baht as of 31 December 2017, resulting in an increase in the Company's interest burden.

Item	For the Year Ending on 31 December				Increase (Decrease)	
	2017		2018		Million Baht	%
	Million Baht	%	Million Baht	%		
Total Revenue	2,141.91	100.00	2,675.16	100.00	533.25	24.90
Total Expenses	2,051.39	95.77	2,607.76	97.48	556.37	27.12
Net Profit Before Corporate Income Tax	90.52	4.23	67.40	2.52	-23.12	-25.54
Corporate Income Tax	60.27	2.81	22.24	0.83	-38.03	-63.10
Net Profit	150.79	7.04	89.64	3.35	-61.15	-40.55

In summary, in 2018, the Company had profit before corporate income tax of 67.40 million baht, a decrease of 26 percent compared to 90.52 million baht in 2017 and a net profit of 89.64 million baht, a decrease of 41 percent compared to 150.79 million baht in 2017.

Company Financial Status

Assets

As of 31 December 2018, the Company had total assets of 12,639.50 million baht, an increase of 3,882.44 million baht, or 44 percent compared to the total assets of 8,757.06 million baht as of 31 December 2017, mainly due to an increase in the number of leased cars which was shown in the topic of property, plant and equipment.

Item	As of 31 December				Increase (Decrease)	
	2017		2018			
	Million Baht	%	Million Baht	%	Million Baht	%
Trade Receivables and Other Receivables	201.81	2.30	311.25	2.46	109.44	54.23
Inventories	66.42	0.76	7.20	0.06	-59.22	-89.16
Property, Plant and Equipment	7,909.91	90.33	11,386.60	90.09	3,476.69	43.95
Other Assets	578.92	6.61	934.45	7.39	355.53	61.41
Total Assets	8,757.06	100.00	12,639.50	100.00	3,882.44	44.33

As of 31 December 2018, the Company had leased cars for services shown in property, plant and equipment, with a net book value of 11,328.12 million baht, while as of 31 December 2017, the net book value was 7,882.67 million baht, or increased by 3,445.45 million baht, or 44 percent.

Trade and other receivables as of 31 December 2018 amounted to 311.25 million baht, an increase of 54 percent compared to the same date of the year 2017, due to the business growth, resulting in an increase in revenue from cars leasing in each month during the year 2018 compared to the year 2017. And on average, the Company will provide credit for the payment of customers' long-term leased cars for 30 days from the date specified in the invoice, resulting in the outstanding receivables at the end of the period of approximately 1-2 months. However, the Company had more cautioned in monitoring and inspecting the outstanding receivables on a regular basis and the Company had a policy to set an allowance for doubtful accounts of 100 percent for receivables overdue for more than 1 year. As of 31 December 2018, the Company set an allowance for doubtful accounts in the amount of 2.82 million baht, which increased by 1.65 million Baht from 1.17 million baht as of 31 December 2017.

As of 31 December 2018, the Company had inventories, which were cars after contract expiration pending for sales, in an amount of 7.20 million baht, decreased by 59.22 million baht compared to the same date of the previous year. The Company had set an allowance for devaluation of inventories in an amount of 0.15 million baht, based on selling prices of the same model cars in the past period.

As of 31 December 2018, the Company had current and non-current assets in an amount of 934.45 million baht, an increase of 355.53 million baht compared to the same date of the previous year. The reason for the increase mainly came from the growth of car leasing business in 2018. As of 31 December 2018, other assets consisted of prepaid expenses (such as car insurance premium and registration fees) in an amount of 157.95 million baht, value added tax pending for credit in an amount of 245.43 million baht, investment property (asap Auto Park project) in an amount of 168.95 million baht and others.

Liabilities

As of 31 December 2018, the Company had total liabilities of 11,146.15 million baht, an increase of 3,794.51 million baht, or up 52 percent compared to 7,351.64 million baht as of 31 December 2017.

Item	as of 31 December				Increase (Decrease)	
	2017		2018			
	Million Baht	%	Million Baht	%	Million Baht	%
Trade Payables and Other Payables	131.86	1.79	530.15	4.76	398.29	302.06
Current Portion of Liabilities	1,435.00	19.52	2,223.01	19.94	788.01	54.91
Loans from Financial Institutions	1,311.91	17.85	2,493.54	22.37	1,181.63	90.07
Debts under Financial Lease Contracts	4,400.94	59.86	5,847.68	52.46	1,446.74	32.87
Other Current and Non-Current Liabilities	71.93	0.98	51.77	0.46	-20.16	-28.03
Total Liabilities	7,351.64	100.00	11,146.15	100.00	3,794.51	51.61

An increase in liabilities mainly came from an increase of loans from financial institutions and debts under financial lease contracts which the Company used as source of funds to purchase cars to support the business growth. Therefore, it can be seen that the increase in leased cars will be close to the proportion of the increase in liabilities under financial lease contracts and loans from financial institutions. As at 31 December 2018, the

Company had liabilities under financial lease contracts and long-term loans from financial institutions of 10,564.23 million baht, an increase of 3,416.38 million baht, or 48 percent from 7,147.85 million baht as of 31 December 2017. While the number of cars and net worth of cars as of 31 December 2018 increased by 50 percent and 44 percent, respectively.

Trade payables and other payables as of 31 December 2018 amounted to 530.15 million baht, an increase of 398.29 million baht compared to the same date of the previous year. This mainly came from an increase in creditors from car purchases. As of 31 December 2018, the Company had creditors from car purchases of 375.87 million baht.

Shareholders' Equity

As of 31 December 2018, the Company had shareholders' equity of 1,493.35 million baht, an increase of 87.93 million baht, or 6 percent from 1,405.42 million baht as of 31 December 2017, which was changed from dividend payment and stock dividend of 3.70 million baht and total comprehensive profit for the year 2018 in the amount of 91.63 million baht.

Cash Flow

Cash Flow Statement (summary)	Year Ending on 31 December		
	2016	2017	2018
Net Cash Flow Received from Operating Activities	843.59	1,307.32	1,643.05
Net Cash Flow Received from (spent on) Investing Activities	-291.71	-1,525.24	-1,275.30
Net Cash Flow Received from (spent on) Financing Activities	-561.30	251.39	-336.21
Net Cash Flow Increase (Decrease)	-9.42	33.47	31.54

In 2018, the Company had net cash flow from operating activities of 1,643.05 million baht, an increase of 335.73 million baht from 1,307.32 million baht in 2017, mainly due to an increase in revenue from cars leasing from an increase in number of customers and leased cars of the Company. Meanwhile, the Company had to purchase more leased cars and repay loans from financial institutions and liabilities under financial lease contracts, causing the Company's net cash flow spent on investing activities and financing activities in an amount of 1,275.30 million baht and 336.21 million baht, respectively. As of 31 December 2018, the Company had a net cash flow increase of 31.54 million baht.

Significant Financial Ratios

	Year Ending on 31 December		
	2016	2017	2018
Liquidity Ratios			
Current Ratio (times)	0.21	0.35	0.28
Quick Ratio (times)	0.13	0.15	0.14
Operating Cash Flow Ratio (times)	0.66	0.83	0.74
Account Receivable Turnover (times)	10.30	10.91	10.27
Average Collection Period (days)	35.42	33.46	35.54
Profitability Ratios			
Gross Profit Margin (%)	21.61	21.35	20.60
Net Profit Margin (%)	4.78	7.04	3.35
Returns on Equity (%)	11.10	14.57	6.18
Efficiency Ratios			
Returns on Assets (%)	1.39	1.99	0.84
Asset Turnover (times)	0.29	0.28	0.25
Financial Policy Ratios			
Debt to Equity Ratio (times)	8.60	5.23	7.46
Interest Coverage Ratio (times)	1.57	1.37	1.20
Dividend Payout Ratio (%)	0.00	17.51	4.13
Book Value Per Share (Baht)	2.01	2.13	2.06

In 2018, the Company had an account receivable turnover ratio of 10.27 times and an average collection period of 35.54 days. While, in 2017, an account receivable turnover ratio was 10.91 times and an average collection period was 33.46 days, in which most customers of the Company had 30 day-credit term on payment.

In 2018, the Company had a gross profit margin of 20.60 percent and a net profit margin of 3.35 percent which decreased from 21.35 percent and 7.04 percent in 2017, due to an increase in costs of sales and services, and an increase in operating expenses in a higher proportion than an increase in total revenue. The main reason came from higher competition in the market, resulting in a limitation in pricing of car leasing services, together with the Company had development of services quality which can be seen from an increasing number of replacement cars to be sufficient for serving customers in order to be able to respond to customers'

needs quickly and thoroughly. In addition, the Company had also developed human resources in the organization to create strengths and enhance competitiveness, as well as long-term advantages for the Company which caused an increase in the Company's costs of sales and services, and operating expenses in 2018.

As of 31 December 2018, a return on equity ratio was 6.18 percent which decreased from 14.57 percent as of 31 December 2017 due to an increase in costs of sales and services, and operating expenses as specified above.

As of 31 December 2018, a return on assets was 0.84 times, decreased from 1.99 times as of 31 December 2017, due to a lower net profit from an increase in costs of sales and services, and an increase in operating expenses in a higher proportion than an increase in total revenue. In addition, the Company still continued to grow steadily, resulting in an increase in total assets. Therefore, a return on assets shall decreased. However, the Company believed that the Company's growth and an increase in the number of leased cars will result in long-term benefits to the Company.

As at 31 December 2018, a debt to equity ratio was 7.46 times, which were higher than 5.23 times as of 31 December 2017, because, in 2018, the Company had continuous growth and increased the number of leased cars, resulting in financing demand from financial lease contracts and loans from financial institutions. Although the Company had a high debt to equity ratio, the Company believed that the aforementioned high ratio shall be at the Company's manageable level since 75 percent of the Company's main revenue was revenue from long-term cars leasing, with an average contract period of 4-5 years. Therefore, the Company will have regular cash flow from leasing every month. Moreover, the Company had managed cash flows required to pay liabilities from financial lease contracts and long-term loans used in the procurement of leased cars to be balanced and consistent with the Company's revenue from cars leasing in which the liabilities in the procurement of leased cars of the Company were long-term liabilities defined to repay as installments. In addition, the Company was able to search for source of funds with a fixed interest rate to be in line with the revenue under the long-term lease contracts in order to reduce the risk of interest rate fluctuations in the future.

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	51	- 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	52	- 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	8.90	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	60	<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 	0.07	-	2016– Present	Director and Managing Director	Synergetic Auto Performance PCL. Car Leasing Business
					2015–2016	Director, Executive Director, Risk Management Director and Managing Director	Krungthai 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

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	48	- 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	0.35	-	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 and communication technology
					1996– Present	Resident Professor, Faculty of Commerce and Accountancy	Thammasat University	University
					2015– Present	Independent Director Audit Director and Chairman of the Nomination and Remuneration Committee	Synergetic Auto Performance PCL.	Car Leasing Business
Mr. Surapong Uthaichalanond/ Independent Director, Audit Director and Recruitment and Remuneration Director/ 23 June 2015	66	- 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	-	1977–2013	Human Resources Manager	PTT PLC.	Comprehensive petroleum petrochemical business
					2014– Present	Chairman of the Board, Independent Director and Audit Director	Synergetic Auto Performance PCL.	Car Leasing Business
					2015– Present	Company Director	Somapa Information Technology PCL.	Sales of equipment and computers and designs, record and transfer of electronic databases
					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
General Siravudhi Sukanthanark/ Director and Authorized Signatory 9 December 2014	64	- Bachelor of Science, Chulachomklao Royal Military Academy - Director Accreditation Program (DAP) Class 118, Year 2015, and Advanced Audit Committee Program (AACP) Class 21, Year 2015, Thai Institute of Directors	0.179	-	2013–2014	Director-general, Office of Defense Budget	Office of the Secretary- general of the Ministry of Defense	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. Pratarn Aranyakananda/ Independent Director and Audit Director/ 27 May 2014	65	<ul style="list-style-type: none"> - Bachelor of Accounting, Bangkok University - Director Accreditation Program (DAP) Class 118, Year 2015, Thai Institute of Directors 	0.176	-	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 Hakuho 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
Mr. Tanachai Bunditvorapoom (Appointed as Director of Police, Lieutenant Colonel Rakkul on February 27, 2018)	46	<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) - Board Nomination & Compensation Program (BNCP) 6/2019 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

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. Pakorn Bunpanya/ General Manager, Front Office/ 1 July 2016	50	- Bachelor of Laws, Ramkhamhaeng University	0.136	-	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
	48	- Bachelor of General Management, Suan Dusit Rajabhat University - Company Secretary Program (CSP) 2015 and Effective Minutes Taking Certificate (EMT), Thai Institute of Directors	0.106	-	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
Mr.Narong Supanurat Deputy Managing Director - Operation 1 October 2018	61	- IMDP (Insurance Management Development Program (Mini-MBA) Chulalongkorn University	0.00	-	Oct 2018 - Present	Deputy Managing Director - Operation	Synergetic Auto Performance PCL.	Car Leasing Business
					2014 -2016	Director and Vice President	Aioi Bangkok Insurance PLC.	Insurance
					2011-2014	Executive Vice President	Aioi Bangkok Insurance PLC.	Insurance
					2008-2011	Senior Vice President – Claim Department	Aioi Bangkok Insurance PLC.	Insurance
					2003-2008	Vice President – Claim Department	Aioi Bangkok Insurance PLC.	Insurance
					2002-2003	Vice President – Claim Department	The Ocean Insurance Co. Ltd.	Insurance

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
Miss Varangkna Wasuwanich Deputy Managing Director - Account & Finance / CFO 26 November 2018	52	<ul style="list-style-type: none"> - Master's Degree (Master of Business Administration, Executive MBA), Thammasat University - Bachelor's Degree (Accounting), Thammasat University 	0.00	-	Nov 2018 - Present	Deputy Managing Director - Account & Finance / CFO	Synergetic Auto Performance PCL. Car Leasing Business
					2003-2013	Division Head of Finance Division	Capital Nomura Securities Public Company Limited Funds and securities
					1996-2003	Accounting Manager	GE Capital Thailand Limited finance
Miss Prissana Sakulthanayong Accounting Manager/ Accountant 26 November 2018		<ul style="list-style-type: none"> - Master of Accounting, Ramkhamhaeng University - Bachelor of Accounting, Burapha University 	0.00	-	Nov 2018 - Present	Accounting Manager	Synergetic Auto Performance PCL. Car Leasing Business
					2016-2018	Accounting Manager	Kanok Furniture and Decoration Company Limited. Interior Decoration
					2013-2016	Accounting Manager	Interhides Public Company Limited. Manufacturing of Car Seat
Miss Prathummat Sankla General Manager, HR & Admin 11 February 2019	44	<ul style="list-style-type: none"> - Master of Business Administration, King Mongkut's institute of Technology Ladkrabang - Bachelor of Economics, Thammasat University 	0.00	-	Feb 2019 - Present	Accounting Manager	Synergetic Auto Performance PCL. Car Leasing Business
					2014-2017	HR Regional Operations Manager	Advanced Info Service Public Company Limited Telecommunication Business
					2007-2013	HR Area Manager	Big C Supercenter Public Company Limited Retail Business

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
Miss Jaruwan Pawasri/ General Manager, Accounting and Finance/ 3 August 2016 (Retired from General Manager, Accounting and Finance and the management of the company in October 2018)	38	<ul style="list-style-type: none"> - Master of Accounting, Ramkhamhaeng University - Bachelor of Accounting Ramkhamhaeng University 	0.066	-	2015-2018	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
					2008-2012	Senior Accounting Officer	Bangkok Ranch PCL. Manufacturing of fresh and frozen ducks, processed food and animal feed
Miss Siriporn Sirisap/ Company Secretary/ 3 February 2017	36	<ul style="list-style-type: none"> - Master of Public Administration, Ramkhamhaeng University - Master of Business Administration, Ramkhamhaeng University - Bachelor of Computer Business, Business Administration, 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
					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>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> <tr> <td>2005-2009</td><td>Internal Audit Officer Level 4 Government Savings Bank Internal Audit Division Headquarters Inspection Group And strategy and development of internal audit</td></tr> <tr> <td>2017-Present</td><td>Special Lecturer, Dharmniti Training and Seminar Company / Academic Team CG Training / Bangkok Thonburi University Master of Business Administration Pathum Thani University Siam University Mahidol University</td></tr> <tr> <td>2012-2017</td><td>Consultant for internal control and internal audit Energy Earth Public company, Energy Perfect Co., Ltd., Exotic Food Public company, Takerng Pineapple Industrial Co., Ltd., Daiwa Industry Co., Ltd., Blue Stacks Co. ,</td></tr> </table>	2018–Present	Vice Chairman of Executive Committee	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	2005-2009	Internal Audit Officer Level 4 Government Savings Bank Internal Audit Division Headquarters Inspection Group And strategy and development of internal audit	2017-Present	Special Lecturer, Dharmniti Training and Seminar Company / Academic Team CG Training / Bangkok Thonburi University Master of Business Administration Pathum Thani University Siam University Mahidol University	2012-2017	Consultant for internal control and internal audit Energy Earth Public company, Energy Perfect Co., Ltd., Exotic Food Public company, Takerng Pineapple Industrial Co., Ltd., Daiwa Industry Co., Ltd., Blue Stacks Co. ,
2018–Present	Vice Chairman of Executive Committee														
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														
2005-2009	Internal Audit Officer Level 4 Government Savings Bank Internal Audit Division Headquarters Inspection Group And strategy and development of internal audit														
2017-Present	Special Lecturer, Dharmniti Training and Seminar Company / Academic Team CG Training / Bangkok Thonburi University Master of Business Administration Pathum Thani University Siam University Mahidol University														
2012-2017	Consultant for internal control and internal audit Energy Earth Public company, Energy Perfect Co., Ltd., Exotic Food Public company, Takerng Pineapple Industrial Co., Ltd., Daiwa Industry Co., Ltd., Blue Stacks Co. ,														

Topic	Description
	<p>Ltd., Jmart Group, De Lamai Co., Ltd., Mukdahan International Hospital, Dr. Hann Hospital Group, Glow Group, Bangkok Chain Hospital Co., Ltd., Crocodile Corporation, Thanarak Co., Ltd. Property Development HR-INTECH Co., Ltd. Earthtech Co., Ltd. APK Green Energy Co., Ltd. Alucon Plc., Dacon Co., Ltd. insurance</p>
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 - 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, 2018, 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. Which consists of independent directors as supervisors quality of financial reports Assess the internal control system Risk management system And various processes For information support And financial documents to be effective In order to have confidence in that Having accurate, complete and timely accounting records and prevent fraud. Or abnormal operations Which the opinion of the Audit Committee about this matter As shown in the Audit Committee Report page Which is in the Annual Report of 2018 and the Board of Directors Have a comment that Internal control system of the company Able to create reasonable confidence in the reliability of the financial statements of Synthetic Auto Performance Public Company Limited as at December 31, 2018



(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 3 professional independent directors who have sufficient knowledge and experience to reliably audit the financial statements. In 2018, 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. Assoc. Prof. Patchara Patcharavanich, President of the Audit Committee
attending 4/4 meetings
2. Mr. Surapong Uthaichalanon, Member of the Audit Committee attending 4/4 meetings
3. Mr. Prathan Arunyakanon, Member of the Audit Committee attending 4/4 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 2018 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 2018 and found that the overall operations are satisfactory and appropriately independent.

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

-Signed-

(Assoc. Prof. Patchara Patcharavanich)

President of the Audit Committee



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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, 2018, the statement of comprehensive income, changes in shareholders' 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, 2018, 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 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 financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><i>Rented vehicles – determining of residual value and the existence of rented vehicles</i></p> <p>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.</p> <p>As at December 31, 2018, rented vehicles has the carrying amount of Baht 11,264.58 million and related depreciation for the year ended December 31, 2018 is of Baht 1,179.26 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>	<p>Other than making the inquiries, the audit procedures included sampling test as follows:</p> <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; - 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, 2018, revenue from service rendered is of Bath 2,217.53 million as disclosed in note 26.</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</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

<i>The key audit matter</i>	<i>Audit procedures</i>
conditions affects to the complex operations and revenue recognition.	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.



Bunjong Pichayaprasat
Certified Public Accountant
Registration No. 7147

Siam Truth Audit Company Limited
Bangkok, February 28, 2019

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

Baht

	Note	2018	2017
Assets			
Current assets			
Cash and cash equivalents	5	71,711,473	40,170,828
Current investments	6	674,097	3,397,933
Trade and other receivables	4, 7	311,254,750	201,810,258
Inventories	8	7,195,658	66,417,703
Other current assets	4, 9	403,651,670	251,151,342
Total current assets		794,487,648	562,948,064
Non-current assets			
Restricted bank deposits	10	15,086,217	12,954,965
Long-term receivables under finance leases	7	2,074,434	-
Investment property	11	168,951,495	120,790,811
Property, plant and equipment	4, 12	11,386,597,614	7,909,911,605
Intangible assets		27,302,528	17,523,182
Deferred tax assets	18	50,215,714	28,474,100
Other non-current assets		194,790,266	104,460,877
Total non-current assets		11,845,018,268	8,194,115,540
Total assets		12,639,505,916	8,757,063,604

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

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

Baht

	Note	2018	2017
Liabilities and shareholders' equity			
Current liabilities			
Bank overdraft and short-term loans from financial institutions	13	19,264,000	47,217,432
Trade and other payables	4, 14	530,153,583	131,859,738
Current portion of debts	15	2,223,010,849	1,434,996,352
Other current liabilities		18,858,296	15,873,310
Total current liabilities		2,791,286,728	1,629,946,832
Non-current liabilities			
Long-term loans from financial institutions	16	2,493,543,083	1,311,912,588
Long-term liabilities under finance leases	17	5,847,677,721	4,400,938,290
Employee benefit obligations	19	1,339,861	2,348,976
Other non-current liabilities		12,308,667	6,497,970
Total non-current liabilities		8,354,869,332	5,721,697,824
Total liabilities		11,146,156,060	7,351,644,656
Shareholders' equity			
Share capital	20		
Authorized share capital			
726,000,000 ordinary shares in year 2018 and 660,000,000 ordinary shares in year 2017, Baht 0.50 par value		363,000,000	330,000,000
Issued and paid-up share capital			
725,999,972 ordinary shares in year 2018 and 660,000,000 ordinary shares in year 2017, fully paid-up		362,999,986	330,000,000
Premium on share capital		510,951,425	510,951,425
Retained earnings			
Appropriated - legal reserve	21	15,512,914	11,030,857
Unappropriated	20	603,885,531	553,436,666
Total shareholders' equity		1,493,349,856	1,405,418,948
Total liabilities and shareholders' equity		12,639,505,916	8,757,063,604

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

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

Baht

	Note	2018	2017
Revenue from sales and services	4	2,634,343,020	2,112,120,119
Cost of sales and services	4	(2,091,666,110)	(1,661,121,398)
Gross profit		542,676,910	450,998,721
Other income	4	40,826,234	29,793,844
Selling and service expenses	4	(43,043,210)	(33,915,612)
Administrative expenses	4	(134,632,011)	(110,243,977)
Finance costs	4, 23	(338,424,838)	(246,114,522)
Profit before income tax		67,403,085	90,518,454
Tax income	25	22,238,058	60,271,549
Profit for the year		89,641,143	150,790,003
Earnings per share	3		
Basic earnings per share		0.12	0.22
Weighted average number of ordinary shares (shares)		725,999,972	677,095,862
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial gains	19	2,482,224	1,322,913
Income tax relating to items that will never be reclassified to gains or loss	25	(496,445)	(264,583)
Other comprehensive income - net of tax		1,985,779	1,058,330
Total comprehensive income		91,626,922	151,848,333

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

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
	Note			Legal reserve	Unappropriated	shareholders' equity
Balance as at January 1, 2017		225,000,000	-	3,491,357	435,523,424	664,014,781
Increase in ordinary shares	20	105,000,000	510,951,425	-	-	615,951,425
Dividend paid	20	-	-	-	(26,395,591)	(26,395,591)
Legal reserve	21	-	-	7,539,500	(7,539,500)	-
Total comprehensive income		-	-	-	151,848,333	151,848,333
Balance as at December 31, 2017		330,000,000	510,951,425	11,030,857	553,436,666	1,405,418,948
Increase in ordinary shares	20	32,999,986	-	-	-	32,999,986
Stock dividend and dividend paid	20	-	-	-	(36,696,000)	(36,696,000)
Legal reserve	21	-	-	4,482,057	(4,482,057)	-
Total comprehensive income		-	-	-	91,626,922	91,626,922
Balance as at December 31, 2018		362,999,986	510,951,425	15,512,914	603,885,531	1,493,349,856

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, 2018

Baht

	2018	2017
Cash flows from operating activities		
Profit before income tax	67,403,085	90,518,454
Adjustments to reconcile profit before income tax to cash generated		
(paid) from operating activities		
Depreciation and amortization	1,191,146,172	914,551,719
Interest income	(693,329)	(1,163,443)
Interest expenses	337,279,452	245,742,082
Doubtful accounts	1,646,590	226,278
Loss on impairment of assets (reversal)	4,262,200	(1,119,744)
Unrealized gain from revaluation of investments	(4,663)	(3,547)
Gain from sales of assets	(220,036)	(7,328)
Cash flow before changes in working capital	1,600,819,471	1,248,744,471
Changes in working capital		
Trade and other receivables	(109,272,964)	(16,610,745)
Receivables under finance leases	-	1,563,761
Inventories	384,865,948	398,621,111
Other current assets	(152,500,329)	(142,652,888)
Restricted bank deposits	(2,131,252)	(2,879,646)
Other non-current assets	611,153	(1,596,111)
Trade and other payables	848,220	(136,285,324)
Other current liabilities	2,984,984	2,772,650
Employee benefit obligations	1,473,109	1,723,146
Other non-current liabilities	5,810,698	2,295,863
Cash generated from the operations	1,733,509,038	1,355,696,288
Interest received	482,087	1,163,443
Income tax refunded	-	20,498,679
Income tax paid	(90,940,541)	(70,033,761)
Net cash provided by operating activities	1,643,050,584	1,307,324,649

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, 2018

Baht

	2018	2017
Cash flows from investing activities		
Purchase of current investments	(180,000,000)	(334,041,000)
Sale of current investments	183,000,000	330,646,614
Purchase of investment property	(49,096,180)	-
Purchase of plant and equipment	(1,218,576,641)	(1,507,252,301)
Sales of assets	55,736	28,410
Purchase of intangible assets	(10,681,882)	(14,619,244)
Net cash used in investing activities	(1,275,298,967)	(1,525,237,521)
Cash flows from financing activities		
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(27,953,432)	11,398,432
Proceeds from short-term loans from related party	-	113,000,000
Repayment of short-term loans from related party	-	(287,395,522)
Proceeds from long-term loans from financial institutions	1,808,606,173	1,295,565,242
Repayment of long-term loans from financial institutions	(362,050,923)	(60,692,155)
Repayment of liabilities under finance leases	(1,419,390,872)	(1,139,135,619)
Interest paid	(332,371,510)	(271,570,088)
Cash received from increase in ordinary shares	-	615,951,425
Dividend paid	(3,050,408)	(25,736,564)
Net cash provided by (used in) financing activities	(336,210,972)	251,385,151
Net increase in cash and cash equivalents	31,540,645	33,472,279
Cash and cash equivalents at the beginning of the year	40,170,828	6,698,549
Cash and cash equivalents at the end of the year	71,711,473	40,170,828

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 359.03 million (year 2017: Baht 391.57 million).
2. The Company purchased cars for rent at cost in the amount of Baht 4,902.57 million (year 2017: Baht 3,421.92 million) by cash payment in the amount of Baht 1,188.48 million (year 2017: Baht 1,471.54 million), by account payable in the amount of Baht 419.68 million (year 2017: Baht 43.80 million) and by entering into a finance lease agreement for the remainder.
3. The Company paid stock dividend in the amount of Baht 33 million (see note 20).

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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. 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 28, 2019.

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 FAP has issued the notifications, mandating the use of Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Standard Interpretations (“TSIC”), Thai Financial Reporting Interpretations (“TFRIC”) (revised 2017) and Accounting Guidance (“AG”), which are effective for the financial statements, which its accounting period beginning on or after January 1, 2018.

During the year, the Company have adopted new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2018. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the notes to the financial statement to users of TFRS. The adoption of these TFRS does not have any significant impact on the financial statements of the Company.

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 not yet effective

During the year, the FAP issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting guidance, which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the notes to the financial statements to users of TFRS.

The financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after January 1, 2019, and a set of 5 financial reporting standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining the revenue recognition at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services. Revenue should be recognized when (or as) the Company transfers control over goods or services to a customer, measured at the amount to which the Company expects to be entitled.

This TFRS replaces the existing revenue recognition standards as follows:

- TAS 11 (revised 2017) Construction Contracts,
- TAS 18 (revised 2017) Revenue,
- TSIC 31 (revised 2017) Revenue-Barter Transactions Involving Advertising Services,
- TFRIC 13 (revised 2017) Customer Loyalty Programmes,
- TFRIC 15 (revised 2017) Agreements for the Construction of Real Estate, and
- TFRIC 18 (revised 2017) Transfers of Assets from Customers.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five TAS, TFRS and TFRIC as follow:

- TAS 32 Financial Instruments: Presentation
- TFRS 7 Financial Instruments: Disclosures
- TFRS 9 Financial Instruments
- TFRIC 16 Hedges of a Net Investment in a Foreign Operation
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

This TFRS replaces the TAS, TFRS, TSIC and accounting guidance ("AG") as follows:

- TAS 101 Bad and Doubtful Debts
- TAS 103 Disclosures in the Financial Statements of Bank and Similar Financial Institutions
- TAS 104 (revised 2016) Accounting for Troubled Debt Restructuring
- TAS 105 (revised 2016) Accounting for Investment in Debts and Equity securities
- TAS 106 Accounting for Investment Companies
- TAS 107 (revised 2016) Financial Instruments: Disclosure and Presentation
- TSIC for Asset Transferred by Debtors for Debt Settlement
- AG for derecognition of financial assets and financial liabilities
- AG for insurance business to designation of financial instruments at fair value through profit or loss

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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. The estimated useful lives are as follows:

	<i>Years</i>
Buildings	20

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:

	<i>Years</i>
Buildings	3, 5 and 20
Cars for rent and vehicles	5
Office equipment	5
Tools	5

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:

	<i>Years</i>
Software	5 and 10

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 is calculated by dividing profit for the years by the weighted average number of ordinary shares outstanding during the years.

During the year 2018, the Company paid stock dividends to the ordinary shareholders (see note 20). The Company adjusted the number of ordinary shares held by the ordinary shareholders existing before dividends paid at the changed proportion of the ordinary shares held by ordinary shareholders, as though the stock dividend had been issued at the beginning of the earliest reporting period.

For the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
Profit for the years	89,641,143	150,790,003
Weighted average number of ordinary shares (shares)		
Issued ordinary shares at the beginning of the year	660,000,000	450,000,000
Effect of shares issued	-	161,095,890
Effect of stock dividends issued	65,999,972	65,999,972
Weighted average number of ordinary shares	<u>725,999,972</u>	<u>677,095,862</u>
Basic earnings per share	<u>0.12</u>	<u>0.22</u>

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, 2018 and 2017 were as follows:

		<i>Baht</i>
	2018	2017
Revenue from services		
Toyota @ United Company Limited	1,950,193	1,827,084
Thai Smile Leasing Company Limited	1,218,980	1,630,800
Revenue from sales		
Toyota @ United Company Limited	57,831,776	261,682
Toyota @ United Used Car Company Limited	1,462,617	2,337,383
Other income		
Toyota @ United Company Limited	1,440,033	115,674
Toyota @ United Used Car Company Limited	2,617	16,355
Siam Nissan P2M Company Limited	26,729	-
Thai Smile Leasing Company Limited	32,832	14,019
Purchase of cars		
Toyota @ United Company Limited	4,166,548,942	3,152,661,828
Toyota @ United Used Car Company Limited	-	2,542,056
Siam Nissan P2M Company Limited	22,161,813	3,071,828
Purchase of spare parts and equipment		
P2M Energy Company Limited	174,951	777,619
SMP Global Trading Company Limited	803,520	2,342,700
Repair and maintenance expenses		
Toyota Premium Phitsanulok Company Limited	509,125	230,999
Toyota @ United Company Limited	14,549,183	14,207,525
Toyota Phitsanulok Toyota's Dealer Company Limited	685,712	727,764
P2M Energy Company Limited	296,464	317,310
Siam Nissan P2M Company Limited	88,152	58,452

		<i>Baht</i>
	2018	2017
Office rental and other service expenses		
Toyota @ United Company Limited	5,218,133	5,394,660
P2M Energy Company Limited	2,237	29,200
SMP Global Trading Company Limited	4,397,970	4,047,239
Mrs. Parinda Vongvitavat	1,842,000	1,842,000
Interest expense		
Toyota @ United Company Limited	-	2,639,948

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2018 and 2017 consisted of:

		<i>Baht</i>
	2018	2017
Short-term benefits	25,393,649	11,034,247
Long-term benefits	2,420,373	654,523
Total	27,814,022	11,688,770

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, 2018 and 2017, the Company paid directors' remuneration in the amount of Baht 2.94 million and Baht 2.91 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2018 and 2017 were as follows:

		<i>Baht</i>
	2018	2017
Trade receivables		
Toyota @ United Company Limited	31,800	25,800
Other receivables		
Toyota @ United Company Limited	3,921,577	214,986
Prepaid service expense		
SMP Global Trading Company Limited	2,577,777	2,262,904
Trade and other payables		
Toyota Premium Phitsanulok Company Limited	95,018	58,255
Toyota @ United Company Limited	379,855,168	27,526,878
Toyota Phitsanulok Toyota's Dealer Company Limited	91,327	116,838
P2M Energy Company Limited	21,084	226,204
Siam Nissan P2M Company Limited	2,096,544	1,383,432
SMP Global Trading Company Limited	911,554	1,065,264
Directors	345,375	-
Related person	196,992	-

Short-term loans from related party

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

	<i>Baht</i>
Beginning balance	174,395,522
Increase	113,000,000
Decrease	(287,395,522)
Ending balance	-

The Company entered into short-term loans agreement with Toyota @ United Company Limited, 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 building rental agreement with related party for a rental period of 3 years starting from June 1, 2017 to May 31, 2020 with a monthly rental of Baht 0.71 million.

On March 20, 2018, the Company sent the related party a letter for a rental discount of Baht 1.55 million due to the building renovation caused the Company inconvenience to work. Such requested amount will be discounted to the rental of February to April 2018.

Co-guarantee for liabilities

As at December 31, 2018, related parties had co-guarantee liabilities as follows:

Toyota @ United Company Limited and directors had co-guaranteed 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/	Relation	Type of relation
	Nationality		
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
Thai Smile 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
Purchase	Referred to market price
Selling of used cars	Referred to market price or bid price
Rendering of service	Stipulate in the agreement
Office building rental and other service expenses	Stipulate in the agreement
Interest expense	Referred to the commercial bank's interest rate.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Cash	716,000	545,000
Cash at banks	70,995,473	39,625,828
Total	<u>71,711,473</u>	<u>40,170,828</u>

6. CURRENT INVESTMENTS

Current investments as at December 31, 2018 and 2017 consisted of:

	2018			2017		
	Cost	Fair value	Unrealized gain	Cost	Fair value	Unrealized gain
Trading investment						
Fixed income fund	<u>669,434</u>	<u>674,097</u>	<u>4,663</u>	<u>3,394,386</u>	<u>3,397,933</u>	<u>3,547</u>

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Trade receivables		
Operating leases	282,472,705	192,700,424
Finance leases	1,606,875	1,808,543
Selling of used cars	8,837,292	1,433,800
Renting Property	506,702	-
Total	293,423,574	195,942,767
Less Allowance for doubtful accounts	(1,955,178)	(692,507)
Trade receivables - net	291,468,396	195,250,260
Other receivables	20,650,340	7,040,065
Less Allowance for doubtful accounts	(863,986)	(480,067)
Other receivables - net	19,786,354	6,559,998
Trade and other receivables - net	311,254,750	201,810,258

As at December 31, 2018 and 2017, the Company had outstanding balances of trade receivable aged by number of months as follow:

	<i>Baht</i>	
	2018	2017
Current	135,422,656	82,397,714
Overdue		
Not over 3 months	142,646,689	107,219,695
Over 3 months up to 6 months	8,554,028	3,733,328
Over 6 months up to 12 months	5,734,972	1,906,860
Over 12 months	1,065,229	685,170
Total	293,423,574	195,942,767

As at December 31, 2018 and 2017, the Company had a minimum amount to be received in the future under operating leases, as follows:

	<i>Millions Baht</i>	
Year	2018	2017
1	2,228.41	1,625.76
2 - 5	4,363.90	3,324.48
Total	6,592.31	4,950.24

Receivables under finance leases as at December 31, 2018 and 2017 consisted of:

	2018			2017		
Year	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
1	1,606,875	868,125	2,475,000	1,808,543	187,827	1,996,370
2 - 5	2,074,434	301,314	2,375,748	-	-	-
Total	3,681,309	1,169,439	4,850,748	1,808,543	187,827	1,996,370

The Company entered into the finance lease agreements for selling of cars, receivable monthly in the amount of Baht 0.17 million (year 2017: Baht 0.17 million). The current portion of receivables under finance leases in the amount of Baht 1.61 million (year 2017: Baht 1.81 million) was presented in trade receivables.

Movements of allowance for doubtful accounts for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
Beginning balance	1,172,574	946,296
Add Doubtful accounts	1,646,590	226,278
Ending balance	2,819,164	1,172,574

8. INVENTORIES

Inventories as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
New cars	-	44,343,047
Used cars	6,538,118	22,061,612
Parts	807,454	441,305
Total	7,345,572	66,845,964
Less Allowance for devaluation of inventories	(149,914)	(428,261)
Inventories - net	7,195,658	66,417,703

As at December 31, 2017, the carrying amount of inventories of Baht 11.63 million was pledged as collateral for liabilities under finance lease (see note 17).

Movements of allowance for devaluation of inventories for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
Beginning balance	428,261	1,389,256
Less Reversal of loss on devaluation of inventories	(278,347)	(960,995)
Ending balance	149,914	428,261

9. OTHER CURRENT ASSETS

Other current assets as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Prepaid expenses	157,951,639	101,266,989
Value added tax pending for credit	245,425,570	146,339,928
Others	274,461	3,544,425
Total	403,651,670	251,151,342

10. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>		
Cash at banks	2018	2017	Guarantee
Savings / fixed deposits	15,086,217	12,954,965	Credit line for letter of guarantee / bank overdraft / performance guarantee

As at December 31, 2018, the Company had credit line for letter of guarantee issued by the financial institution of Baht 408 million (year 2017: Baht 209 million).

11. INVESTMENT PROPERTY

Movements of investment property for the years ended December 31, 2018 and 2017 consisted of:

					<i>Baht</i>
				Constuction	
	Note	Land	Buildings	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		106,801,020	-	13,989,791	120,790,811
Increase / transfer in		-	61,234,071	2,656,601	63,890,672
Disposals / transfer out		-	-	(13,989,791)	(13,989,791)
At December 31, 2018		106,801,020	61,234,071	2,656,601	170,691,692
Accumulated depreciation					
At January 1, 2017		-	-	-	-
Depreciation / transfer in		-	-	-	-
Disposals / transfer out		-	-	-	-
At December 31, 2017		-	-	-	-
Depreciation / transfer in		-	1,740,197	-	1,740,197
Disposals / transfer out		-	-	-	-
At December 31, 2018		-	1,740,197	-	1,740,197
Net book value					
At December 31, 2017		106,801,020	-	13,989,791	120,790,811
At December 31, 2018		106,801,020	59,493,874	2,656,601	168,951,495

Millions Baht

Depreciation for the years ended December 31, 2018, were included in

- Cost of sales and services

1.74

The Company capitalized the borrowings cost during the year in the amount of Baht 0.80 million.

The Company had mortgaged land including existing construction and to be constructed in the future as collateral for loans from financial institution (see note 16).

Investment property of the Company with its carrying amount of Baht 161.86 million were appraised with the appraisal value of Baht 161.69 million by World Valuation Co., Ltd., an independent appraiser engaged by the Company. The appraisal was based on Market Comparison Approach for land and Depreciated Replacement Cost Approach for building of rent in accordance with professional standards of the Valuers Association of Thailand as per their appraisal reports dated December 21, 2018.

12. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, 2018 and 2017 were as follows:

Cost	Note	Land	Buildings	Cars for rent and vehicles	Office equipment	Tools	Construction in progress	Total	Baht
At January 1, 2017		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	
Purchases / transfer in		-	33,278,829	5,005,346,017	9,501,890	854,160	64,973,253	5,113,954,149	
Disposals / transfer out		-	-	(724,726,203)	(584,277)	(29,988)	(71,371,676)	(796,712,144)	
At December 31, 2018		5,889,076	43,199,012	13,764,613,226	19,193,903	2,406,977	-	13,835,302,194	
Accumulated depreciation									
At January 1, 2017		-	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	
Depreciation		-	2,888,929	1,182,614,486	2,708,755	291,270	-	1,188,503,440	
Disposals / transfer out		-	-	(351,702,581)	(477,076)	(29,987)	-	(352,209,644)	
At December 31, 2018		-	5,131,563	2,429,758,225	5,777,289	1,302,946	-	2,441,970,023	

	Baht					
	Land	Buildings	Cars for rent and vehicles	Office equipment	Tools	Construction in progress
						Total
Allowance for impairment						
At January 1, 2017	-	-	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
Loss from impairment	-	-	16,171,250	-	-	16,171,250
Reversal of loss from impairment	-	-	(11,909,050)	-	-	(11,909,050)
At December 31, 2018	-	-	6,734,557	-	-	6,734,557
Net book value						
At December 31, 2017	5,889,076	7,677,549	7,882,674,735	6,730,680	541,142	7,909,911,605
At December 31, 2018	5,889,076	38,067,449	11,328,120,444	13,416,614	1,104,031	11,386,597,614

	<i>Millions Baht</i>	
	2018	2017
Depreciation for the years ended December 31, were included in		
- Cost of sales and services	1,182.95	907.45
- Selling and administrative expenses	5.55	3.12
Total	<u>1,188.50</u>	<u>910.57</u>
At December 31, The gross carrying amount of fully depreciated equipment that is still in use	<u>2.58</u>	<u>1.65</u>
Transferred cars for rent to inventories at net book value for the years ended December 31,	<u>359.03</u>	<u>391.57</u>
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)	2,963.49	1,472.14
- Finance leases (see note 17)	8,078.18	6,061.75
Total	<u>11,041.67</u>	<u>7,533.89</u>

The Company capitalized the borrowings cost during the year in the amount of Baht 0.09 million.

During the year 2018 and 2017, 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, 2018 in the amount of Baht 32.38 million (year 2017: decrease in the amount of Baht 3.32 million).

The Company had mortgaged land including existing construction and to be constructed in the future as collateral for loans from financial institution (see note 16).

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, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Bank overdraft	-	8,132,932
Promissory notes	19,264,000	39,084,500
Total	<u>19,264,000</u>	<u>47,217,432</u>

The details of the short-term loans from financial institutions as at December 31, 2018 and 2017 as follows:

		<i>Millions Baht</i>		
		Credit line		<i>Percent</i>
Financial institutions	Type of credit	2018	2017	Referred interest rate
Commercial bank	Bank overdraft	15	15	MOR
Commercial bank	Promissory notes	50	50	MLR
Commercial bank	Letter of guarantee	408	140	-

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 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, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Trade payables	490,373,574	89,516,442
Other payables		
Accrued expenses	30,087,448	33,807,153
Others	9,692,561	8,536,143
Total	39,780,009	42,343,296
Grand total	530,153,583	131,859,738

15. CURRENT PORTION OF DEBTS

Current portion of debts as at December 31, 2018 and 2017 consisted of:

		<i>Baht</i>	
	Note	2018	2017
Loans from financial institutions	16	519,573,318	253,513,696
Liabilities under finance leases	17	1,703,437,531	1,181,482,656
Total		2,223,010,849	1,434,996,352

16. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institution as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Loans from financial institutions	3,013,116,401	1,565,426,284
Less Current portion	(519,573,318)	(253,513,696)
Long-term loans from financial institutions	<u>2,493,543,083</u>	<u>1,311,912,588</u>

The details of the loans were summarized as follows:

Financial institutions	Millions Baht				Period	Percent	
	Credit line		Principal			Referred interest rate	Repayment
	2018	2017	2018	2017			
Commercial bank	1,277	1,277	1,086.55	619.70	60 period	MLR	monthly principal repayment with interest as agreed in the contract.
Commercial bank	538	338	455.38	272.55	48 - 96 period	MLR	monthly principal repayment with interest as agreed in the contract.
Commercial bank	200	200	147.12	173.53	60 period	MLR	monthly principal repayment with interest as agreed in the contract.
Commercial bank	524	524	417.38	238.93	36 - 60 period	MLR	monthly principal repayment with interest as agreed in the contract.
Commercial bank	290	290	200.08	263.11	36 - 60 period	MLR	monthly principal repayment with interest as agreed in the contract.
Commercial bank	798	-	714.90	-	63 period	MLR	monthly principal repayment with interest as agreed in the contract.
			3,021.41	1,567.82			

Movements of loans from financial institutions for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
Beginning balance	1,565,426,284	330,553,197
Increase	1,809,741,040	1,295,565,242
Decrease	(362,050,923)	(60,692,155)
Ending balance	<u>3,013,116,401</u>	<u>1,565,426,284</u>

The Company has pledge saving account and mortgaged land including construction that to be constructed in the future and including car registration and registered the Secured Transaction as collateral for the loans (see notes 10, 11 and 12). In addition, Toyota @ United Company Limited and directors had co-guaranteed for liabilities of the Company on behalf of company and personally (see note 4).

17. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2018 and 2017 consisted of:

			<i>Baht</i>			
			2018		2017	
Year	Present value	Deferred interest	Minimum		Minimum	
			lease payment		lease payment	
1	1,703,437,531	255,839,396	1,959,276,927		1,181,482,656	
2 - 5	5,847,677,721	385,065,322	6,232,743,043		4,400,938,290	
Total	7,551,115,252	640,904,718	8,192,019,970		5,582,420,946	
			512,807,459		6,095,228,405	

The Company entered into the finance lease agreements for purchase vehicles (see note 12), payable monthly in the amount of Baht 146.07 million. As at December 31, 2018, the current portion of liabilities under the finance leases in the amount of Baht 1,703.44 million (year 2017: Baht 1,181.48 million) was presented under current liabilities.

Toyota @ United Company Limited and directors had co-guaranteed for all liabilities under finance leases (see note 4).

18. DEFERRED TAX

Deferred tax as at December 31, 2018 and 2017 consisted of:

		<i>Baht</i>	
		2018	2017
Deferred tax assets		70,084,743	28,474,100
Deferred tax liabilities		(19,869,029)	-
Deferred tax assets - net		50,215,714	28,474,100

Movements in deferred tax assets and deferred tax liabilities during the years were as follows

	At January 1, 2017	Adjust prepaid income tax	Income (expense)	Other comprehensive loss	At December 31, 2017	Income (expense)	Other comprehensive loss	At December 31, 2018
Deferred tax assets (liabilities)								Baht
Trade and other receivables	-	-	-	-	-	563,833	-	563,833
Inventories	277,851	-	(192,199)	-	85,652	(55,669)	-	29,983
Other current liabilities	538,318	-	435,140	-	973,458	(973,458)	-	-
Employee benefit obligations	389,749	-	344,629	(264,583)	469,795	294,622	(496,445)	267,972
Tax loss carry forward	26,694,123	(26,694,123)	21,497,045	-	21,497,045	47,725,910	-	69,222,955
Receivables under finance leases	(165,149)	-	165,149	-	-	-	-	-
Equipment	(113,809,679)	81,236,044	38,021,785	-	5,448,150	(25,317,179)	-	(19,869,029)
Total	(86,074,787)	54,541,921	60,271,549	(264,583)	28,474,100	22,238,059	(496,445)	50,215,714

19. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefit obligations as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Post-employment benefit plan		
Present value of obligations	1,339,861	2,348,976
Employee benefit obligations - include in the statement of financial position	1,339,861	2,348,976

Movements of the present value of employee benefit obligations for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
Post-employment benefit plan		
Employee benefit obligations as at January 1,	2,348,976	1,948,743
Include in profit or loss:		
Current service cost	1,433,585	1,706,322
Interest cost	39,524	16,824
Defined benefit plan actuarial gains	(2,482,224)	(1,322,913)
Employee benefit obligations as at December 31,	1,339,861	2,348,976

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, 2018 and 2017 principal actuarial assumptions (expressed as weighted averages) as follows:

	<i>Percent</i>	
	2018	2017
Discount rate	2.90	2.68
Salary increase rate	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 2017 (year 2017: 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, 2018 are summarized below:

	<i>Baht</i>	
	Increase	Decrease
Discount rate (1% Movement)	(165,047)	195,564
Salary increase rate (1% Movement)	191,729	(164,719)
Turnover rate (1% Movement)	(181,712)	87,908

20. SHARE CAPITAL AND DIVIDEND PAYMENT

20.1 The Ordinary General Meeting of Shareholders held on April 26, 2018, passed the resolutions to approve as follows:

20.1.1 Stock dividend at the rate of 10 ordinary shares per 1 stock dividend, totaling of 66 million shares or equivalent to Baht 33 million and cash dividend at the rate of Baht 0.0056 per share, totaling of Baht 3.70 million.

20.1.2 Increase authorized share capital from Baht 330 million to Baht 363 million by issuing new ordinary shares of 66 million shares, with the par value of 0.50 each to support stock dividend payment.

The Company registered the increase of its authorized share capital with the Ministry of Commerce on May 17, 2018.

20.2 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.

20.3 The Extraordinary General Meeting of Shareholders held on February 11, 2017, passed the resolutions to approve as follows:

20.3.1 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.

20.3.2 Revise the resolutions of the Extraordinary General Meeting of Shareholders held on July 4, 2016 detailed as follows:

20.3.2.1 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.”

20.3.2.2 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.

20.4 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.

21. 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.

22. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Changing of inventories	385,144,296	399,695,032
Depreciation and amortization	1,191,146,172	914,551,719
Maintenance expenses	213,572,155	150,122,146
Car insurance expenses	170,640,622	109,369,683
Salary, wages and other employee benefits	141,084,361	116,390,139
Car registration fee	45,762,367	25,339,572

23. FINANCE COSTS

Finance costs for the years ended December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Interest expenses	338,173,906	245,742,082
Bank fees	1,145,386	372,440
Total	339,319,292	246,114,522
Less Interest expense is considered capital expenditure	(894,454)	-
Net	338,424,838	246,114,522

24. 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 2018, the Company contributed in the amount of Baht 1.88 million (year 2017: Baht 1.39 million)

25. INCOME TAX

Income tax for the years ended December 31, 2018 and 2017 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.

Tax income for the years ended December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Current tax		
Current year	-	-
Deferred tax		
Movements in temporary differences	22,238,058	60,271,549
Tax income	22,238,058	60,271,549

Income tax recognized in other comprehensive income for the years ended December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Employee benefit obligations	(496,445)	(264,583)

Reconciliation of effective tax rate

	2018		2017	
	(%)		(%)	
	<u>Tax rate</u>	<i>Baht</i>	<u>Tax rate</u>	<i>Baht</i>
Profit before income tax		<u>67,403,085</u>		<u>90,518,454</u>
Income tax using the corporate tax rate	20	13,480,617	20	18,103,691
Expenses not deductible for tax purposes		596,226		2,809,047
Revenues granted income tax exemption		1,855,150		-
Addition expenses deductible for tax purposes		(63,659,244)		(42,408,442)
Tax loss carry forward		<u>47,727,251</u>		<u>21,495,704</u>
Current tax	-	-	-	-
Movement in temporary differences		<u>22,238,058</u>		<u>60,271,549</u>
Tax income	38	<u><u>22,238,058</u></u>	67	<u><u>60,271,549</u></u>

26. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent manner 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 3 principal segments: (1) Car rental (2) Selling of used cars (3) Renting property, 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, 2018 and 2017 were as follows:

For the year ended December 31, 2018

				<i>Baht</i>
	Car rental	Selling of used cars	Renting Property	Total
Revenue	2,217,531,850	415,128,183	1,682,987	2,634,343,020
Cost	(1,713,943,682)	(374,198,297)	(3,524,131)	(2,091,666,110)
Gross (loss) profit	<u>503,588,168</u>	<u>40,929,886</u>	<u>(1,841,144)</u>	<u><u>542,676,910</u></u>
Trade receivables as at December 31, 2018	282,472,705	12,518,601	506,702	<u><u>295,498,008</u></u>
Investment property as at December 31, 2018			168,951,495	<u><u>168,951,495</u></u>
Property, plant and equipment as at December 31, 2018				<u><u>11,386,597,614</u></u>
Total assets as at December 31, 2018				<u><u>12,639,505,916</u></u>

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

Information about major customers

For the year ended December 31, 2018, the Company has revenue from 1 major customer in the amount of Baht 57.83 million from selling of used cars sector (year 2017: 2 major customer with total amount of Baht 364.65 million from car rental sector).

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018, the Company had commitments and contingent liabilities as follows:

27.1 Commitments for payment under agreement as follows:

27.1.1 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	33.72
More than 1 year but not over 5 years	49.03

27.1.2 Construction and service agreement in the amount of Baht 0.98 million.

27.1.3 Asset purchase agreement in the amount of EUR 0.04 million.

27.1.4 Service agreement in the amount of Baht 0.61 million per month.

27.2 Letter of guarantee issued by bank in the amount of Baht 300.71 million (see note 10).

28. FAIR VALUE HIERARCHY

As at December 31, 2018, the Company had the assets that were measured or disclosed at fair value using different levels of inputs as follows:

				<i>Baht</i>
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	-	674,097	-	674,097
Assets for which fair value are disclosed				
Investment property				
Book value amount of Baht 161.86 million	-	117,993,750	43,691,700	161,685,450

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.

Valuation techniques and inputs to Level 3 valuation

The fair value of building and construction is determined by the independent valuers, which was determined on the basis of Depreciated Replacement Cost Approach.

During the year, there was not transfer within the fair value hierarchy.

29. DISCLOSURE OF FINANCIAL INSTRUMENTS

29.1 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.

29.2 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.

29.3 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

29.3.1 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.

29.3.2 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.

29.4 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 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.

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