



Annual Report 2020



## Mobility Solution



[www.asapcarrent.com](http://www.asapcarrent.com)

## Content

	No.
Message from the Chairman of the Board	1
Vision and Mission	3
Board of Directors	4
Policies and Business Overview	6
Business Characteristics	13
Risk Factors	44
Assets Used in Business Activities	64
Legal Disputes	65
General information and other important information	66
Securities and shareholder information	68
Management Structure	71
Corporate Governance	81
Corporate Social Responsibility	111
Internal Control and Risk Management	115
Connected Transactions	116
Important financial information	134
Management's analysis and explanation	143
Description of Directors, Executives and Secretary	163
Descriptions of the Directors of Subsidiaries	187
Description of Internal Audit Work and Company Operations Supervisors	188
Details Associated with Asset Appraisals	190
Report on the Board of Directors' Responsibilities for Financial Statements	191
Report of the Audit Committ	192
Financial Statement Year 2020	195

## Message from the Chairman of the Board



In the year 2020, the Board of Directors Synergy Auto Performance Public Company Limited has performed its duties under the principles of good corporate governance by being aware of the roles and responsibilities of the board as an organization leader In setting objectives Company goals Strengthen knowledge development committee And recruiting high-level executives to promote innovation and responsible business practices. which has overseen the risk management system and

appropriate internal control to maintain financial reliability and accurate information disclosure in order to focus on the highest benefits for the company and Shareholders are important.

As for the overall car sales industry, there were more than 800,000 cars sold in 2020, the total car sales in Thailand. Down by 20% compared to A, due to the epidemic situation of COVID-19

As of December 31, 2020, the company has a total of 18,662 cars, a 2.74 percent decrease compared to 19,196 cars as of 31 December 2019, divided into rental cars by business type. These include 16,052 long-term rental cars, 580 short-term rental cars, 92 cars for rent with drivers, 240 vehicle for rent via application, 115 rental vehicles waiting for delivery. 1,536 cars and other cars (cars for sale Cars waiting to claim, wrecks, etc.), totaling 47 cars, with details of various business.

- long term car rental, The company is a leading company that provides long-term corporate car rentals and the company still maintains a large client base. The company has adjusted the long-term rental business growth target to suit the overall economic condition of the country and strictly in reviewing the financial status and repayment ability of new clients before considering approval. They also try not to have too much concentration of customers in any particular business group.

- Short term car rental Currently, In March 2020, Thailand was faced with a COVID-19 epidemic. Which the Ministry of Public Health has declared a dangerous communicable disease According to the Communicable Disease Act 2015, and LOCKDOWN measures have been implemented, affecting the company.

Especially in respect of income from short-term car rental. Whose main customers are Thai tourists traveling within the country When COVID-19 spreads Causing the amount of tourists to decrease For foreign tourists, it was zero after the first phase of the COVID-19 epidemic. Due to being unable to travel internationally Even though foreign tourists will disappear But the company has received a wish from a project to stimulate tourism in the country. As a result, the income of short-term rental cars decreased 39% compared to 2019.

- Franchisee asap Select, In 2020, the company opens franchises to add 2 branches: asap Select Phetchaburi and asap Select Chonburi. At present, the company has franchises in total of 6 branches: asap Select Nakhon Ratchasima, asap Select Ubon Ratchathani, asap Select Nonthaburi, asap Select Chiang Mai, asap Select Phetchaburi and asap. Select Chonburi asap Select is a comprehensive car service center. To expand the service point for retail customers to gain access to short-term car rental products and services And second hand cars have increased.

- Sale of rental cars at the end of the contract The used car sales market condition was affected by COVID-19 disease. This resulted in a 6.3% decrease in profit compared to 2019.

- Rental cars through an application The company developed an application under the name asap App under the concept of asap Mobility Solution to offer products and services to meet the lifestyles of the new generation that has increased the popularity of car rental usage in 2020. Expand customer base asap App to corporate customers.

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.



(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 car rental business That can meet the needs of customers exactly with a mission to operate the business that "The company that provides car rental and comprehensive services with service standards beyond the impression. Through efficient technology.

Note: In the Board of Directors Meeting No. 1/2021, the meeting approved the review and approval of the vision and the mission of the company.

## Board of Directors



Mr. Yol Phokasub  
Chairman / Independent Director



Mr. Songvit Titipoonya  
Vice Chairman / Chief Executive Officer



Mrs. Parinda Vongvitavat  
Director / Nomination & Remuneration  
Committee



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



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



Board of Directors (Continued)



General Siravudhi Sukanthanark  
Director



Mr. Pratarn Aranyakananda  
Director / Independent Director / Audit Director



Mr. Tanachai Bunditvorapoom  
Director / Independent Director  
Nomination & Remuneration Committee



Mr. Chairat Kamonoratp  
Has requested to resign from the position of director  
Effective from December 9, 2020 and  
Managing Director Effective January 9, 2021

## 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 6 types of rental cars: 1) comprehensive operating leases for serving corporate customers; most of these involve 3- 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 an application (asap App), which focuses on providing services to corporate customers. This is an application that focuses on expanding its base to retail customers (B2C) under the concept of asap Mobility Solution to offer products and services to meet the lifestyles of the new generation who favor the use of car services rent increase. This will be a collection of products and services of asap, allowing customers to use a complete range of services, from car reservations for short-term rentals and car rental based on actual usage under the brand "asap GO" The app will be able to buy used cars and apply for loans from financial institutions as well. 5) Lifestyle Mall (asap Auto Park), car rental center and complete used cars Including food and beverage outlets, and 6) asap Select franchises, service centers for short-term car rentals and second-hand car sales.

For a full range of long-term car rental services. The company has improved, improved its services and expanded its customer base. The business of the company has continued to grow. Until now, entering the 15th year of business operation business objectives. As of December 31, 2020, the company had a total of 18,662 cars, a 2.74 percent decrease compared to 19,188 vehicles as of 31 December 2019.

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

- Services - The company intends to create growth and sustainability in the car rental business through additions to the characteristics and channels of service and application of modern technologies and innovations in service provision. The purpose is to ensure that the company's services are modern and



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

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

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

## 1.2 Company Background and Significant Developments

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

Month-Year	Event
April 2006:	: The company registered its founding on 10 April 2006 with a registered and paid up capital of 5.00 million baht to operate a car rental business, beginning with comprehensive operating car rental services under the brand name asap catering to corporate customers.
July 2006:	: The first service was provided to a leading worldclass postal and shipping service company.
December 2008:	: Services were offered to other types of customers such as government agencies and famous private companies operating businesses such as retail/wholesale and shipping businesses, etc.
April 2009:	: The company increased its registered and paid up capital from 5.00 million baht to 50.00 million baht on 30 April 2009 to accommodate business expansion.
December 2009:	: An additional 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 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.

	<p>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

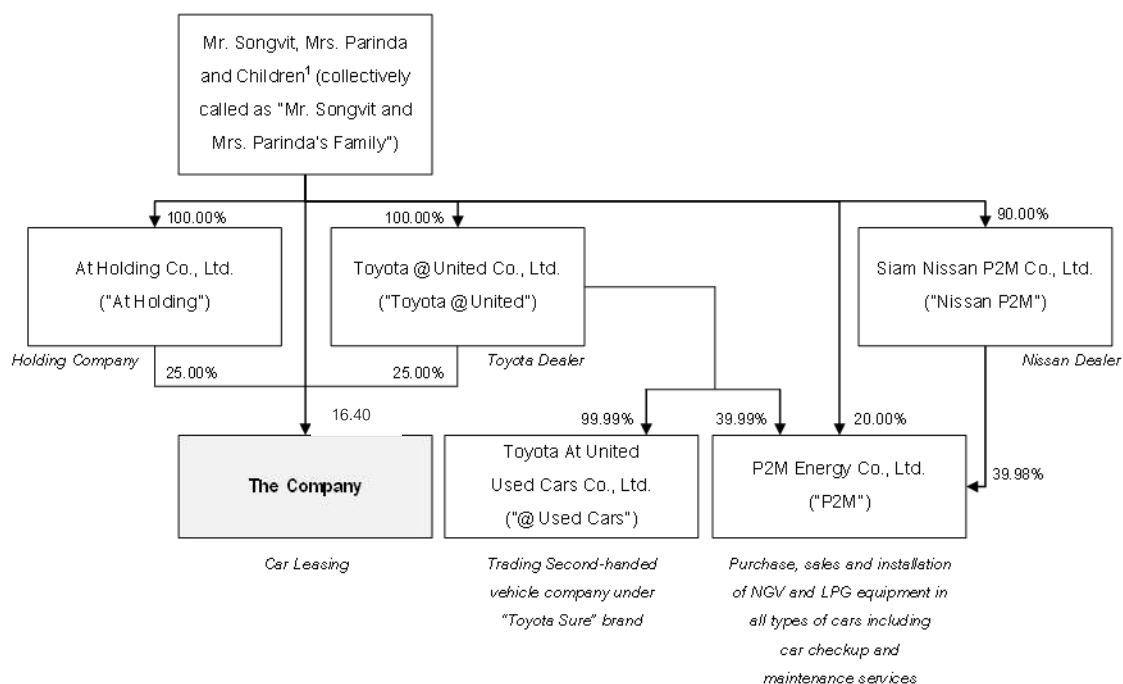
October 2018	<p>Launching the 'asap Auto Park' franchise under the asap Select brand, including 4 models for the growth of the rental car market and the second-hand car market in Thailand that continues to grow, emphasizing low investment with a starting price 1 million baht with support for car rental 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.</p>
November 2018	<p>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.</p>
June 2019	<p>Cooperated with Goo Inspection, the leader of used car condition checking in the group of PROTO Corporation which is listed on the Japan Stock Exchange. In this cooperation, Goo Inspection Thailand came to help inspect the condition of the cars that are completed under the asap brand to reinforce confidence in the company's secondhand car quality and standards. Every vehicle before selling</p>
August 2019	<p>Open Franchise (a short-term car rental service center and sell secondhand cars) under the official brand asap select The first branch in Nakhon Ratchasima province</p>
September 2019	<p>Open Franchise (a short-term car rental service center and sell secondhand cars) under the brand of asap Select, Nonthaburi Branch, located near the Purple Line. Bang Kraso Station</p>
October 2019	<p>Open Franchise (car rental service center and sell secondhand cars) under the brand of asap select, Ubon Ratchathani branch. Located on the road around the city Next to the red sunset</p>
November 2019	<ul style="list-style-type: none"> <li>- Open Franchise (a car service center for renting and selling secondhand cars) under the brand asap Select, Chiang Mai - Doi Saket Road Chiang Mai Province</li> <li>- Open asap app, launch 'asap Limousine' or rental car with driver Or car for rent with driver By strengthening the experience of car rental and large fleet rental cars Came to help support the new service of asap while training the driver to provide quality service Which corporate customers (in the first phase) can book using the asap app</li> </ul>

- July 2020
- The situation of the COVID-19 epidemic in Thailand has eased. The board of directors has resolved to hold the 2020 shareholders' meeting on July 30 at 2:00 p.m. At BITEC Bangna Exhibition and Convention Center, 2nd Floor, Grand Hall Room 202-203, ready to hold a meeting under the rules of Social Distancing strictly.
  - with Toyota Mobility Foundation (TMF) or Toyota Mobility Foundation Provide operational support services Take the shuttle for medical personnel. Rajavithi Hospital During the COVID-19 epidemic situation, more than 120 employees make travel safer and more comfortable.
- June 2020
- Opened a car service center for rent and sale of used cars under the brand asap select Phetchaburi Province
- October 2020
- Opened a car service center for rent and sale of used cars under the brand asap select, Chonburi Province

### 1.3 Company Share Structure

As of 31 December 2020, the company does not hold shares in subsidiaries and joint companies.

### 1.4 Relationships with the Businesses of Major Shareholders



Remark: <sup>1</sup> 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 2020, 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 16.40 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 2018 to 2020 are shown in the following table:

Item	For the Year Ending 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues from Car Rental</b>						
1) Revenue from Long-Term Rental:						
Private Companies:						
Retail/Wholesale Businesses.	376.35	14.07	595.06	18.75	575.91	16.19
Transportation Businesses.	201.85	7.55	251.86	7.94	262.23	7.37
Other Businesses.	1,195.56	44.69	1,355.10	42.70	1,446.93	40.68
Total Private Companies.	1,773.76	66.30	2,202.02	69.38	2,285.07	64.25
Government Agencies And State Enterprises.	298.54	11.16	311.64	9.82	282.84	7.95
Ordinary Persons	0.28	0.01	0.00	0.00	0.00	0.00
Total Revenue From Operating	2,072.58	77.47	2,513.66	79.20	2,567.92	72.20
2) Revenue From Short-Term Rental.*	78.80	2.95	101.92	3.21	61.85	1.74
3) Revenue From Limousine Rental*	63.59	2.38	58.09	1.83	35.71	1.00
4) Revenue From Car Rental via Mobile	2.56	0.10	33.42	1.05	46.94	1.32
<b>Total Revenue from Car Rental</b>	<b>2,217.53</b>	<b>82.89</b>	<b>2,707.09</b>	<b>85.30</b>	<b>2,712.42</b>	<b>76.26</b>
Revenue from Car Sales	415.13	15.52	420.64	13.25	761.41	21.41
Rental of space and service income**	3.48	0.13	9.90	0.31	14.10	0.40
Other Revenues***	39.03	1.46	36.16	1.14	68.86	1.94
<b>Total Revenue</b>	<b>2,675.17</b>	<b>100.00</b>	<b>3,173.79</b>	<b>100.00</b>	<b>3,556.79</b>	<b>100.00</b>

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 6 types of car rental services: 1) Long-Term rental; 2) short-term rental; 3) limousine rental; 4) car rental via mobile application; 5) asap Auto Park and 6) asap Select. The details of all services offered are as follows:

### Number of Available Vehicles for Service as of 31 December from 2018 to 2020

Unit: Cars

Item	As of 31 December		
	2018	2019	2020
Vehicles for Lease:			
Long-term Lease	14,750	16,600	16,052
Short-term Lease	693	697	580
Limousine Lease	141	142	92
Lease via Mobile Application	95	226	240
<b>Total Vehicles for Lease</b>	<b>15,679</b>	<b>17,665</b>	<b>16,964</b>
Leased Vehicles pending Delivery	147	117	115
Replacement Vehicles	1,295	1,361	1,536
Other Vehicles*	21	53	47
<b>Total Vehicles</b>	<b>17,142</b>	<b>19,196</b>	<b>18,662</b>

\* Remarks: Other cars consist of a pending carcass claim from an insurance company and management vehicles

### 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

As of September 1, 2020, the Company has canceled its own auto repair and maintenance center service because the company considers that The company has contacted more than 1,585 auto repair and maintenance centers which are sufficient to provide the service. Therefore, it is of the opinion that the Company's automobile repair and maintenance center services must be terminated but the company still has a reminder to bring the car to receive various maintenance for customers. 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 December 31, 2020), customers of the company can use their cars for service at 1,585 auto repair and maintenance centers. Which is a third party car repair and maintenance center ("outside center") such as the service

center of various brand car dealers. At the company buying cars And a dedicated car maintenance center, etc.

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 2019, 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 2020, the company has a total

of 1,562 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 January 1, 2021, the company has opened asap counters in 5 different airports, namely Phuket Airport, Chiang Mai Airport, Don Muang Airport, Hat Yai Airport, Suvarnabhumi Airport and there are branches that serve outside the airport, including Chiang Rai and U-Tapao branches as before to meet different customer requirements and impress customers. The company is determined to provide new vehicles with low mileage of various sizes and brands to customers ranging from small, medium and large passenger cars to executive cars and vans of various brands such as Toyota, Honda, Nissan, Mercedes-Benz, etc.



### Examples of asap Counters



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

### 2.2.3 Limousine Lease

Limousine rental is one aspect of the company's determination to provide car rental services that meet customer requirements in all areas. The company focuses on providing long-term leases for corporate customers that need to lease cars with chauffeurs. In July 2016, the company officially began providing limousine rental services for the first time and 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 chauffeurs and daily car and chauffeur management based on the usage requirements of customers. The company procures chauffeurs through direct employment and outsourcing. Accordingly, the company trains chauffeurs to drive with proper manners and etiquette and in compliance with traffic laws in order to maintain the image of each customer, 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 App.)

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. The official download from January 1, 2019.

**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.

In 2020, the company has opened 2 new franchise branches: Phetchaburi branch and Chonburi branch. As a result, the company currently has 6 franchise branches, namely, Nakhon Ratchasima, Nonthaburi, Ubon Ratchathani, Chiang Mai, Chonburi and Phetchaburi, with a prototype branch that is asap auto park, Bangna Km.12 branch.

The picture shows the franchise branch



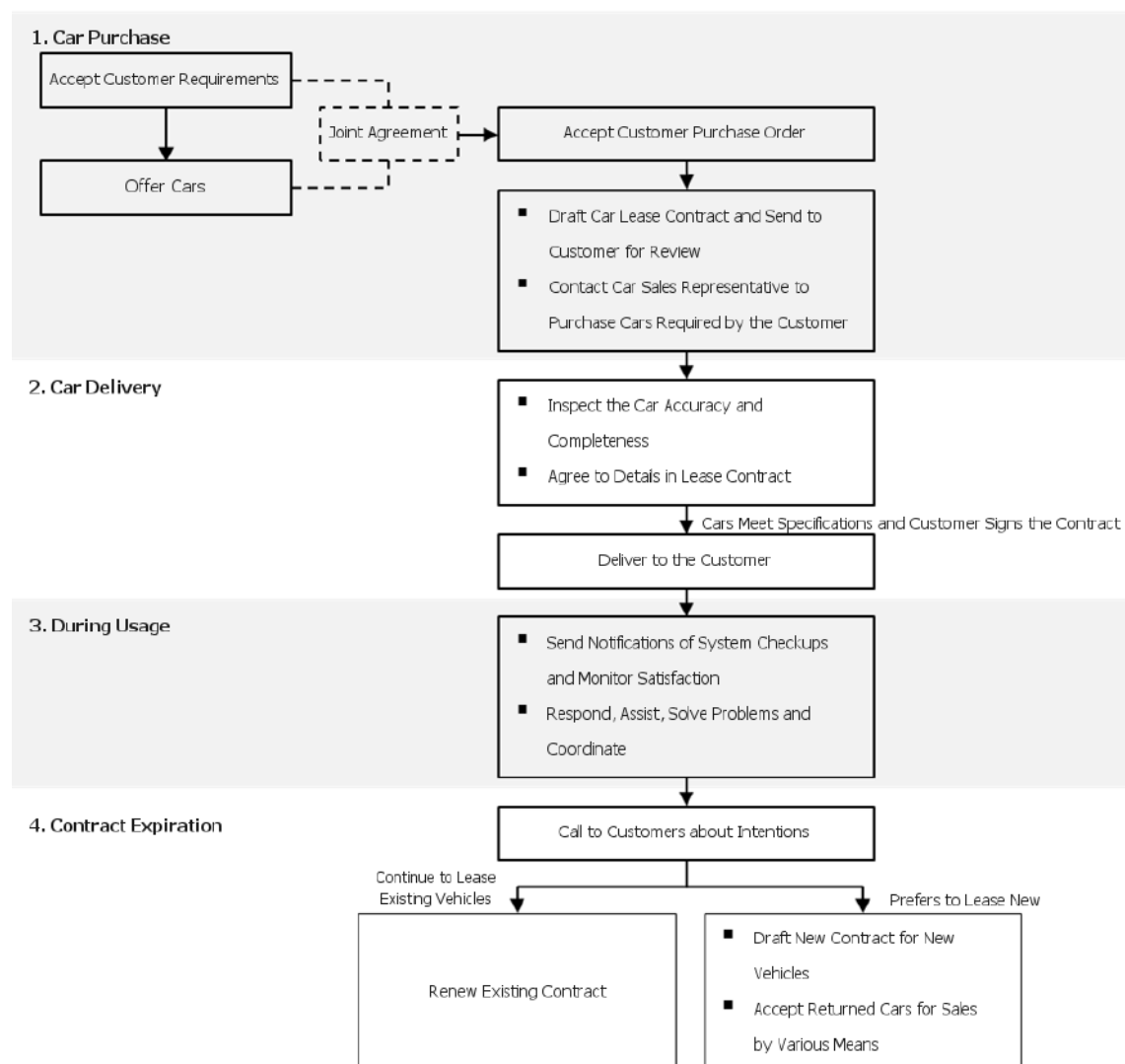
The branch 5 Franchise, opens on June 8, 2020, Phetchaburi Province



The sixth branch franchise opens on October 31, 2020 in Chonburi Province.

## 2.3 The Company's Rental Service Processes

### 2.3.1 The processes for operating lease can be summarized as follows:



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

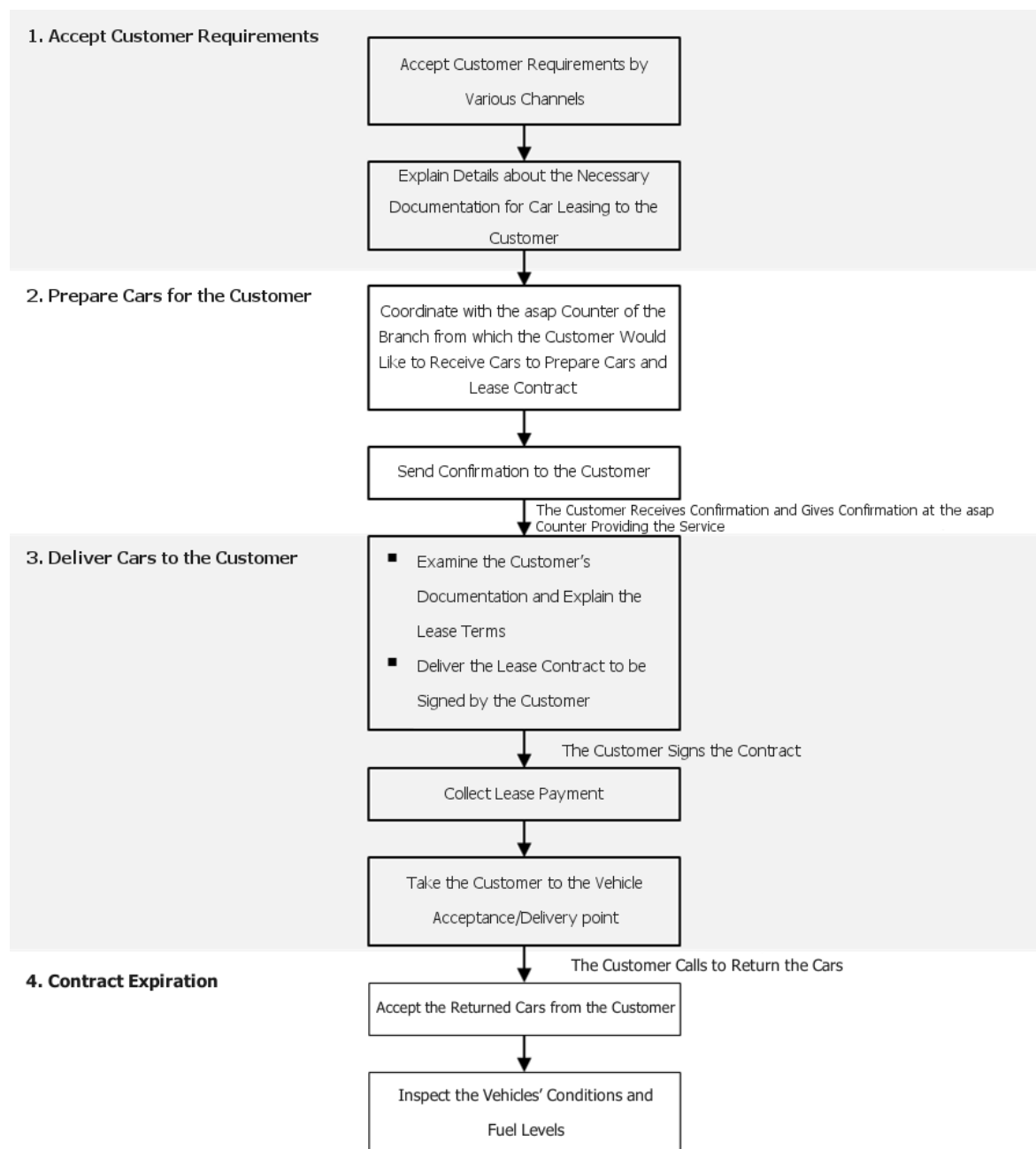
- 2) **Vehicle Delivery** - The company verifies the accuracy and completeness of the car specifications and quantities required by the customer before accepting them from the car sales representative. Once the company has already inspected the accuracy and completeness of the vehicles required by the 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.
- 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.
- 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:

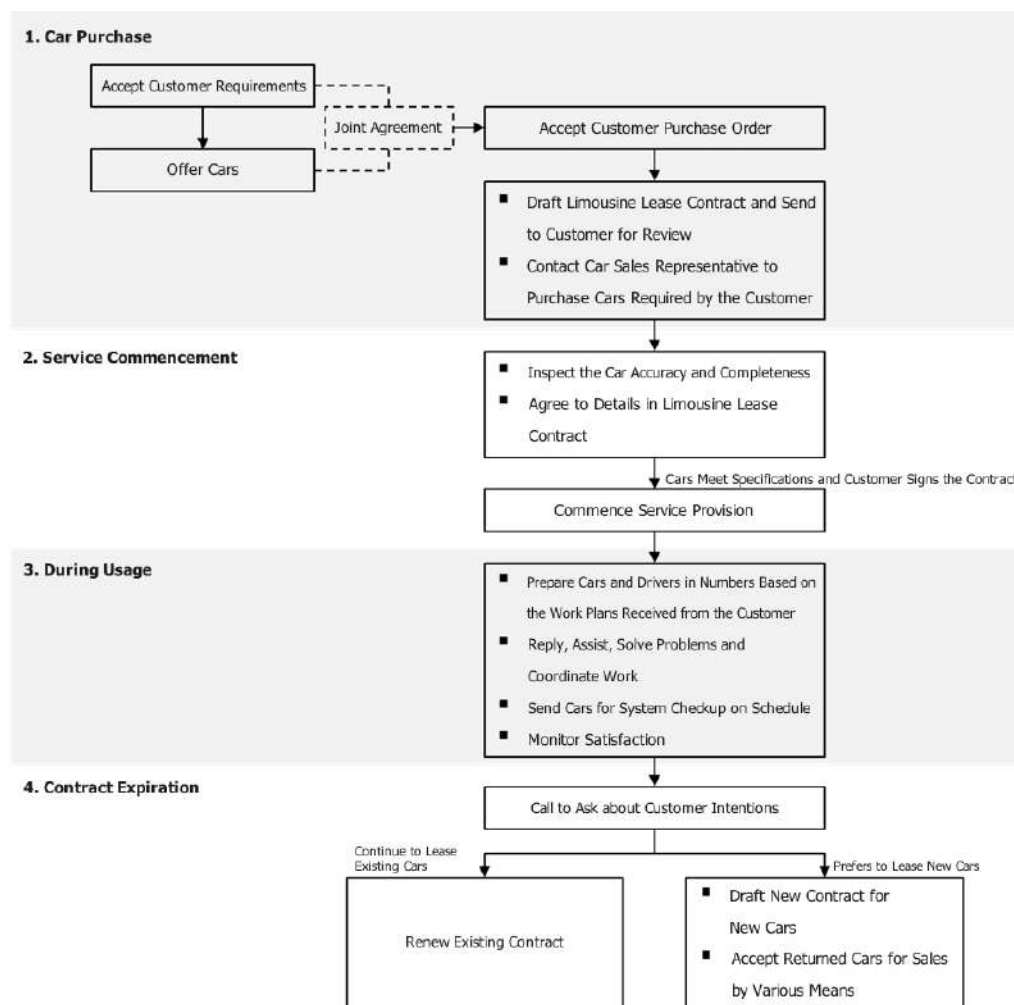


- 1) Receive Customer Demands** - Once a customer wishes to use the company's short-term rental services, the customer can express the aforementioned intention in advance by a number of channels such as the company's main office, telephone, the LINE application to asap's account and the company's website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

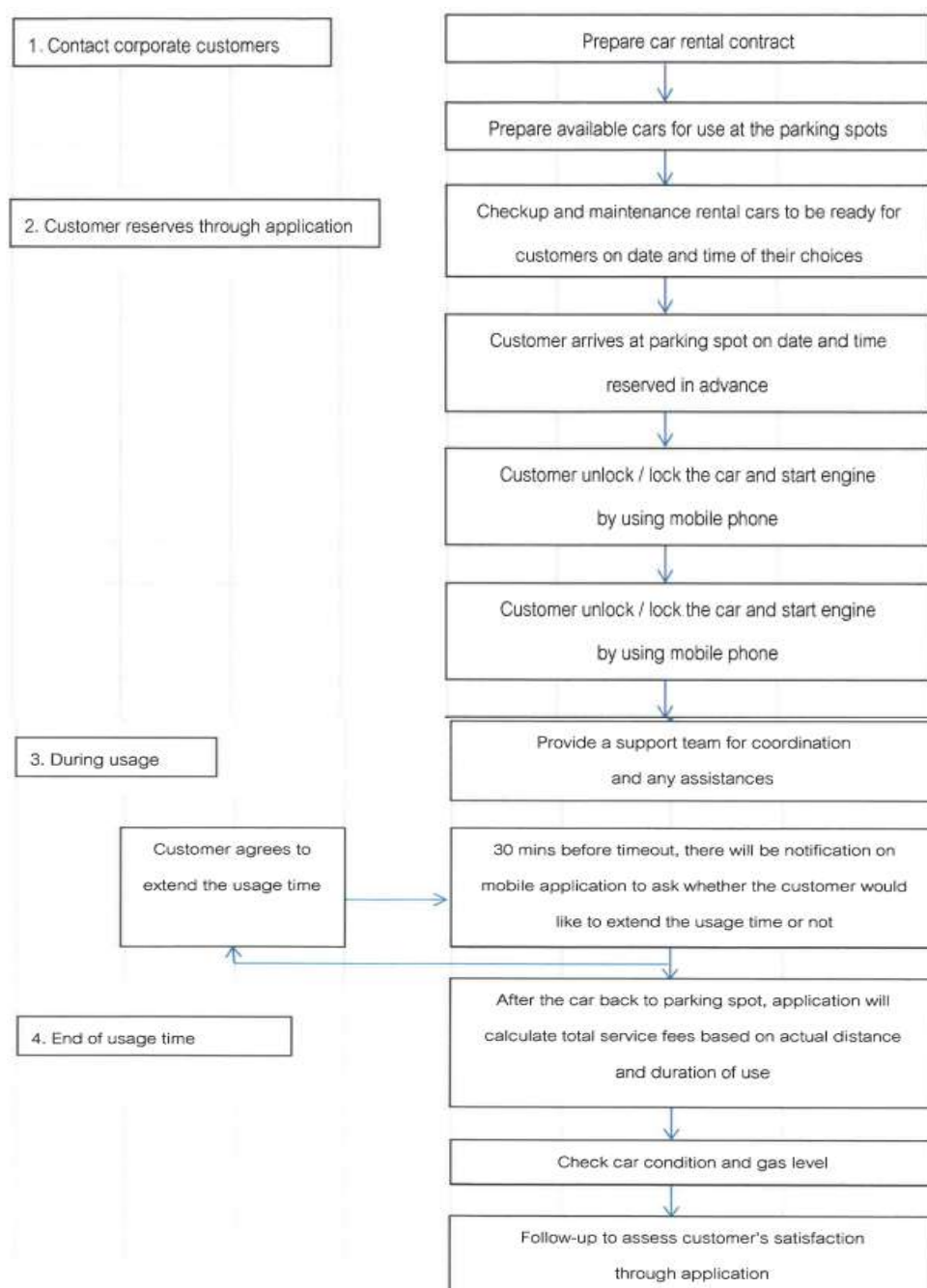


- 1) **Car Purchase** - Similar to the same process for comprehensive operating lease.
- 2) **Commencement of Service Provision** - The company verifies the accuracy and completeness of the car specifications and quantities required by the customer prior to accepting them from the car sales representative. 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 chauffeurs 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.

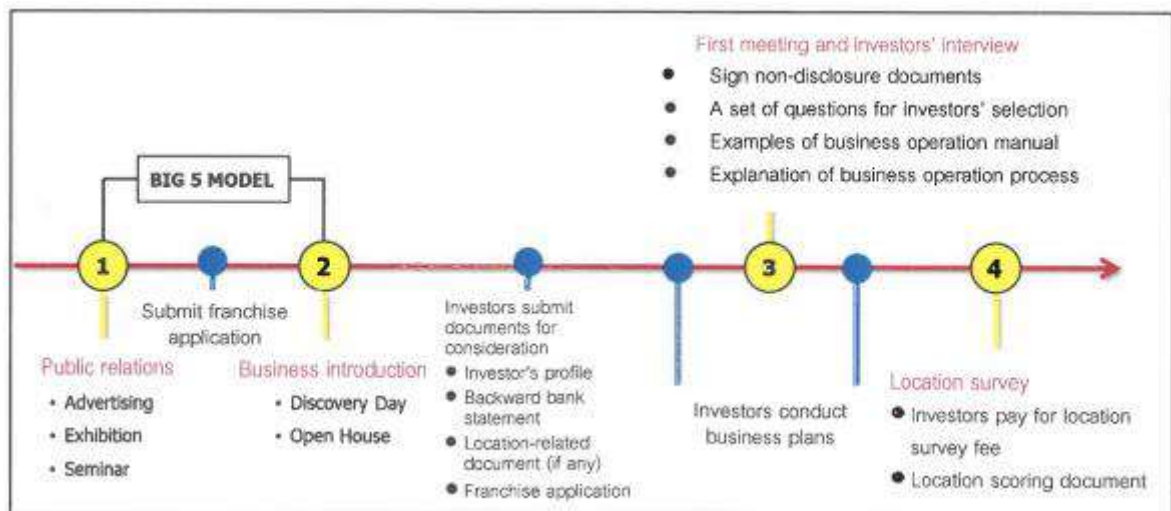


### 2.3.5 Processes of selling the franchise

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

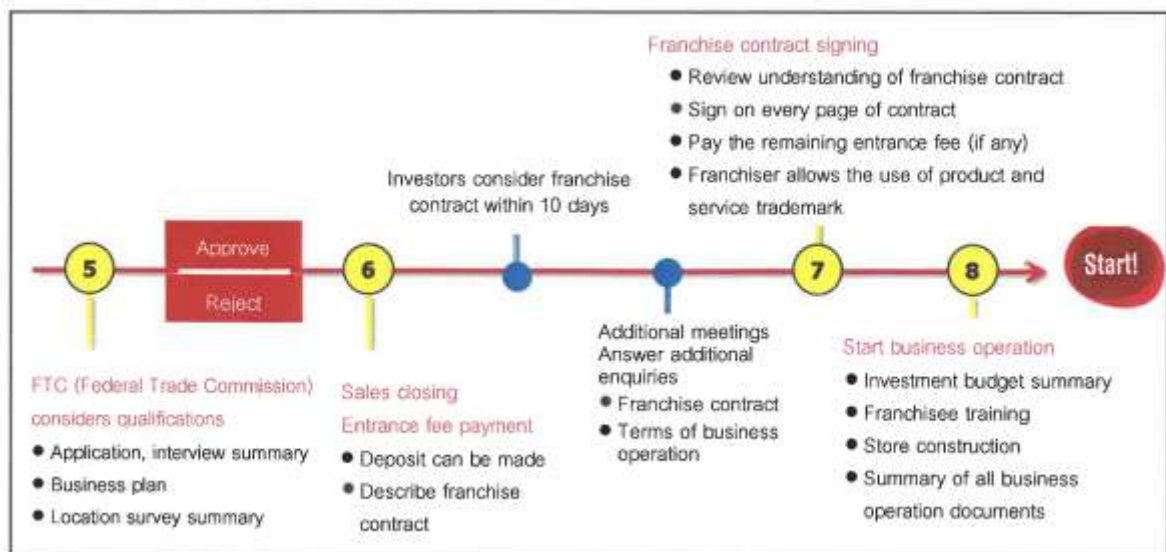
#### Overview step 1-4

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"> <li>● Advertising</li> <li>● Business exhibition</li> <li>● Franchise business seminars</li> <li>● Collect basic information</li> <li>● Send information to customers</li> <li>● Set up following-up schedules</li> </ul>	<ul style="list-style-type: none"> <li>● Search for investors who are interested in franchise business</li> <li>● Complete franchise application</li> </ul>
2. Business introduction First contact	<ul style="list-style-type: none"> <li>● Discovery Day</li> <li>● Open House</li> <li>● Invite to visit the headquarters</li> <li>● Evaluate investors' qualifications</li> <li>● Describe business model</li> <li>● Collect inquiry of individual investor</li> <li>● Recommend to submit application and other information for consideration</li> <li>● Make an appointment for the first meeting to start interview</li> </ul>	<ul style="list-style-type: none"> <li>● Describe business by VDO or presentation</li> <li>● Investors send documents for consideration <ul style="list-style-type: none"> <li>- Investors' profile</li> <li>- Backward bank statement</li> <li>- Location-related document (if any)</li> <li>- Franchise application</li> </ul> </li> </ul>
3. First meeting Investors' interview	<ul style="list-style-type: none"> <li>● Sign non-disclosure documents</li> <li>● A set of questions for investors' selection</li> <li>● Present examples of business operation manual</li> <li>● Explain business operation process</li> <li>● Answer questions and doubts about business operation in detail</li> <li>● Record investors' information to assess readiness</li> <li>● Inform customers regarding franchise buying process</li> </ul>	<ul style="list-style-type: none"> <li>● Invite only investors who submitted complete documents</li> <li>● Check offering circular, non-disclosure documents</li> <li>● Investors conduct business plans for presentation</li> <li>● Investors can invite spouse, lawyer, accountant, business partners / investors to join the meeting and franchiser should also rate these people</li> </ul>

## Overview of franchise selling processes (Cont.)

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

# Overview of franchise selling processes (Cont.)

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

## 2.4 Industrial and Competitive Conditions

### 2.4.1 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.

For the long-term car rental industry, it is a car rental which has a period of one year lease contract And above which customers will benefit from the reduced financial burden. Because you don't have to invest a lot of money to pay for the whole car. The long-term car rental industry can be divided into 1) financial leasing and 2) operating leasing. The renter agrees to pay installments for the installment of the car as agreed in the

lease agreement and the lessor will transfer the ownership of the vehicle to the renter according to the terms and conditions specified in the rental agreement. However, entrepreneurs in this industry Most of them are large companies in the financial institution group such as TISCO Bank Public Company Limited, Thanachart Bank Public Company Limited and Ayudhya Capital Auto Lease Public Company Limited, etc. or are loan service companies for car dealerships ( Captive Finance Company) such as Toyota Leasing (Thailand) Company Limited and Honda Leasing (Thailand) Company Limited etc., and for the car rental industry for operations, it includes operators who provide cars to renters. The service period is specified in the rental agreement. And when the lease is expired Ownership of the car remains with the lessor. In which the lessor can bring the car that has expired for sale or use it to other customers for further rental by the operator of this type of rental car They are mostly mid to large sized companies that can rent out a lot of cars. And often with other add-on services to facilitate customers. Such as providing car repair and maintenance services and delivery service for replacement cars in case of emergency, etc. The corporate customers can still take their car rental expenses into account as expenses and tax deductions. From the benefits that customers will receive. As a result, nowadays, operating car rental has become more and more popular from both private companies and government agencies and state enterprises.

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

### International tourism situation

Information from the Economic, Tourism and Sports Division It reported that the accumulated number of foreign tourists from January to December 2020 amounted to 6.70 million, a contraction of 83.21 percent compared to the same period last year. Where the main impact still comes from COVID-19 outbreak and from collecting information According to the World Health Organization (WHO), the cumulative number of COVID-19 cases has accumulated 81.52 million worldwide. ASEAN countries continue to find more infected people by number 1 is Indonesia, found 0.74 million people with cumulative infection. The cumulative number of infected people 6,690 people ranked 6th among ASEAN countries with all infected people detected from the trip. International Shows that the COVID-19 epidemic continues to spread both globally and Some countries in ASEAN countries.

### Domestic tourism situation

Information from the Economic, Tourism and Sports Division The number and accumulated income of Thai tourists traveled to Thailand from January to December 2020, with the number of Thai tourists traveling in the country 90.56 million - a contraction of 47.58 percent, accumulated income from tourism of 0.48 trillion baht, contraction percent. 55.40 from the same period last year. Overall, tourists still slow down Travel from the outbreak of COVID-19 together with travel control measures and close tourist sites across the country to prevent the epidemic. Resulting in tourism However, after the easing of tourism epidemic control measures Domestic improvements But still lower than last year.

## 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 the 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.

## 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.

#### 2.4.5 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

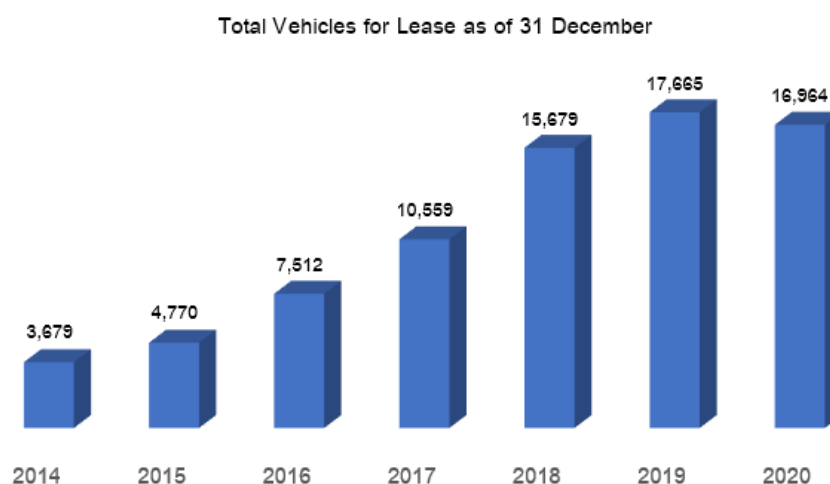
The ability to procure cars is another essential aspect of the company's services. The company gives importance to procuring cars based on the specifications and quantities required by customers within the time frames set by the customers, or as soon as possible, in order to achieve customer satisfaction. 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.

In 2020, the number of rental cars has decreased due to the situation of the spread of the COVID-19 virus. The company has been impacted in the growth rate of new customers. Due to the overall economic slowdown of the country Causing both the government and private sectors to slow down and reduce spending and the company has adjusted the long-term rental business growth target to suit the overall economic condition of the country and strictly in reviewing the financial status and repayment ability of new clients before considering approval. They also try not to have too much concentration of customers in any particular business group. As shown in the table:



#### 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 Titipoonya, 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 -

### 3. Risk Factors

Risk factors in the Company's business that may occur and have a significant impact on the Company's future operations. The Company therefore pays attention to the management of risks in various factors. To be able to control and to be at the level that the company can accept, where the risks and guidelines for hedging can be summarized as follows.

#### 3.1 Marketing and Competition Risk From being an entrepreneur in a highly competitive market

The rental car market has continued to expand at a high rate over the years. Factors contributing to the expansion of the long-term car rental market This is due to the increasing demand for cars from government agencies, state enterprises and private companies. These agencies see the benefits of renting cars instead of buying their own cars because they can control expenses. Reduce the administrative burden And reduce investment in assets that do not generate direct income to the business. In terms of short-term rental cars, the expansion was due to the growth of the number of Thai and foreign tourists. Coupled with the changing of the current tourism style This makes tourists prefer to rent a car and drive on their own rather than using a group tour service. As the car rental market continued to expand at a high rate. There are many entrepreneurs in the market, both large and small. As a result, the car rental market is highly competitive in terms of service and technology prices.

However, the company is aware of the risk of high competition from having a large number of operators in the market. And various sales promotion strategies are being made The company has a clear strategy and policy in operating the car rental business. With an emphasis on providing a full range of services The company offers both long-term rental cars. Short-term car rental Car rental with driver And rental cars through the application (which can be rented hourly). The company also emphasizes on differentiating from other operators with an emphasis on renting new cars Little number of miles As well as provide various equipment To meet the needs of customers such as navigation devices, bicycle storage, child seats, etc., and maintain good relationship with customers. Impress customers and come back to use the service again. The company does not focus on price strategy and does not have a policy to compete on price with other operators.

#### 3.2 Risk from the fluctuation of used car market price. This may affect the estimation of the salvage value. and the ability to slowly sell cars or lower than the estimated carcass value.

In the long-term car rental business which is the company's core business. The company will enter into a car rental contract with each customer. Which has an average contract period of 3 - 5 years with monthly fixed rental at the same rate every month and when the contract expires, the company will bring those cars back to sell again except in some cases where the company has an agreement allowing the renter or the user of the renter's car to use the right to buy the rental car Which will be specified in the contract. Therefore, the main income from the company's business consists of Income from car rentals throughout the contract period with customers. And income from car sales when the contract expires.

The company will estimate the residual value of cars and various costs. That is expected to be fair value in the future which is expected to be sold when the vehicle expires with the customers. However, even though cars are assets that generally have relatively high trading liquidity and a wide market support And the company's rental cars are mostly Toyota cars, which are widely used brands. Therefore has high trading liquidity And the company is confident that the risk of not being able to sell cars or sell slowly is relatively low. But the price of the car that can be sold depends on other factors. Many things include the condition of the car market at that time (Having the first car policy Changing car technology) car brands and models that were available in the market at that time and distribution channels. This is a risk if used car prices fluctuate from what the Company has estimated may affect performance and the liquidity of the company.

The condition of the car market can have a great effect on the price of used cars that will be sold. This can be seen from the tax refund policy for the first car in 2012, which created a large demand for new cars and directly affect the price of used cars. In addition, car brands and models are factors that affect the price of used cars as well, that is, if it is a popular brand and model in the market. They tend to sell at a reasonable price faster than less popular models.

In terms of the vehicle condition The company has measures to reduce the damage that may occur to the cars in service in order to keep the assets in good condition. Through the selection of customers who are reliable. Both multinational companies Large private companies Government agencies and state enterprises Which has a tendency to drive with discipline and recklessness, and the company also offers training in driving safety for customers In order to be able to drive safely on the road There is a car manual for every customer and keep monitoring for customers to bring their cars to check the mileage and maintain them continuously Which reduces the damage And accidents that may happen with cars As a result, most of the cars of the company are in good condition and have little impact on the price of the cars to be sold at the expiration of the contract. In addition, the company has various effective distribution channels to choose from depending on the condition of the vehicle, for example, the company may sell it for auction at the central auction yard. Or sold through asap Auto Park, Bangna Km.12 branch and asap Select, which is the company's Franchise, currently has 6 branches in Nakhon Ratchasima, Nonthaburi, Ubon Ratchathani, Chiang Mai, Chonburi, Phetchaburi or, the company may organize the auction by inviting bidders such as outsiders, tents, used cars, Toyota Sure, a used car dealer, Toyota brand, etc. With the measures mentioned above, the company believes that the risk of The inability to sell the car or it is slow is at a relatively low level. And the company believes that the risk from the fluctuation of the used car market prices is at acceptable levels

### 3.3 The risk of relying on only a small group of customers

In 2020, long-term car rental income from the top 10 major customers of the company accounted for 50 percent of all car rental revenue. Which shows that the company is relying on the main customer groups,

so if one or many of the main customers cancel the contract and / or not renewing the contract with the company may affect the financial status and The company's operating results can be significant.

The main customers of the company are large private companies, both Thai and multinational companies. That has a relationship with the company for more than 5-10 years. In the past, started to rent cars with a small number of companies to try the service Later, when the main customers are satisfied with the complete service of the company Therefore increasing the number of cars more and more until trusting to use the car rental service with all companies Both cars for shipping and executive cars. Which shows that the main group of customers have confidence, trust and satisfaction in the comprehensive service and quality of service of the company Including the ability to respond to the demand for cars quickly so the company is confident that With the good relationship that the company has provided for a long time Including constant attention to service Will make the main customers continue to use the service as well as the tendency of the main customers to manage the car by themselves is unlikely Because it is not worth the investment of time and human resources that are lost in car management which is not the expertise and core business of the main customers.

### 3.4 Risk from relying on a large supplier who is a related person

It is expected to purchase Toyota brand, which accounts for 96% of the Company's leased vehicles. It will be purchased from Toyota @ United Co., Ltd. ("Toyota @"), which is the Company's major shareholder, as Toyota @ is one of the country's top major Toyota dealers. To deliver cars to the company quickly Even when ordering in bulk In addition, the car can be customized accurately and completely as required by the company. Therefore, the company is at risk from relying on Toyota @, a major distributor, if Toyota @ is unable to supply and deliver the vehicles that its customers want at the right price, quantity and time. This may cause significant damage to the Company's business operations and performance. In addition, Toyota @ is also a major shareholder and is considered a related person with the Company. Therefore, the company has the risk that the transaction may not be Arm's Length if the internal control system is not good enough.

However, the company does not limit the number of car dealers of each brand chosen by the company. This is to provide a variety of ways to procure cars as needed. Which the company will consider from the dealer that has the car in the desired manner and the delivery is very fast Including discounts that will be received from the order, so if the case at Toyota Unable to deliver the car to the desired characteristics and quantity. The company can order from other Toyota car dealers because the company has a good relationship with many Toyota car dealers and has always been cooperating in providing the desired cars. Therefore, the company is confident that The risk that the company will not be able to find the car to meet the needs of customers is low. And in the past, the company has never experienced this problem in any way.



In addition, purchasing a Toyota brand car from Toyota Att Which is a major shareholder and considered to be related to that company The company has set policies and procedures for purchasing cars from Toyota Att specifically. With a higher concentration of auditing and reporting than general purchasing policies and procedures The said policies and procedures for purchasing cars from Toyota Att United Co., Ltd. will be considered and commented on the appropriateness of the program from the Board of Directors meeting every quarter. In order to prevent the risk that might arise an item that is not Arm's Length.

### **3.5 Risk from relying on senior management and is a major shareholder who has influence on the management policy setting**

The company relies on top executives in its business operations, namely Mr. Songvit Titipoonya ("Mr. Songvit"), which is the Chief Executive Officer with Mr. Songvit having more than 20 years of experience in the automobile industry known and generally accepted which is a feature that is important in dealing with customers and build confidence in services for large and new customers. In addition, they have expertise in marketing strategy and good relations with suppliers. Therefore, if there is a change in management or the loss of executives as mentioned which cannot find suitable management to replace it May have a negative impact on the business, financial condition, results of operations and the business opportunities of the company in the future.

However, the company believes that it will be able to retain top management Since Khun Songvit is both the founder and major shareholder of the company. The company is confident that Khun Songvit will continue to hold a position in the company in the long term.

Khun Songvit Titipoonya 's family and Ms. Parinda Vongvitavat hold shares in the company, both directly and indirectly, representing a combined total of 66.40 percent of the total issued and sold shares of the company, including Mr. Songvit also being a management and authorized director of the company And Khun Parinda is the authorized director of the company Therefore, the said major shareholder has the power to manage and control almost all important voting votes. Including the appointment of directors Or requesting a resolution on a matter that requires a majority of votes of the shareholders' meeting Except for matters required by law or company regulations that require three-fourths of the total number of shares attending and having the right to vote, such as increased capital, decreasing capital, so other shareholders attending the meeting and having voting rights May not be able to gather votes for different resolutions.

However, with the company's management structure consisting of There are 3 sets of committees and sub-committees which are the Board of Directors Audit Committee And the Nomination and Remuneration Committee By clearly specifying the scope of duties and responsibilities This makes the working system of the company to be standardized and can be easily inspected. Consisting of 3 independent directors who are knowledgeable and capable In addition, the company hired an internal

audit company to inspect the company's internal control system and report directly to the audit committee. Enable to be able to review the work of the company to be more transparent As well as being able to balance the power of presentation of various matters In addition, the company also has rules in the event that there are connected transactions with the board of major shareholders. Or the person with control over the business Including people who may have conflicts In which the said persons will not have the power to approve the transaction Make it possible to reduce the risk that may occur as well.

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

The company has 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.

### 3.7 Risks Cased by Effects of COVID-19 Pandemic

From March 2020, Thailand has encountered with COVID-19 pandemic that has been declared by the Ministry of Public Health as a dangerous communicable disease under Communicable Disease Act B.E. 2558. Subsequently, LOCKDOWN measures were applied affecting to national economy extensively. Our company is also one of entrepreneurs who are directly affected by LOCKDOWN measures, especially incomes from short-term car rental service with major customers as tourists at all

airports in Thailand. According to COVID-19 pandemic, the number of tourists has highly reduced from March 2020 and henceforth.

According to details of company's income of 2020 ended at December 31<sup>st</sup>, 2019 and 2020, effects of COVID-19 pandemic and details of the Company's measures are as follows:

Types	Income for Year Ended at December 31 <sup>st</sup> (Unit: Million Baht)			Effects from COVID-19	Measures and Guidelines for Preventing Risks
	2018	2019	2020		
Income from Long-term Car Rental Service	2,072.58	2,513.66	2,567.92	In a quarter of 2019, income obtained from long-term car rental service was calculated to be 80.11% of total income whereas the same quarter of 2020, income obtained from long-term car rental service was calculated to be 73.62% of total income. This represented that Income from long-term car rental service of 2020 still grew in the rate of 2.16% compared with the same installment in 2019. It could be seen that the Company had no significant effect of COVID-19 pandemic on existing customers of long-term car rental service. However, it may affect to the growth of new customers because overall economic condition of Thailand is slowing down causing both government sector and private sector suspend and reduce their expenses.	For existing customers, the Company has followed up debt payment and effects occurred with customers closely up till now. Debt payment of long-term car rental fee of customers is still normal and the Company has no measures on debt moratorium or debt reduction for new customer. – The Company adjusts the goal on the growth of long-term car rental business to meet with overall economic condition of Thailand and be strict on checking financial status and debt-servicing capacity of new customers before making decision on approval. In addition, the Company also strives to prevent excessive clustering of customers in any specific business.

Types	Income for Year Ended at December 31 <sup>st</sup> (Unit: Million Baht)			Effects from COVID-19	Measures and Guidelines for Preventing Risks
	2018	2019	2020		
Income from Short-Term Car Rental Service (included with car rental fee service at airports, car rental service with driver, and car rental service provided via Applications)	144.95	193.43	144.50	In a quarter of 2019, income from short-term car rental service and other rental services were calculated to be around 6.16% of total income. In the same quarter of 2020, income from short-term car rental service and other rental services were calculated to be around 4.14% of total income. COVID-19 pandemic in Thailand from March 2020 caused suspension of travel of both Thai and foreign tourists that were major customer group of short-term car rental business. Moreover, both government and private sectors also issued Measures on WORK FROM HOME that also affected to car rental service with driver and car rental service via applications.	The Company tried to control and reduce expenses to be consistent with income and reduced business activities, for example, reduction of drivers, and cancellation of unnecessary parking areas. Moreover, the Company also obtained remedial measures from Airports of Thailand Public Company Limited on exception of minimal rental fee charging for using spaces in airports. The Company paid for rental fee in the percentage rate of actual income only. Consequently, the Company was able to reduce the rental fee of airports.

Types	Income for Year Ended at December 31 <sup>st</sup> (Unit: Million Baht)			Effects from COVID-19	Measures and Guidelines for Preventing Risks
	2018	2019	2020		
Total Income from Car Rental Service	2,217.53	2,707.09	2,712.42	In a quarter of 2019, Gross Margin from car rental business was calculated to be 19.17% of total income from rental fee. In the same quarter of 2020, Gross Margin from car rental business was calculated to be 14.71% of total income from rental fee. Reduced Gross Margin of income from short-term car rental service was caused by COVID-19 as mentioned above. However, the major service cost that was fixed expense was unable to be reduced immediately based on reduced income, for example, car depreciation, insurance and car tax, car repairing and maintenance costs.	The company tries to control and reduce expenses to be consistent with income and less business activities as well as adjusts the number of provided cars to meet with changing demands of customers.

Types	Income for Year Ended at December 31 <sup>st</sup> (Unit: Million Baht)			Effects from COVID-19	Measures and Guidelines for Preventing Risks
	2018	2019	2020		
Revenue from car sales	415.13	420.64	761.41	In a quarter of 2019, income from selling cars calculated to be around 13.41% of total income with Gross Margin gained from selling cars calculated to be -2.04% of total income from car selling. In the same quarter of 2020, income from car selling was calculated to be around 21.83% of total income with Gross Margin from car selling and Gross Margin gained from car selling calculated to be -3.95% of total income gained from car selling. The effects of COVID-19 pandemic lower demands of car purchasing significantly affecting to car prices in second-hand car market. Consequently, the Company had loss from selling cars with expired contracts in 2020.	The company tries to expand sale channels of cars from expired contracts that are direct sale with purchasers through a showroom of the Company, asap AutoPark, and franchise partners in 7 provinces in order to increase Gross Margin from car selling.

Moreover, to reduce fixed expenses of the Company, the Company reduced number of employees from April 2020 to be consistent with lower demands of customers. In addition, the Company also negotiated with some financial institutions on moratorium of loans under financial lease agreements. After such negotiation, 5 major financial institutions approved moratorium for 3-6 months therefore cash flow of the Company was better within a short period of time. However, of economic condition is better due to the progress of COVID-19 vaccine, the Company expects that overview of second-hand car

industry would be in normal state and the Company would be able to distribute second-hand cars with demanded Gross Margin.

### 3.8 Risks Caused by Termination of Long-term Lease Agreement Prior Expiration

From operating long-term car rental business, the Company has some risks from termination of long-term agreement made by the Lessee because some Lessees may adjust organizational structure or reduce costs of their companies during these 9 months from January 1<sup>st</sup>, 2020 to December 31<sup>st</sup>, 2020. There were 329 cars with terminated agreements calculated to be 2.05% of all long-term rental cars.

Customer who terminates Long-Term Car Rental Service Agreement prior expiration must pay for penalty that is defined as percentage of the remaining amount of monthly rental fee.

However, the Company always studies and evaluates risks of customers before accepting them as customers in order to ensure that those customers will not terminate Long-Term Car Rental Service Agreement prior expiration. In addition, the Company also evaluates that the penalty that must be paid by customers will help to relieve possible damages caused by early termination of customers. Moreover, the Company also establishes the appropriate Management Plan for rental cars with contracts early terminated by customers, for example, using such cars for replacement, cars for short-term rental service, or selling, as the case may be.

In 2018, 2019, and 2020, the Company earned the penalty of termination in the amount of 5.51 million baht, 9.79 million baht, and 12.99 million baht, respectively.

### 3.9 Risks from Delay of Revenue Collection and Rental Fee Payment

The Company has some risks to get delayed payment of rental fee from some customers of long-term car rental service who are affected by economic condition or fault of business operation. Delayed payment of rental fee may affect to debt-servicing competency and payment by installments under Financial Lease Agreements of the Company because Long-Term Car Lease Agreement is designed to consist of cash flow that is consistent with loan payment and monthly installments of Financial Lease Agreement. At December 31<sup>st</sup>, 2017, 2018, 2019, and 2020, the Company had account receivables with outstanding payment of 113.54 million baht, 158.00 million baht, 24.58 million baht, and 43.67 million baht, calculated to be 57.95%, 53.85%, 9.25%, and 18.74% of total account receivables, respectively. It could be clearly seen that the Company had higher level of efficiency on debt collection. At December 31<sup>st</sup>, 2020, ratio of account receivables with outstanding payment was increased from that at December 31<sup>st</sup>, 2019, because most customers adjusted work flow and organizational structure due to COVID-19 pandemic leading longer duration of payment. However, the Company continuously performs debt collection to make lessees to pay for rental fee punctually as well as studies, and evaluates risks of customers before accepting them as customers in order to ensure that the Company will gain sufficient

cash flow earned from income of rental fee to pay for obligations of each month and to reduce risks from revenue collection and delay of rental fee payment.

### **3.10 Risks from Termination or Denial of Renewal of Licensing Agreement for Operating self-Drive Car Rental Service Business and Airport Area Rental Service Agreement**

To operate a business on short-term car rental service of the Company at December 31<sup>st</sup>, 2020, the Company had 6 service counters under the name of asap at 6 airports including Phuket Airport, Chiang Mai Airport, Don Muang Airport, Hat Yai Airport, U-Tapao Airport, and Suvarnabhumi Airport. This business was operated under Licensing Agreement for Operating Self-Drive Car Rental Service Business and Airport Area Rental Service Agreement of each airport of Airports of Thailand Public Company Limited ("AOT"). The Company was required to pay for compensation to AOT based on rate as specified in agreements. The term of each agreement is different for each airport. As a result, the Company has risks on business operation in the event that any agreement or all agreements are terminated by AOT or denied to be renewed by AOT. This may affect to financial status and performance of the Company.

For risk of termination of those contracts, the Company believes that it may be happened if the licensee performs or retrain any action that violates or fails to comply with any clause of any agreement or in the event that there is any cause to make AOT believes that the licensee is unable to operate the business under any agreement completely or becomes bankrupt. After all this time, the Company has complied with all conditions defined in the contracts strictly without receiving any warning letter or notice on payment of penalty caused by default against any clause. Therefore, the Company believes that there would be only a few risks caused by termination of Airport Area Rental Service Agreement. Although the Company is unable to operate short-term car rental service at airports, possible effects on total income of the Company may be less than 2% of total income.

### **3.11 Risks Related to Franchise Business**

The Company's franchise's business is giving some opportunities to anyone interested in investing with asap to open a branch under the name of "asap Select" that is a branch providing short-term car rental service and distribution of good quality second-hand cars. Service manners are based on size of each branch. This franchise business shares benefits between the Company and investor as mutually agreed. However, the Company has some risks caused by services providing of franchise branches, for example, in the event that co-investors lack of knowledge and good management process as well as service quality of each branch that may affect to franchise standard and the Company's image. Moreover, it may affect to sale volume of second hand cars or rental cars of such branch.

To reduce those risks, the Company has the process for analyzing and considering on qualifications of co-investors by evaluating their readiness on business operation including financial readiness of companies that will purchase franchise, individual readiness of investor, locations,



readiness of business plans, etc. Moreover, the Company also provides franchisees from trainings with responsible staffs for visiting franchisees regularly for evaluating and consulting. Consequently, franchisees will be able to maintain service quality under the Company's standard with performance that meets with the goal of each branch.

### 3.12 Risks from Natural Disasters

According to nature of car rental business operation, the Company has risks from natural disasters, for example, flood that may damage the Company's cars. Since rental cars are always under supervision of lessees, there may be some damages against the Company's assets if lessees fail to maintain the Company's cars from disasters.

As a result, the Company prevents these risks by making first class car insurance covering all types of damage and flood for long-term rental cars and cars for replacement. Moreover, the Company also defines in Long-Term Car Rental Service Agreement that lessees or users must use the Company's cars carefully as a reasonable man would do with his/her own car as well as comply with laws and conditions in the insurance policy strictly otherwise lessees must be responsible for all occurred losses or damages.

### 3.13 Risks Caused by Economic and Politic Condition

Slowing down and variance of economic condition as well as political changes will cause consumers to be worried on uncertainty of their income affecting to purchasing power of consumers in the future. Consequently, private companies and government sector may slow down their investment in the future that may include car rental for expanding businesses or reducing expenses of car rental. Therefore, the Company may have risks on effects of slowing down and variance of economic condition, political uncertainty, and crises from natural disasters. Those factors are uncontrollable for the Company.

### 3.14 Risks from Car Loss, Accidents, Deterioration, or Damages that are not Covered by Insurance

According to manner of the Company's business operation, rental cars that are assets of the Company will be under supervision and control of lessees. Consequently, those cars may face with some accidents, damages, and deterioration due to normal wear and tear or loss without any intention of lessees. To prevent risks caused by losses or damages of cars, the Company makes first class car insurance with coverage on all types of damages and losses r damages against body and assets of outsiders for long-term rental cars, cars for replacement, and rental cars with drivers.

However, the Company still has some risks from inability to claim for compensation from insurance companies, for example, using cars for illegal activities, using wrong car types, cars using by users with no driving license or revoked driving license, driver switching in case of accidents, etc. For these risks, they are prevented by the Company through establishment of conditions on car using in Long-Term Car Rental Service Agreement in order to make lessees or users to use cars carefully as reasonable persons will do with their own assets. Moreover, they are also required to comply with laws and conditions of insurance policies strictly otherwise lessees must be responsible for all occurred damages or losses.

### 3.15 Risks from Development of Automotive Technology

Automotive technology has been advanced and developed rapidly and continuously helping to improve efficiency of car manufacturing whereas car cost was lower. Moreover, there is also new automotive technology that has been developed continuously, for example, electric cars and hybrid cars, that are increasingly preferred in present world because they can solve environment problems, lack of oil, and variance of oil price. Development of automotive technology and increased preference of electric cars and hybrid cars may lower price of cars in the former system of second-hand car market in the future. This may directly affect to income earned from selling second-hand cars in the future significantly.

### 3.16 Risks from Adjustment of Insurance Premium

Currently, all cars of the Company have insurance and around 96% of total cars have first class car insurance (except for 912 cars from 18,662 cars that are short-term rental cars with Third Class Car Insurance). If insurance companies increase their insurance premiums, it may affect cost of Company's services. Such insurance premium increasing may be caused by additional coverage under laws or provisions of competent authorities or claiming record of the Company in the last year due to accidents and damages.

Increase of insurance premium caused by adding coverage under laws or provisions of competent authorities may be beyond the Company's control. For claiming record of accidents and damages, the Company realizes on this risk therefore the Company establishes conditions and practices on accidents, car maintenance, practices on car use, and prohibition of car use in Long-Term Car Rental Service Agreement explicitly. In the event that any lessee or user fails to comply with those conditions and practices strictly, such lessee must be responsible for occurred damages. The Company believes that such measures will help to relieve effects caused by accidents and insurance claiming as well as reduce the risk on increase of insurance premium due to those causes.

### 3.17 Risks from Amendment of Laws, Rules, and Regulations Related to the Company's Business

For car rental business operation, there are currently no specific rules and regulations. However, such rental service must not be contrary to other related laws, for example, car lessee who uses car must have legal driving license. However, for second hand cars trading business, the Company is required to have the License of Auction and Recycling Trade (for cars) whereas the term of this license is 1 year. Therefore, the Company is required to renew this license every year. Recycling trade must be under Auction and Recycling Trade Control Act B.E. 2474 and Regulations of the Ministry of Interior on Auction and Recycling Trade Control B.E. 2533. ASAP, as a licensee to operate recycling trade, has always complies with such Act and regulations for selling second-hand cars strictly.

However, the Company still has some risks in case of any amendment of laws, rules, and regulations in the future with effects on car rental business, second-hand car trading business, or effects related to renewal of car use. Therefore, the Company has always followed up news and tendency of such amendment and be ready for such amendment.

### 3.18 Risks on Replacement Cars

At December 31<sup>st</sup>, 2020, the Company totally had 1,698 replacement cars that are necessary for the Company to reserve some cars as replacement cars in the event that any long-term rental car is damaged and unable to be used. The Company must deliver cars to lessees within the due date as agreed in agreements otherwise the Company must pay for penalty to lessees until the Company is able to deliver replacement cars to lessees. If the number of replacement cars is too large, the Company will have higher cost. However, if the Company has too small replacement cars, the Company may have the risk on inability to deliver replacement cars to lessees timely. The Company realizes on such risk therefore the number of replacement cars is managed to be in appropriate level by analyzing on number of long-term rental cars of each brand/model/design in order to define number of replacement cars of each brand/model/design consistently.

### 3.19 Risks from Car and Spare Parts Provision (Combined with Supplier Section)

In the event that the Company is unable to provide any car to any customer within the due date, the Company may default the due date of car delivery and the Company may be fined for delaying. Such occurrence may be caused by the lack of some models of car at some periods of time, delay of car delivery of seller, or delay of car customization as demanded by customer. However, most rental cars or around 86% of total rental cars are TOYOTA and the Company orders cars from Toyota @ that is one of the largest dealers of Toyota cars in Thailand. Throughout past years, Toyota @ has been able to deliver cars to the Company timely although the orders have been large. Moreover, they have also been able to customize cars correctly and completely as demanded by customers. Throughout these years, the Company has had no problem on procurement of cars and spare parts for car repairing. However, the Company may have a risk on procuring cars from other brands and the Company will prevent such risk by checking the available number of car for selling and selling price with the dealer prior making any car rental service agreement with customer. However, cars from other brands are less than 4% of total cars therefore the Company is confident that such risk is able to be managed.

## Financial Risks

### 3.20 Risk on Debt-Servicing Competency

At December 31<sup>st</sup>, 2020, the Company has Debt to Equity Ratio at 8.15 that is equal to 7.52 times of Interest-Bearing Debt-to-Equity Ratio. Both ratios were considered to be high compared to those of competitors in the industry with similar business operation. Moreover, the Company only had Debt Service Coverage Ratio (DSCR) by 0.94 times. Therefore, the Company had a risk on inability of debt-servicing. However, most loan agreements and financial lease agreements made with most financial institutions had duration of payment by installments around 3-5 years. In addition, the Company also had long-term lease agreement that was designed to have flow cash to meet with loan payment and financial lease agreements every month. Moreover, the Company also followed up debt payment in order to make

lessees to pay for rental fee timely. Moreover, the Company also studied and assessed risks of customers before accepting them as customers in order to ensure that the Company had sufficient cash flow earned from rental fees to pay for obligations of each month. The Company believed that if customers delayed payment, failed to make payment, terminate agreements, or if the Company was unable to sell cars with expiration of agreements within demanded duration that may affect to debt-servicing competency of the Company, the Company may negotiate to apply for refinance or extend duration of payment by installments because both loan agreement and financial lease agreement have cars as securities and guaranteed by Mr. Songwit Thitipoonya and Mrs. Parinda Wongwitawat.

### 3.21 The risk of being obliged to repay the principal and interest under the financial lease

Most of the company's funding for car rental is in the form of financial lease agreements with financial institutions on the other hand, approximately 60-70% of the cash flow from business operations will come from long-term car rental received each month over the term of the contract with the customer. Most of the time, the contract period is 3-5 years and another 30-40% cash flow will be obtained from the sale of the car when the contract expires with the nature of the aforementioned cash flows The company has therefore entered into a finance lease agreement. The contract period is approximately 3 - 5 years.

and pay the same monthly principal and interest repayment every month Most of the contracts will be paid in the form of balloon payment in the final installment to be in line with the cash flow received from the car sales when the contract expires. However, the Company still has a risk that the cash flow from operations will not be consistent with the payment period under the finance lease. If the event is not normal. 1) The customer requests to renew the lease upon the expiration of the contract. This will cause the company to have no cash flow from car sales. To bring the final payment (Balloon) of the finance lease. 2) The customer made a late payment, did not make a payment or canceled the contract midway, or 3) the company was unable to sell the car that expired the lease at the time required.

In the event that the customer requests to renew the contract There are only a few and most requests for renewal are not more than 1 year. In the case of a private customer canceling the contract halfway The company will receive cash inflows from contract cancellation fees but in the case of customers, government agencies and state enterprises cancel the contract halfway Companies will not be able to claim fines. Because in the contract of rent with government agencies and state enterprises Will set conditions for the tenant to cancel the contract In which the lessor will not claim any damages. However, in the past, the company has never experienced problems of termination of contract from government agencies and state enterprises in any way.

In the case of late payment, non-payment, cancellation of the contract halfway or the company is not able to sell the car that has the expired lease in time as required Although in the past it may have occurred sometimes, but it is a program that is not very high value. Because the company has strict and careful selection procedures by checking the reputation in the industry and analyzing the performance and financial status of the past to the present of every customer to assess reliability ability to pay service

fees The customers of the company are all large operators, both Thai companies and famous multinational companies. Including government agencies and various state enterprises. Which is reliable and has a strong financial status in addition, the company has a variety of used car sales channels And executives have long experience in selling used cars Therefore it is believed that there is a low probability that the company will encounter a problem of lack of liquidity to the extent that it is unable to comply with the financial lease obligations. In the past The company has never defaulted on any payment under financial leases in any way.

### 3.22 Risk from interest rate fluctuations

More than 80% of the company's car rental income is from long-term lease agreements. Which has a fixed rental rate throughout the 4-5 years contract period resulting in a stable income for the company While the cost of borrowing money to procure the company's cars is made in the form of financial lease. Which has a fixed interest rate throughout the loan agreement. However, in certain periods, the company may have short-term loans based on market interest But the company has risk management measures based on interest rate MISMATCH And the loan term In order to get an appropriate financial cost under the controllable risk.

### 3.23 Risk on debt servicing ability

As of December 31, 2020, the Company's debt to equity ratio is 8.15 times, the debt-bearing interest to equity ratio is 7.52 times, both of which are considered high when compared to competitors. In industries with similar business nature In addition, the company has a Debt Service Coverage Ratio (DSCR) equal 1. The company has the risk of not being able to pay the debt. However, loan agreements and finance leases with most financial institutions have a repayment period of 3-5 years, and the Company has long-term leases that are designed to have cash flow consistent with the repayment of loans and leases. Financially every month. In addition, the company has a debt monitoring system to allow tenants to pay rent on time. Including a study and assessment of the risks of customers before accepting customers. This ensures that the company has a fresh flow of income from rental income enough to pay the obligations each month. In addition, the company believes that if customers make late payments, do not pay, cancel the contract halfway or the company is unable to sell the car that expires the lease on time as needed. This may have an impact on the Company's debt servicing ability. The company may negotiate for refinance or extend the installment period for a while. This is because both loan agreements and finance leases have cars as collateral. Most of them have personal guarantees by Mr. Songvit Titipoonya and Mrs. Parinda vongvitavat, and the Company will have cash flow received from tax refunds from the Revenue Department. If the company receives withholding tax and VAT from the Revenue Department It will help enhance the liquidity of the company another way.

### 3.24 Risks Related to Obligations and Provisions in Loan Agreement and Financial Lease Agreement

The Company makes Loan Agreements and Financial Lease Agreements with 12 financial institutions and each institution has Financial Ratio Maintenance Conditions that can be concluded as follows:

Financial Ratios	Term
DEBT SERVICE COVERAGE RATIO	Not less than 1.00 – 1.10 times
Debt to Equity Ratio	Not over than 5.50 – 6.50 times
interest bearing debt to EBITDA (times)	Not over than 4.75 times

In 2020, the Company failed to comply with those Financial Ratio Maintenance Conditions therefore the Company negotiated to indulgent compliance with financial ratio in agreements made with all financial institutions in order to prevent raising this occurrence as the cause of default. The Company already receives the written letters of such indulgence from financial institutions because the Company has good record on debt payment regularly.

Financial institutions only approve those conditions yearly. In the event that the Company is unable to comply with those conditions in the following years, the Company must apply for indulgence continuously. The authority to indulgent Financial Ratio Maintenance Conditions is owned by financial institutions therefore the Company still has the risk not to obtain indulgence from financial institutions in the following years. This may cause the Company to increase capital or sell cars for debt payment under loan agreements and financial lease agreements for enabling the Company to comply with conditions of agreements.

However, the Company always obtains indulgence from financial institutions because the Company has good record on debt payment. In addition, the Company has also operated our business for long period therefore we can always make financial institutions to be confident with indulgence on failure to comply with Financial Ratio Maintenance Conditions of the Company. As a result, the Company believes that we will obtain support and indulgence from financial institutions in the future as long as the Company is able to pay for debt under defined conditions.

### 3.25 Risks on Liquidity of Corporate Bond Issuer

The Company had liquidity of 2017, 2018, 2019, and 2020 at 0.35 times, 0.28 times, 0.22 times, and 0.21 times, respectively, whereas such ratios were lower than 1 time. However, since current assets shown in the Company's financial statements excluded long-term car rental fee with fixed rate and certain due date of payment within 1 year (At December 31<sup>st</sup>, 2020, the Company had rental fee under long-term car rental service fee that will be paid within 1 year in the approximate amount of 2,303 million baht) and income earned from selling cars after expiration within 1 year whereas current debts include debts that must be paid within 1 year, the Company has to manage operations to earn cash flow gained from income of long-term rental fee and income from selling terminated cars to be

consistent with the amount of money that must be paid for loans and payment of installments under financial lease agreements and balloon payment of every month during 3-5 years of agreements' term. When combining income from rental fees and income from selling cars that will be earned within 1 year, it can be seen that liquidity ratio of the Company is over than 1.00 time. Therefore, the Company believes that there is no problem on liquidity in the future.

In addition, the Company is under the process of request for tax refund of withholding tax of 2019 in the amount of 121 million baht and VAT in the amount of 236 million baht from Revenue Department. In the past, the Company always received tax refund of withholding tax from Revenue Department from 2016-2018. If the Company receives such tax refund of withholding tax and VAT from Revenue Department, the Company's liquidity would be increased.

### **3.26 Risks from Strictness of Approval of Loans and Hire-Purchase of Vehicles from Financial Institutions and Risk of Accessibility to Sources of Investment Funds**

Since the Company spends capital earned from loans or making financial lease agreements with financial institutions to purchase most rental cars or around 100% of car value, more strictness of approval of loans and hire-purchase of cars from financial institutions may hinder the Company from spending loans or hire-purchase from financial institutions to purchase cars for rent in the rate of 100% of procurement value. Consequently, the Company's growth would be affected. Since the Company has high Debt to Equity Ratio with low liquidity plus with the risk on debt-servicing competency, it may become the obstacle to access to sources of investment funds at necessary moment. As a result, the Company has to find other sources of investment funds to purchase cars for rent.

## **Risks of Bonds**

### **(1) Credit Risk**

Credit Risk means risk which Corporate Bond issuer may be unable to pay for debt or return principal or investment for whatever reasons. When Corporate Bond issuer stops interest or principal payment, it will be considered as default of payment of Corporate Bond. In the event that Corporate Bond issuer becomes bankrupt or defaults payment of Corporate Bond payment, Corporate Bond holders and other creditors of the Company who issues Corporate Bond will obtain preferential right over shareholders of the Company who issues Corporate Bond.

Synergetic Auto Performance Public Company Limited, the Corporate Bond issuer, is not ranked on reliability therefore investors should study on performance of the Company who issues Corporate Bond and follow-up news and information of Corporate Bond issuer continuously. However, investors are able to follow up information from the websites of The Office of the Securities and Exchange Commission (SEC) or Thai Bond Market Association.

## (2) Price Risk

In the event that Corporate Bond holder wishes to sell Corporate Bond prior the due date of redemption, Corporate Bond may be able to be sold lower than Par Value or purchased price based on several factors, for example, changes of interest in the market, policies of Bank of Thailand, overall economic condition, inflation rate, share term, and excess demand or demand shortage of Corporate Bond, etc. Corporate Bond holders may be affected by variance of Corporate Bond price in the event of bonds sale and purchase prior the due date of redemption. Generally, price of Corporate Bond with longer remaining term will be more affected by changes of interest rate in the market

## (3) Liquidity Risk

In the event that Corporate Bond holder intends to sell Corporate Bond in secondary market prior the due date redemption of Corporate Bond, Corporate Bond holder may be unable to sell Corporate Bond with demanded price immediately because there may be low level of bond selling, purchasing, and exchanging in secondary market. Corporate Bond does not sell and purchase Corporate Bond in BEX and Corporate Bond holder is able to sell and purchase Corporate Bond in secondary market with bond trader or any juristic person holding Debt Securities Trading License. Moreover, Corporate Bond holder may be unable to sell Corporate Bond in secondary market prior the due date of redemption because Corporate Bond issuer already registered transfer limitations with SEC to limit transfer of Corporate Bond to be among institutional investors and/or major investors only based on the meaning defined in the Notification of The Securities and Exchange Commission on Definition in the Notification on All Types of Debt Instrument Issuance and Offer

## (4) Collateral Risk

It is a kind of risk in the event that there is any mortgage of any asset and collateral for auction as debt payment as shown in Attachment, Terms and Conditions of Corporate Bond. The collateral is ordinary shares of Toyota & United Company Limited. The representatives of Corporate Bond holders and Corporate Bond holders must perform operations under methods and conditions according to Terms and Conditions of Corporate Bond, related collateral agreements, and related laws, otherwise, the rights of shareholders related to accept whole or partial debt payment under Corporate Bond will obtain negative effects significantly. Although the value of collateral per value of this Corporate Bond is 1.50 (one point five zero): 1 (one). This investment in Corporate Bond still have the risk on reduction of collateral due to reduction of market price of asset and/or other causes that are unexpected at the issued date of Corporate Bond.

However, this issued and offered Corporate Bond defines that Corporate Bond issuer must evaluate value of asset that is collateral conducted by an independent appraiser within 12 months from the date of the latest evaluation of collateral to the expiration of Corporate Bond term. Moreover, in the event of any cause to believe that value of collateral is decreased, the representatives of Corporate Bond holders



will submit a letter to Corporate Bond holder to reevaluate collateral. In the event that the value of collateral is lower than that defined in the conditions, Corporate Bond issuer must change collateral or find replacement asset as detailed in Section 6.4 of Terms and Conditions of Corporate Bond as the collateral of completion of additional payment of Corporate Bond within 10 working days from the date that Corporate Bond issuer receives the letter from the representative of Corporate Bond holder.

In the event of any enforcement of mortgage for debt payment and enforcement of collateral selling with the price that is lower than 33% of appraisal price, Corporate Bond holder will have the risk on incomplete debt payment.

#### 4 Assets Used in Business Activities

As of 31 December 2019 and 2020 , the primary assets used by the company to operate business were as follows:

##### 1. Primary Assets Used in Business Activities

Category	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Land	5.89	0.05	5.89	0.05	5.89	0.06
Buildings and improvements to lease buildings	38.07	0.33	35.47	0.30	33.05	0.31
Cars for rent and vehicles	11,328.12	99.49	11,770.51	99.54	10,589.84	99.55
office equipment	13.42	0.12	12.14	0.10	8.92	0.08
Craftsman tool	1.10	0.01	0.79	0.01	0.17	0.00
Building in process	0.00	0.00	0.00	0.00	0.00	0.00
Land, plant and equipment-Net	11,386.60	100.00	11,824.80	100	10,637.87	100

##### 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 2020, the company has no subsidiary and/or joint company.

## 5 Legal Disputes

As of 31 December 2020, 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.

## 6. General information and other important information

Company Name (Thai)	บริษัท ซินเนอร์เจติก ออโต้ เพอร์ฟอร์แมนซ์ จำกัด (มหาชน)
Company Name (English)	Synergetic Auto Performance Public Company Limited
Company Code	ASAP
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 2019, 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	Head Office 0-2091-8181 / Call Center 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,
Contact financial institution	1. Thanachart Bank Public Company Limited  2. Bank of Ayudhya Public Company Limited  3.ICBC Bank (Thai) Public Company Limited  4. CIMB Thai Bank Public Company Limited  5. Krungthai Bank Public Company Limited

	<p>6. Toyota Leasing (Thailand) Co., Ltd.</p> <p>7. Kasikorn Leasing Company Limited</p> <p>8. Krungthai Bank Public Company Limited</p>
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## 7. Securities and Shareholding Information

### 7.1 Company's Securities

As of 31 December 2020, the company's registered capital at 363 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.

### 7.2 Shareholders

As of 31 December 2020, 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 <sup>1)</sup>	181,500,000	25.00
1.2 At Holding Company Limited <sup>2)</sup>	181,500,000	25.00
1.3 Mrs. Parinda Vongvitavat	65,133,900	8.97
1.4 Mr. Songvit Titipoonya	53,900,000	7.42
2. Mr.Taweecat Jurangkul	95,345,700	13.13
3. Mr.Yol Phokasub	4,077,400	0.56
4. Mr.Titiphum Singa	4,125,500	0.57
5. Mr.Worasak Kovinvipat	4,077,400	0.56
6. Mr.Paravin Klingpratum	4,004,400	0.55
7. Mrs. Jirapan Aussamane	3,945,420	0.54
8. Mr.Tawe Kullertprasert	3,462,000	0.48
9. Mr.Teeravat Tungchalermkul	3,410,000	0.47
10. Mr.Prayut Tapmungkorn	3,058,500	0.42
<b>Subtotal</b>	<b>608,412,820</b>	<b>83.79</b>
Other shareholders	117,587,152	16.21
<b>Total</b>	<b>725,999,972</b>	<b>100.00</b>

<sup>1)</sup> As of 31 December 2020, Toyota @ United Co., Ltd. ("Toyota @ United") has registered capital of 115 million baht, which consist of 11.50 million 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 <sup>1), 2)</sup>	1,150,000	10.00
4. Miss Pitchapat Titipunya <sup>2)</sup>	1,150,000	10.00
5. Miss Pimpisa Titipunya <sup>2)</sup>	1,149,997	10.00
6. Miss Porena Dejdumrong	1	0.00
7. Mrs. Mookda Nampanichkul	1	0.00
8. Mrs. Supanee Titipunya	1	0.00
<b>Total</b>	<b>11,500,000</b>	<b>100.00</b>

Remarks:

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

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

<sup>2)</sup> As of 31 December 2020, 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
<b>Total</b>	<b>100,000</b>	<b>100.00</b>

### 7.3 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.

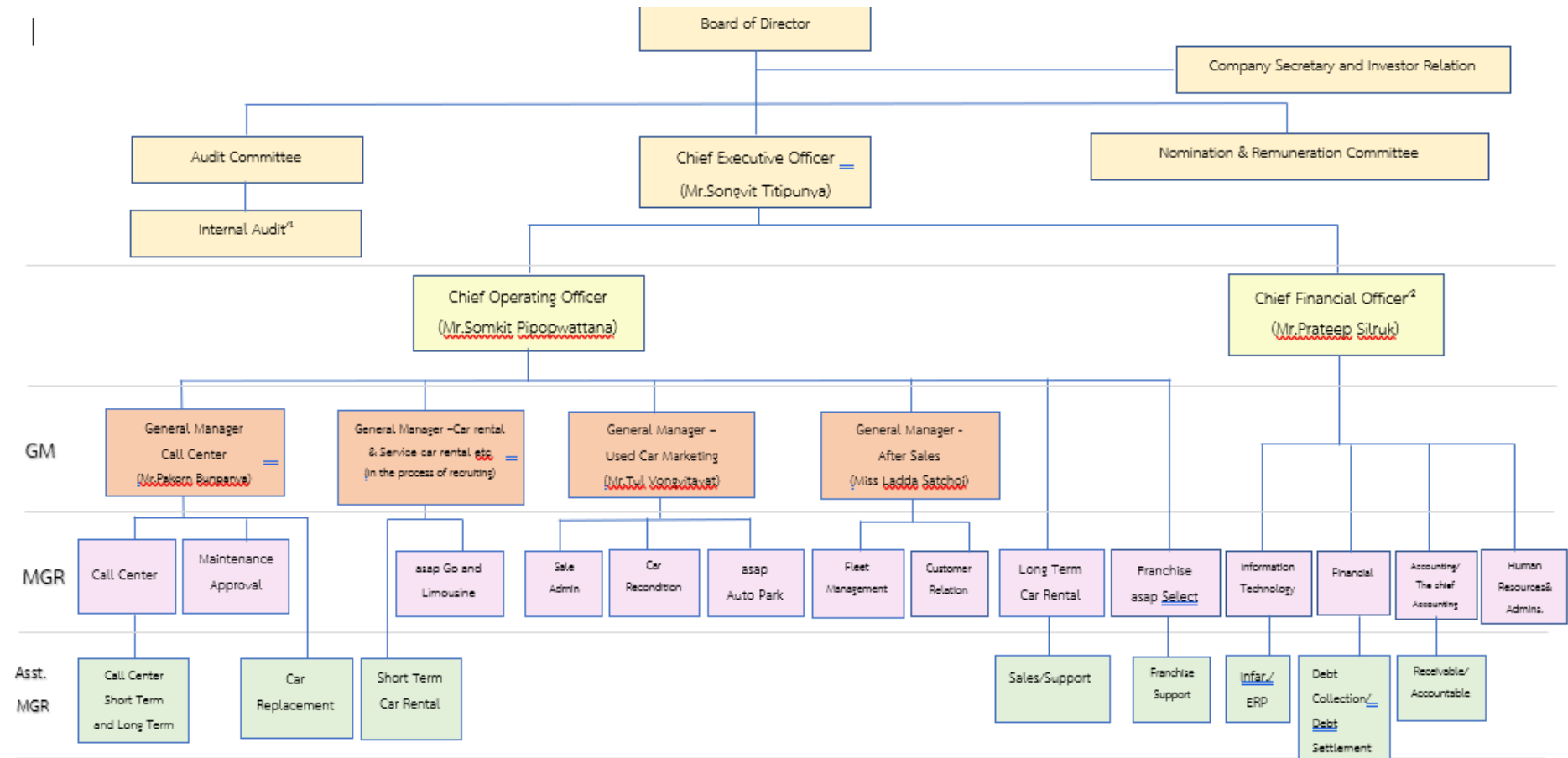
### 7.4 Outstanding Debt Debt

As of December 31, 2020, the Company does not have any outstanding debt instruments.



## 8. Management Structure

On March,1 2021, 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:



<sup>1</sup>) The company hired the company Dharmniti Internal Audit Company Limited to act as the Company's internal auditors. Since August 2013.

<sup>2</sup>) Mr. Prateep Silruk appointed instead to Miss Varangkna Wasuwanich resigned from the company on March 12, 2021 by the chief executive officer Mr. Prateep Silruk Assigned to the position of Deputy Managing Director of Accounting and Finance Since February 22, 2021 Effective

## 8.1 Board of Directors

As of 31 December 2020, the Board of Directors was composed of 8\* members as follows:

No.	Name	Position
1.	Mr. Yol Phokasub <sup>1)</sup>	Chairman / Independent Director
2.	Mr. Songvit Titipoonya	Vice Chairman
3.	Mrs. Parinda Vongvitavat	Director
4.	Associate Professor Pachara Pacharavanich	Director / Independent Director
5.	Mr. Pratarn Aranyakananda	Director / Independent Director
6.	General Siravudhi Sukanthanark	Director
7.	Mr. Surapong Uthaichalanond	Director / Independent Director
8.	Mr. Tanachai Bunditvorapoom <sup>2)</sup>	Director / Independent Director

Note :

- 1) Mr. Yol Phokasub Being appointed as an independent director from the Board of Directors Meeting No. 1/2020 on 27 February 2020
- 2) Mr. Tanachai Bunditvorapoom Became a director of the company in lieu of the Police Lieutenant General Doctor Passakorn Rukskul on February 27, 2018 and was appointed as an independent director from the Board of Directors Meeting No. 1/2020 on February 27, 2020

\* Mr. Chairat Kamonoratep Resigned from the position of director. It is effective from December 9, 2020

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

### Directors with Signatory Authority to Bind the Company

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.

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:

## 8.2 Audit Committee

As of 31 December 2020, the committee was composed of 3 members as follows:

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

## 8.3 Nomination and Remuneration Committee

As of 31 December 2020, 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	Nomination and Remuneration Director

**Summary of the meeting attendance of the Board of Directors and sub-committees for the year 2020 as of December 31,2020.**

No.	Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee
1.	Mr. Yoi Phokasub	7/7	-	-
2.	Mr. Songvit Titipunya	7/7	-	-
3.	Mrs. Parinda Vongvitavat	7/7	-	1/1
4.	Mr. Chairat Kamonoratep <sup>/1</sup>	7/7	-	-
5.	Associate Professor Pachara Pacharavanich	7/7	4/4	-
6.	Mr. Pratam Aranyakananda	7/7	4/4	-
7.	General Siravudhi Sukanthanark	7/7	-	-
8.	Mr. Surapong Uthaichalanond	7/7	4/4	1/1
9.	Mr. Tanachai Bunditvorapoom <sup>1</sup>	7/7	-	1/1

**Note :** <sup>/1</sup> Mr. Chairat Kamonoratep Resigned from the position of director on December 9,2020

**8.4 The first 4 executive-level positions, including positions in accounting or finance, who are department manager or above or equivalent**

As of March 1, 2021, the names are as follows:

No	Name	Position
1	Mr.Somkit Pipopwattana	Chief Operating Officer
2	Mr.Prateep Silruk <sup>/1</sup>	Chief Financial Officer
3	Mr. Pakorn Bunpanya	General Manager – Call Center
4	Miss Ladda Satchoi	General Manager - After Sales
5	Mr.Tul Vongvitavat	General Manager – Used Car Marketing
6	Mr.Passakorn Saejueng <sup>2)</sup>	Accounting Manager / Chief Accounting

Note : Mr.Prateep Silruk Assigned to the position of Deputy Managing Director of Accounting and Finance Since February 22, 2021 and was appointed as CFO on March 12,2021

## 8.5 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.

## 8.6 Board Assessment Sub-committee Chief Executive Officer

### 1. Self-assessment of the entire Board of Directors

The company arranges the performance evaluation of the entire Board of Directors for the year 2020 in order to focus on the evaluation to reflect the operational efficiency in accordance with the principles of good corporate governance. Which the company has applied the evaluation form of the Stock Exchange of Thailand to adjust to suit the company And the said evaluation form has been submitted To the Board of Directors for evaluation The evaluation form covers the following areas.

- Structure and qualifications of the board
- Board meeting
- Roles, duties and responsibilities of the board

- Relationship with management
- Director's self-development and executive development

The performance evaluation of the entire committee In the past year. Which is evaluated by the 7 directors in overall, including 5 topics, considered to be at the excellent level of action in that matter

## 2. Self-assessment of the audit committee

In order for the audit committee to evaluate their performance in the past year Whether there is good practice or not And how effective it is Therefore has arranged the said evaluation Which the company has applied the evaluation form of the Stock Exchange of Thailand to adjust to suit the company And the said evaluation form has been submitted To the audit committee for evaluation The evaluation form covers the following areas.

- Structure and qualifications of the board
- Board meeting
- Roles, duties and responsibilities of the board

The Audit Committee's performance evaluation results In the past year Which has been evaluated by the 2 directors of the Company as a whole, including 3 topics, considered to be at the excellent level of action in that matter

## 3. Self Assessment of the Nomination and Remuneration Committee

For the Nomination and Compensation Committee to assess their own performance during the past year Whether there is good practice or not and how effective it is Therefore has arranged the said evaluation Which the company has applied the evaluation form of the Stock Exchange of Thailand to adjust to suit the company and the said evaluation form has been submitted to the Nomination and Remuneration Committee For evaluation. The evaluation form covers the following areas.

- Structure and qualifications of the board
- Board meeting
- Roles, duties and responsibilities of the board

Performance evaluation of the Nomination and Remuneration Committee In the past year Which has been evaluated by the 3 directors of the Company as a whole, including 3 topics, considered to be at the excellent level of action in that matter.

## 4. Evaluation of the Chief Executive Officer

For the Chief Executive Officer acknowledged their work performance during the past year. Whether there is good practice or not And how effective it is Therefore has arranged the said evaluation. Which the company has applied the evaluation form of the Stock Exchange of Thailand to adjust to suit the company and the said evaluation form has been submitted for the Board of Directors to evaluate The evaluation form covers the following areas.

- Leadership
- Strategy formulation
- Strategy implementation

- Financial planning and performance
- Relations with the board of directors
- Relationship with external
- Administration and relations with personnel
- Succession
- Knowledge of products and services
- Personal features
- Chief Executive Officer Development

Chief Executive Officer Performance Evaluation Results In the past year. Which was evaluated by the 9 directors in overall, including 11 topics, considered to be at the excellent level of action in that matter.

## 8.7 Remunerations for Directors and Executives

### 8.7.1 Monetary Remunerations

#### 1) Directors' Remunerations

The Annual General Meeting of Shareholders 2020 on July 30, 2063 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 2020 are as follows:

No.	Name	Monthly compensation	Meeting allowance			
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total <sup>1</sup>
1.	Mr. Yol Phokasub	120,000	70,000	-	-	190,000
2.	Mr. Songvit Titipunya	60,000	70,000	-	-	130,000
3.	Mrs. Parinda Vongvitavat	60,000	70,000	-	5,000	135,000
4.	Mr. Chairat Kamonoratep <sup>2</sup>	60,000	70,000	-	-	130,000
5.	Associate Professor Pachara Pacharavanich	60,000	70,000	20,000	-	150,000
6.	Mr. Pratarn Aranyakananda	60,000	70,000	20,000	-	150,000
7.	General Siravudhi Sukanthanark	60,000	70,000	-	-	130,000
8.	Mr. Surapong Uthaichalanond	60,000	70,000	20,000	5,000	155,000
9.	Mr. Tanachai Bunditvorapoom	60,000	70,000	-	5,000	135,000
	Total	600,000	630,000	60,000	15,000	1,305,000

Note: <sup>1</sup> All directors of the company express their intention to not receive the monthly director remuneration. From April 2020 – December 2020.

<sup>2</sup> Mr. Chairat Kamonoratep Resigned from the position of director on December 9, 2020

### 8.7.2 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 2018, year 2019 and year 2020, the company paid management remuneration are shown in the following table:

	2018	2019	2020
No. of Persons	6 <sup>2)</sup>	10 <sup>3)</sup>	8 <sup>3)</sup>
Remunerations (Million Baht)	14.65	22.17	14.36

Remark:

<sup>1)</sup> During the year 2018, the company has 4 executives leaving the position and starting work within the year 2018, 3 people.

<sup>2)</sup> During the year 2019, the company has 3 executives leaving the position and starting work within the year 2019, 2 people.

<sup>3)</sup> During the year 2019, the company has 1 executives leaving the position and starting work within the year 2019, 1 people.



### 8.7.3 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 2020, the total amount **100,274,995.01** baht. As of December 31, 2020, the company has a total of 457 employees, divided into the number of employees according to the main department as shown in the table.

Department	No. of Employees (Persons)	
	Year 2019	Year 2020
Short-term Leasing	75	41
Long-term Leasing	27	20
Limousine Service	168	169
Fleet Management	21	13
Car Replacements	89	59
Call Center	53	42
Mechanics and Mobile Service	31	- <sup>1</sup>
Human Resources and Administration	23	17
Information Technology	7	5
Accounting	26	23
Finance	42	38
Company Secretary & Investor Relation	1	1
Customer Relations		
Driver	1	0
Branch management staff	8	8
asap Go staff	5	5
asap Auto Park staff	10	7
Support Admin	-	7
Asap Select	-	2
<b>Total</b>	<b>587</b>	<b>457</b>

Note :

- <sup>1</sup>On September 1, 2020, a meeting of the Board of Directors passed a resolution approving the amendment to the company structure. The management has proposed to hire a mechanic and mobile Service from outside service centers which has more than 1,000 services that the company has coordinated. Therefore canceled the service of the auto mechanic center and the company's mobile service that has 1 center.
- The number of employees does not include part time in various departments.

## 8.8 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 and provide influenza vaccination.
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.

## 8.9 Labor Disputes over the Past Year

- None. –

## 8.10 Human Resources Development Policy

The company is aware of the value of human resources. That will help drive the company to grow steadily, so the company attaches great importance to human resource development and provide for the promotion and development of knowledge and ability of personnel by requiring training according to the course that is suitable for the job type and position, such as training on "Service Mind" for employees in all departments Training on effective communication techniques and negotiation for employees in all departments Training on gas systems and car maintenance procedures for mechanics, call centers and related departments Income tax training and tax invoices for the car rental business for the accounting and finance departments, etc.

Table showing the courses that were organized in the year 2020

No.	Training course	Trainee
1	Safe driving to prevent accidents	All drivers
2	Occupational Safety Committee	Safety Committee

## 9. Corporate Governance

### 9.1 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.

### 9.2 Monitoring of compliance with good corporate governance principles

The company received the award of pride as follows

- The company has been assessed the quality of the AGM Checklist.

Year 2020	Year 2019	Year 2018
100 points	100 points	97 points

- The company received the assessment of corporate governance of Thai Listed Companies (CGR)

Year 2020	Year 2019	Year 2018
86 points	82 points	78 points

### 9.3 Applying the principles of good corporate governance for listed companies 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.

The company has published good corporate governance policy code of Business Ethics Insider Information Usage Policy and Guidelines in the Case of a Conflict of Interest Both Thai and English versions. At the company website [www.asapcarrent.com](http://www.asapcarrent.com) under the heading of company information / good governance so that shareholders, investors, stakeholders All groups acknowledge.

Board of Directors Believe that adhering to the principles of good governance Business ethics and morals will add value to the business in the long run. And strive to develop and raise corporate governance in accordance with the new CG Code and ASEAN CG Scorecard, with monitoring and preparing a report to

report on the implementation of the corporate governance principles of the company in 2020. 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 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](mailto:acsecretary@asapcarrent.com) 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](mailto:Siriporn.s@asapcarent.com) or by calling 0-20918181 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 has inquiries of customer satisfaction every year by using QR code scanning to inquire about customer satisfaction. Which has a score each topic has a channel for customer inquiries In order to use scores for further development of the service.

8. 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. Since Year 2020, there are no investor relations activities.

## Category 5: Responsibilities of the Board of Directors

### Organization of the Board of Directors and Sub-committees

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

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

Capital Market Supervisory Board, the Stock Exchange of Thailand and related agencies and, in doing so, are required to report to the Board of Directors.

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

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

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

#### Roles, Duties and Responsibilities of the Board of Directors

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

#### *Corporate Governance Policy*

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

### *Business Ethics Principles*

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

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

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

### *Conflict of Interest*

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

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

### *Internal Control*

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

### *Risk Management*

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

### *Reports of the Board of Directors*

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

### Board of Directors' Meetings

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.

The company encourages all directors to gain knowledge and skills for performing their duties as directors. As well as an understanding of laws, rules, standards, risks and the environment Related to business As well as being regularly updated on the information. The directors have participated in various seminars Related to directors Organized by the Thai Institute of Directors Association (IOD), especially the Director Accreditation Program (DAP) Director Certification Program (DCP), as well as other courses related to being a director of the company In which 7 of the directors have passed the DAP program, and 2 of the directors have been trained by the DCP.

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)

For other directors not receiving additional training courses

#### **9.4 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 8 directors, while the audit committee is composed of 3 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 of directors 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.
23. Appoint the Chief Executive Officer, Managing Director, The most responsible person in the accounting and finance field (CFO) nominated by the Nomination and Remuneration Committee. To consider and / or propose to the shareholders' meeting for further appointment. (Depending on the case)

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 duties of the chairman

The Board of Directors Meeting No. 1/2020, held on 27 February 2020, resolved to approve the scope of duties and responsibilities of the Chairman. For transparency and appropriate balance of power Chairman And Chief Executive Officer Will have separate roles and responsibilities And not the same person The chairman of the board must be independent from the management and not be a chairman or member of any sub-committee. So that the sub-committee can freely express their opinions Chairman Has duties and responsibilities as follows

1) Be a leader and be responsible for the effectiveness of the board of directors maintain trust in the Board of Directors and ensure that the operations of the Board of Directors and sub-committees Complies with corporate governance standards.

2) Set the meeting agenda with the help of the Chief Executive Officer or the Managing Director and company secretary. The board meeting agenda should focus on operational strategies, value creation and accountability and ensure that issues related to the said agenda are considered by the Board of Directors The Chairman is responsible for ensuring that the directors perform their duties responsibly and carefully. In accordance with relevant laws and regulations And for the best benefit of the organization.

3) Ensure that directors receive sufficient, accurate, relevant and timely information, especially information About the company's operations The decisions of the Board of Directors should be based on sufficient judgment and information and encourage various opinions to be discussed and discussed.

4) Ensure that there is a good working relationship between the directors. Both the executive and non-executive directors and between the board of directors and management at the same time, there is sufficient time for consideration in every agenda especially in strategic issues.

5) Get business information that is useful and necessary from top management. And providing advice and support for the Chief Executive Officer in strategy development

6) Promote effective relationships and communication between non-executive directors and high-level executives.

7) Ensure that the management has complied with and / or monitored the implementation of recommendations or resolutions of the Board of Directors and sub-committees appropriately.

#### **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.

11. Hire consultants, companies or independent individuals to provide comments or advice as needed

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
<b>1. Authorizing Company Policies</b>		
1.1 Specifying changes to organizational structure/management/company management structure.	All transactions.	-
1.2 Specifying company policies.	All transactions.	-
<b>2. Accounting and Financial Documents</b>	Over 1 million baht per year.	No more than 1 million baht per year
<b>3. Purchases</b>		
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 <sup>1)</sup>
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
<b>4. Investments</b>		
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 <sup>2)</sup>
4.2 Considerations to open branches for business or to expand the company's business.	Open international branches.	Only open branches in Thailand <sup>2)</sup> .
<b>5. Approving any and all types of loans and signing in all related documents to loans.</b>	Over 300 million baht	No more than 300 million baht <sup>2)</sup>

Remarks: <sup>1)</sup> 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.

<sup>2)</sup> Report to the Board of Directors every time.



## 9.5 Recruitment and Appointment of Directors and Chief Executive Officer

### 9.5.1 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.

#### 9.5.2 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.

#### 9.5.3 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.

#### 9.5.4 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.

#### 9.5.5 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.

### 9.5.6 Report on changes in shareholding of directors and executives in 2020

Information as of December 31, 2020

No	Name	Position	Number of shares held as of December 31,2019	Number of shares held as of December 31,2020	Number of changes increased / (decreased) in 2020	Shareholding in the company in 2020 (%)
1.	Mr. Yol Phokasub	Chairman	4,950,000	4,950,000	0	0.681
2.	Mr. Songvit Titipunya/	Vice Chairman	53,900,000	53,900,000	0	7.424
3.	General Siravudhi Sukanthanark	Director	1,300,000	1,300,000	0	0.179
4.	Mrs. Parinda Vongvitavat/	Director	65,133,900	65,133,900	0	8.972
5.	Mr. Chairat Kamonoratep/	Managing Director	509,500	509,500	0	0.070
6.	Mr. Surapong Uthaichalanond	Independent Director	1,100,000	1,000,000	(100,000)	0.137
7.	Mr. Pratarn Aranyakananda	Independent Director	1,281,500	491,900	(789,600)	0.067
8.	Associate Professor Pachara Pacharavanich	Independent Director	2,547,690	2,547,690	0	0.350
9.	Mr. Tanachai Bunditvorapoom	Director	0	0	0	0

## 9.6 Oversight of the Activities of Subsidiaries and Joint Companies

As of 31 December 2020, 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.

## 9.7 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.

#### 9.8 Audit Fees

For the fiscal year 2018 ended December 31, 2018, the Company paid audit fees for financial statements and others. The total amount of 1.95 million baht consists of audit fees of 1.45 million baht, income certification of 0.27 million baht, which is a certification of branch income for submitting the income, including AOT and the expenses charged in the amount of 0.23 million baht, which is travel expenses, allowances. Overtime expenses, stationery expenses, etc.

For the fiscal year 2019 ended December 31, 2019, the company paid audit fees for financial statements and others totaling 2.52 million baht, consisting of audit fee of 1.60 million baht and income certification of 0.24 million baht, which is an income guarantee. Branches for submitting the income, including AOT, other service fees in the amount of 0.30 million baht and collecting expenses of 0.38 million baht, which are travel expenses, allowances, overtime expenses, stationery costs, etc.

And for the fiscal year 2020 ended December 31, 2020, the company paid the audit fee of financial statements and others totaling 3.92 million baht, consisting of audit fee of 1.60 million baht, income certification of 0.21 million baht. Obtaining a branch to show income, including AOT, other service fees in the amount of 0.30 million baht and collecting expenses in the amount of 1.81 million baht, which are travel expenses, allowances, overtime expenses, stationery costs, etc.

#### 9.9 Adherence to Good Governance Principles on Other Issues

-None.-



## 10. Corporate Social Responsibility

### 10.1 Policy overview

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:

#### Category 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.

#### Category 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.

### Category 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.

#### **Category 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.

#### **Category 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.

#### **Category 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.

#### **Category 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.

### **10.2 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)

### **10.3 Businesses that affect CSR**

- none -

### **10.4 Activities for the benefit of society and the environment (after process)**

In addition to normal business operations that take into account social responsibility The company also organizes and participates in activities for various public benefits Which demonstrates social responsibility from January 2020 to December 31, 2020, the company has no social responsibility activities. Due to the spread of the COVID-19 virus.

## 11. Internal Control and Risk Management

### 11.1 Opinions of the Board of Directors on the Company's Internal Control System

At the Meeting of the Board of Directors No. 1/2020 on 27 February 2020, 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.

### 11.2 Audit Committee's Opinion in case the Opinion is different from Board of Directors

The Audit Committee does not have an opinion on the adequacy and appropriateness of the Company's internal control system that is different from that of the Board of Directors.

### 11.3 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.

## 12. Connected Transactions

### 12.1 Connected Transactions with Companies/Persons with Potential Conflict of Interest

Name of Juristic Person(s) / Person(s)	Type of Business	Relationship
Mr. Songvit Titipoonya	-	Mr. Songvit Titipoonya 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 30 December 2020).
Mrs. Parinda Vongvitavat	-	Mrs. Parinda Vongvitavat is a director and a major shareholder of the Company, having a shareholding of 8.97 percent of total registered and paid-up capital (according to the shareholder register as of 30 December 2020).
Mr. Sarut Titipoonya	-	Mr. Sarut Titipoonya is a person related to the directors and major shareholders of the company
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 30 December 2020). Toyota At United Company Limited has Mr. Songvit Titipoonya, 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 Titipoonya, 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 Titipoonya, Mrs. Parinda Vongvitavat, and family as its major shareholders and directors.

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 Titipoonya 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 30 December 2020), as its major shareholder and director.
Thai Smile Leasing Company Limited	Taxi leasing	Thai Smile Leasing Company Limited has connected persons with Mr. Songvit Titipoonya as its major shareholders and directors.
Toyota Premium Phitsanulok Company Limited	A Toyota car supplier	Toyota Premium Phitsanulok Company Limited has Mr. Songtham Titipoonya, a connected person with Mr. Songvit Titipoonya and a shareholder of the Company with a shareholding of 0.37 percent of total registered and paid-up capital (according to the shareholder register as of 30 December 2020), as its major shareholder and director.
Siam Nissan P2M Company Limited	NISSAN brand car dealers	Siam Nissan P2M Company Limited has Mr. Songvit Titipoonya as a director and a person related to Mr. Songvit Titipoonya is a major shareholder and a director
At United Broker Company Limited	Insurance broker	At United Broker Company Limited ,There is a person related to Mr. Songvit Titipoonya who is a major shareholder and a director.
Wisdom Innova Tech Company Limited	Providing software services	Wisdom Innova Tech Company Limited, There is a person related to Mr. Songvit Titipoonya who is a major shareholder and a director.

The Company has related transactions with companies / connected person for the fiscal year ending 31 December 2019 and 2020 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 20	31 Dec 19		
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.	2.98	2.80	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.	13.49	66.07	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.



Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
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.	1.73	3.25	The company is a distributor of certain brands of tires. Which is a normal business support transaction of the company The company sets the selling price and commercial terms the same as other customers In sales to Toyota @ United Company Limited	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 purchased TOYOTA brand cars for the Company's normal business operations.	9.81	10.80	The company receives a discount on car repairs. Which is in accordance with the normal conditions of the nature of business And can be compared with the discounts received from repair centers of other unrelated partners	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.

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
Toyota At United Company Limited	Being a major shareholder and having common shareholders / directors.	The company buys TOYOTA brand cars to use in the company's normal business operations.	1,085.98	2,428.99	<p>It is a normal business transaction of the company. The company buys cars on the basis of their ability to supply cars of the desired characteristics. Ability to deliver on time and the discount received is important.</p> <p>Toyota @ United Company Limited is one of the major TOYOTA dealers in the country. That can supply cars according to the characteristics specified by the customer in large numbers Within the fastest time and give the company large volume purchase discounts Which is more discount and better service than ordering from other TOYOTA dealers.</p> <p>In order to reduce the risk that the item may not arise as Arm's Length, the company has set "Policy and Procedures for Purchasing Cars from Toyota at United Company Limited (Revised Version)", which clearly specifies the method for calculating the purchase price of the car.</p>	<p>The said transaction is a transaction that occurs as necessary. In line with the Company's normal business operations, Toyota @ United Co., Ltd. is able to deliver a large number of vehicles that meet customer specifications. For a limited time, get a bigger discount price and better service than ordering from any other TOYOTA dealer.</p> <p>The Audit Committee considered that The transaction is reasonable. And beneficial to the company's normal business operations.</p>

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
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.	19.58	16.17	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 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.	6.53	7.08	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 20	31 Dec 19		
Toyota At United Used Car Company Limited	Having common shareholders / directors.	The company borrows short-term money to use as working capital and pay interest on the borrowed money	0.87	-	The Company has received financial support in the form of short-term loans to finance its working capital. The company has entered into a short-term loan agreement and pays interest at the rate of 1.80% per annum by delivering the car registration manual as collateral.  This short term loan was fully repaid in May 2020.	The said transaction is a transaction that occurs as necessary. In order to provide the company with working capital for normal business operations The interest rate paid by the company is not higher than the market rate.  The Audit Committee considered that Short-term loan items are reasonable. And beneficial to the company's normal business operations
At United broker Company Limited	Some common shareholders / directors	At United broker Company Limited is a car insurance broker. And pay a discount for the insurance premium to the company	5.46	9.91	The company uses car insurance broker services. Which is a normal business support transaction for the company And the company receives a discount on insurance premiums Which is in accordance with the normal business conditions	The said transaction is a transaction that occurs as necessary as normal business operations of the company And the insurance premium that the company pays is comparable to other service providers.  The Audit Committee has considered that The said transaction was reasonable and is beneficial to the normal business operations of the company

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
Wisdom Innova Tech Company Limited	There are persons related to the major shareholder / director that is shareholder / director	Wisdom Innova Tech Company Limited to develop software for the company	2.07	-	The company hired Wisdom Innova Tech Co., Ltd. to develop software for car reservation short term rental. Which is a normal business support transaction for the company Company considered from ability to develop software to meet needs The ability to deliver work on schedule data and price security	The said transaction is a transaction that occurs as necessary as normal business operations of the company. Which the price and trade conditions are comparable with other service providers  The Audit Committee has considered that said transaction was reasonable and is beneficial to the normal business operations of the company  The said transaction is a transaction that occurs as necessary as normal business operations of the company. Which the price and trade conditions are comparable with other service providers  The Audit Committee has considered that said transaction was reasonable and is beneficial to the normal business operations of the company
			0.33	-	The company sold the license of a program that the company bought from Voluntia Co., Ltd. to Wisdom Innovatech Co., Ltd.	

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
Mr. Songvit Titipoonya Mrs. Parinda Vongvitavat Mr. Sarut Titipoonya	A major shareholder A major shareholder Persons connected with major shareholders / directors	The Company leases land and buildings in which the said land and buildings are a joint ownership of Mr. Songvit Titipoonya, Mrs. Parinda Vongvitavat, and Mr. Sarut Titipoonya (son of Mr. Songvit Titipoonya and Mrs. Parinda Vongvitavat). The Company paid lease fees.	1.20	1.84	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 2020 to 31 May 2023.	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.
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.	0.94	0.93	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.

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
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.	0.74	0.70	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 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 maintainance services for cars using NGV and LPG gas systems from P2M Energy Company Limited.	0.17	0.16	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.

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
Siam Nissan P2M Company Limited	Has common shareholders / directors	The company is a car rental service provider. And receive the rent	0.03	0.01	It is a normal business transaction of the company. Which the company charges and has the same trade terms as general customers	The said transaction is a transaction that occurs as necessary as normal business operations of the company  The Audit Committee has considered that the service income is reasonable and is beneficial to the normal business operations of the company
Siam Nissan P2M Company Limited	Has common shareholders / directors	The company used the repair and maintenance of some NISSAN cars with Siam Nissan P2M Co., Ltd.	2.58	0.84	Due to electrical system repair work and some engines Complicated And it is necessary to send a repair to a standard NISSAN service center, which the company will select a service center based on the customer's convenience in bringing their cars into repairs and maintenance. However, the repair and maintenance fees paid by the company are in accordance with the same standards as other NISSAN service centers.	The said transaction is a transaction that occurs as necessary as normal business operations of the company  The Audit Committee has considered that the service income is reasonable and is beneficial to the normal business operations of the company



Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
Siam Nissan P2M Company Limited	Having common directors.	The Company purchased NISSAN cars from Siam Nissan P2M Company Limited.	4.67	3.27	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 short period of time. Generally, service and discount that the company received are greater than those obtained through other NISSAN car suppliers. In order to lower risks of non-arm's-length transactions, the Company has clearly set in place "a policy and protocol on car purchases from Siam Nissan P2M Company Limited".	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.	-	0.10	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.

Company / Connected Person	Relationship	Transaction Description	Transaction Value (Million Baht)		Necessity and Reasons for Transaction	Audit Committee Opinion
			31 Dec 20	31 Dec 19		
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.	5.34	5.16	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.

As at December 31, 2020 and 2019, related persons and juristic persons have guaranteed loans from financial institutions and liabilities under financial lease agreements for the company  
Can be summarized as follows

Company / Connected Person	Relationship	Transaction Description	Necessity and Reasons for Transaction	Audit Committee Opinion
Toyota At United Company Limited  Mr. Songvit Titipoonya 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 Titipoonya, and Mrs. Parinda Vongvitavat jointly provided collateral for the Company's loans from financial institutions and liabilities under financial lease contracts.	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.

## 12.2 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).

## 12.3 Policies and Trends for Conducting Connected Transactions in the Future.

### 12.3.1 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.

### 12.3.2 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 the this type of transactions occur as a part of the company's normal business activities and under appropriate trade conditions. Hence, the company expects that this type of transactions will continue to occur continuously.
- 2) Normal business support transactions: e.g., employment of consultants occur due to a necessity to support the company's business activities and for which appropriate service fees are charged. The company expects that after the company is registered in the Stock Exchange of Thailand, this type of connected transaction will no longer occur.
- 3) Acceptance and granting of financial assistance:
  - 3.1) 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.
  - 3.2) 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.

### 12.3.3 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.

#### 12.3.4 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.

### 13. Important financial information

#### 13.1 Financial statements

Auditor's report summary For the accounting period ended 31 December 2018, 31 December 2019 and 31 December 2020.

- **Audit report summary as of 31 December 2018**

Auditor : Mr. Banjong Pitchay  
 Certified Public Accountant No. 7147,  
 Siam Truth Audit Company Limited  
 Opinion of the auditor :

I have audited the financial statements of the Company. Synergetic Auto Performance Public Company Limited ("the Company") which consists of Statement of Financial Position As at 31 December 2018 Statement of Comprehensive Income Statement of changes in equity And cash flow statements for the year ended the same date and notes to the financial statements. Including a summary of important accounting policies.

I saw that The above financial statements show the financial position of the company. Synergy Auto Performance Public Company Limited as of December 31, 2018 and the operating results and cash flows for the year ended on the same date are correct in essence. According to financial reporting standards.

- **Audit report summary as of 31 December 2019**

Auditor : Mr. Banjong Pitchay  
 Certified Public Accountant No. 7147,  
 Siam Truth Audit Company Limited  
 Opinion of the auditor :

I have audited the financial statements of the Company. Synergetic Auto Performance Public Company Limited ("the Company") which consists of Statement of Financial Position As at 31 December 2019 Statement of Comprehensive Income Statement of changes in equity and cash flow statements for the year ended the same date and notes to the financial statements. Including a summary of important accounting policies.

I saw that The above financial statements show the financial position of the company. Synergy Auto Performance Public Company Limited as of December 31, 2019 and the operating results and cash flows for the year ended on the same date are correct in essence. According to financial reporting standards.

- **Audit report summary as of 31 December 2020**

Auditor : Mr. Banjong Pitchay  
 Certified Public Accountant No. 7147,  
 Siam Truth Audit Company Limited  
 Opinion of the auditor :

I have audited the financial statements of the Company. Synergetic Auto Performance Public Company Limited ("the Company") which consists of Statement of Financial Position As at 31 December 2019 Statement



of Comprehensive Income Statement of changes in equity and cash flow statements for the year ended the same date and notes to the financial statements. Including a summary of important accounting policies.

I saw that The above financial statements show the financial position of the company. Synergy Auto Performance Public Company Limited as of December 31, 2019 and the operating results and cash flows for the year ended on the same date are correct in essence. According to financial reporting standards.

#### **Duty to submit financial statements**

The company, as a public limited company, is listed on the Stock Exchange of Thailand. Has the duty to submit financial statements to the Department of Business Development. Ministry of Commerce The Stock Exchange of Thailand And publicize quarterly financial statements within 45 days and annual financial statements within 60 days, and the Company, as the issuer of debentures, is obliged to submit a copy of the said financial statements to the Office. SEC within the same period

### 13.2 Summary of Statement of Financial Position Statement of comprehensive income and cash flow statement

#### Consolidated statement of financial position for the periods ended 31 December 2018, 2019 and 2020

Item	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	71.71	0.57	9.68	0.07	16.18	0.13
Current investments	0.67	0.01	0.69	0.01	0.00	0.00
Trade and other receivables	311.25	2.46	273.98	2.09	283.37	2.36
Inventories	7.20	0.06	66.28	0.51	7.37	0.06
Other current assets	403.65	3.19	457.35	3.49	438.15	3.65
<b>Total current assets</b>	<b>794.48</b>	<b>6.29</b>	<b>807.98</b>	<b>6.16</b>	<b>745.07</b>	<b>6.21</b>
<b>Non-current assets</b>						
Restricted bank deposits	15.09	0.12	17.22	0.13	26.36	0.22
Long-term receivables under finance leases	2.07	0.02	0.00	0.00	0.00	0.00
Investment property	168.95	1.34	170.67	1.30	169.16	1.41
Property, plant and equipment	11,386.60	90.09	11,824.80	90.11	10,637.86	88.70
Rights of use assets	0.00	0.00	0.00	0.00	138.68	1.16
Intangible assets	27.30	0.22	31.38	0.24	30.22	0.25
Deferred tax assets	50.22	0.40	0.00	0.00	0.00	0.00
Other non-current assets	194.79	1.54	270.25	2.06	245.13	2.04
<b>Total non-current assets</b>	<b>11,845.02</b>	<b>93.71</b>	<b>12,314.32</b>	<b>93.84</b>	<b>11,247.41</b>	<b>93.79</b>
<b>Total assets</b>	<b>12,639.50</b>	<b>100.00</b>	<b>13,122.30</b>	<b>100.00</b>	<b>11,992.48</b>	<b>100.00</b>

Source: The Company's Consolidated Financial Statements Synergy Auto Performance Public Company Limited

## Statement of Financial Position

Item	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Bank overdraft and short-term loans from financial institutions	19.26	0.15	122.25	0.93	106.33	0.89
Trade and other payables	530.00	4.19	936.63	7.14	747.07	6.23
Liabilities due within one year	0.00	0.00	0.00	0.00	690.92	5.76
Current portion of lease liabilities due within one year	2,223.01	17.59	2,600.74	19.82	2,024.25	16.88
Short-term loans from related party	0.00	0.00	0.00	0.00	0.00	0.00
Other current liabilities	18.86	0.15	16.65	0.13	21.35	0.18
<b>Total current liabilities</b>	<b>2,791.13</b>	<b>22.08</b>	<b>3,676.26</b>	<b>28.02</b>	<b>3,589.92</b>	<b>29.93</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions	2,496.07	19.75	2,366.94	18.04	1,864.72	15.55
Long-term liabilities under finance leases	5,845.15	46.25	5,650.85	43.06	5,176.92	43.17
Deferred tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Employee benefit obligations	1.34	0.01	2.45	0.02	3.68	0.03
Other non-current liabilities	12.46	0.10	22.23	0.17	46.18	0.39
<b>Total non-current liabilities</b>	<b>8,355.02</b>	<b>66.10</b>	<b>8,042.48</b>	<b>61.29</b>	<b>7,091.50</b>	<b>59.13</b>
<b>Total liabilities</b>	<b>11,146.15</b>	<b>88.19</b>	<b>11,718.74</b>	<b>89.30</b>	<b>10,681.42</b>	<b>89.07</b>
<b>Total shareholders' equity</b>	<b>1,493.35</b>	<b>11.81</b>	<b>1,403.56</b>	<b>10.70</b>	<b>1,311.06</b>	<b>10.93</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,639.50</b>	<b>100.0</b>	<b>13,122.30</b>	<b>100.0</b>	<b>11,992.48</b>	<b>100.0</b>

## Statement of comprehensive income for the periods ended 31 December 2018 2019 and 2020

Item	For the Year Ending 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
		100.0		100.0		100.0
Revenue from sales and services	2,636.14	0	3,137.63	0	3,487.93	0
Cost of sales and services	-2,091.39	-79.34	-2,597.41	-82.78	-3,120.03	-89.45
Gross profit	544.75	20.66	540.21	17.22	367.90	10.55
Other income	39.02	1.48	64.66	2.06	68.86	1.97
Selling and service expenses	-43.04	-1.63	-53.73	-1.71	-30.00	-0.86
Administrative expenses	-134.91	-5.12	-179.67	-5.73	-109.50	-3.14
Finance costs	-338.42	-12.84	-411.05	-13.10	-387.80	-11.12
Profit before income tax	67.40	2.56	-39.57	-1.26	-90.55	-2.60
Tax income (expense)	22.24	0.84	-50.22	-1.60	0.00	0.00
<b>Profit for the year</b>	<b>89.64</b>	<b>3.40</b>	<b>-89.79</b>	<b>-2.86</b>	<b>-90.55</b>	<b>-2.60</b>
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Defined benefit plan actuarial gains for Employee benefit	2.48	0.09				
Income tax relating to items that will never be reclassified to gains or loss	-0.49	-0.02				
Other comprehensive income - net of tax	1.99	0.08				
Total comprehensive income	91.63	3.48	-89.79	-2.86	-90.55	-2.60
Earnings per share						
<b>Basic earnings per share</b>	<b>0.12</b>		<b>-0.12</b>		<b>-0.12</b>	
Weighted average number of ordinary shares (shares)	726.00		726.00		726.00	

Source: The Company's Consolidated Financial Statements Synergy Auto Performance Public Company Limited

## Statement of cash flows for the periods ended 31 December 2018 2019 and 2020

(Unit: Million Baht)

Item	For the Year Ending 31 December		
	2018	2019	2020
<b>Cash flows from operating activities</b>			
Profit before income tax	67.40	-39.57	-90.55
Adjustments to reconcile profit before income tax to cash generated (paid) from operating activities	0.00	0.00	0.00
Depreciation and amortization	1,191.15	1,490.69	1,570.59
Interest income	-0.69	-0.89	-0.48
Interest expenses	337.28	409.09	382.11
Doubtful accounts	1.64	7.69	3.57
Loss on impairment of assets (reversal)	4.26	7.35	-2.68
Unrealized gain from revaluation of investments	-0.28	6.59	0.00
Gain from sales of assets	-0.22	0.00	0.00
<b>Cash flow before changes in working capital</b>	<b>1,600.54</b>	<b>1,880.95</b>	<b>1,862.56</b>
<b>Changes in working capital</b>			
Trade and other receivables	-109.27	30.01	-17.16
Receivables under finance leases	0.00	1.43	2.25
Inventories	385.14	442.51	805.45
Other current assets	-152.50	-53.69	19.19
Restricted bank deposits	-2.13	-2.13	-9.13
Other non-current assets	0.61	2.65	1.03
Trade and other payables	0.79	-193.08	-185.08
Other current liabilities	2.99	-2.21	4.70
Employee benefit obligations	1.47	1.11	1.22
Other non-current liabilities	5.87	9.77	23.95
<b>Cash generated from the operations</b>	<b>1,733.51</b>	<b>2,117.30</b>	<b>2,508.98</b>
Interest received	0.48	1.10	0.48
Income tax refunded		41.84	160.25
Income tax paid	-90.94	-121.93	-122.17
<b>Net cash provided by operating activities</b>	<b>1,643.05</b>	<b>2,038.32</b>	<b>2,547.54</b>

## Cash flow statement

(Unit: Million Baht)

Item	For the Year Ending 31 December		
	2017	2018	2019
Cash flows from investing activities			
Purchase of current investments	-180.00	0.00	0.00
Sale of current investments	183.00	0.00	0.69
Purchase of investment property	-49.10	-4.78	-1.61
Purchase of plant and equipment	-1,218.58	-77.43	-75.87
Sales of assets	0.06	0.00	1.09
Purchase of intangible assets	-10.68	-5.71	-2.48
<b>Net cash used in investing activities</b>	<b>-1,275.30</b>	<b>-87.93</b>	<b>-78.18</b>
Cash flows from financing activities			
Increase (decrease) in bank overdraft and short-term loans from financial institutions	-27.95	102.98	-15.91
Proceeds from short-term loans from related party	0.00	7.00	317.00
Repayment of short-term loans from related party	0.00	-7.00	-317.00
Proceeds from long-term loans from financial institutions	1,811.31	527.32	220.13
Repayment of long-term loans from financial institutions	-361.09	-565.26	-642.20
Repayment of liabilities under finance leases	-1,419.24	-1,665.56	-1,638.34
Interest paid	-336.19	-411.91	-386.55
Cash received from increase in ordinary shares	0.00	0.00	0.00
Dividend paid	-3.05	0.00	0.00
<b>Net cash provided by (used in) financing activities</b>	<b>-336.21</b>	<b>-2,012.42</b>	<b>-2,462.87</b>
<b>Net increase in cash and cash equivalents</b>	<b>31.54</b>	<b>-62.03</b>	<b>6.49</b>
Cash and cash equivalents at the beginning of the year	40.17	71.71	9.68
<b>Cash and cash equivalents at the end of the year</b>	<b>71.71</b>	<b>9.68</b>	<b>16.18</b>

Source: The Company's Consolidated Financial Statements Synergy Auto Performance Public Company Limited

## Significant financial ratios for the periods ended 31 December 2018, 2019 and 2020

Important financial ratios	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2020
<b>The ratio shows profitability.</b>			
Gross Profit Ratio - (excluding profit from the sale of the vehicle for rent)	22.67	19.17	14.60
Gross profit ratio - (from the sale of the vehicle for rent)	9.93	-2.04	-3.95
Gross Profit Ratio - (Including profit from car sales for rent) (%)	20.66	16.32	10.55
Operating profit margin (%)	15.39	11.84	8.52
Net profit margin (%)	3.40	-2.86	-2.60
<b>Liquidity measurement ratio</b>			
Liquidity ratio (times)	0.28	0.22	0.21
Quick turnover ratio (times)	0.13	0.08	0.08
Asset turnover (times)	0.25	0.25	0.28
Cash flow liquidity ratio	0.74	0.63	0.70
Accounts receivable turnover ratio	10.77	11.22	13.18
Average collection period	33.41	32.09	27.32
<b>Operating efficiency ratio</b>			
Return on assets (%)	0.84	-0.70	-0.72
Return on fixed assets (%) <sup>1/</sup>	17.11	15.73	20.05
Return on Equity (%) <sup>2/</sup>	6.18	-6.20	-6.67
<b>Financial management analysis</b>			
Net debt to earnings before interest, income tax, depreciation and amortization ratio (net debt to EBITDA ratio) (time) <sup>3/</sup>	5.62	5.11	4.01
Debt to equity ratio (time) (debt to equity :D/E ratio) (time)	7.46	8.35	8.15
Interest bearing debt to equity :D/E ratio) (time)	7.09	7.65	7.52
Interest coverage ratio : ICR)(EBITDA)(time) <sup>4/</sup>	5.82	5.57	6.68
Debt service coverage ratio : DSCR)(EBITDA) (time) <sup>5/</sup>	0.88	0.84	1.00
BE size to interest bearing debt ratio (time) <sup>6/</sup>	N/A	N/A	N/A
Interest bearing debt to EBITDA) (time) <sup>7/</sup>	5.37	4.69	3.71
The interest bearing debt ratio due within 1 year to the total interest bearing debt. (%)	21.19	25.35	28.61
Ratio of loans from financial institutions to debt with interest burden (%)	28.68	28.86	26.99
Book value per share (baht per share)	2.06	1.93	1.81
Net profit (loss) per share (baht per share)	0.12	-0.12	-0.12

Note:

/ 1 Return on fixed assets calculated as (net profit + depreciation + cost of car sales) / fixed assets (average)

/ 2 Return on equity calculated from net profit / equity (average)

/ 3 Net debt to earnings before interest, income tax, depreciation Amortization and Amortization (Net Debt to EBITDA Ratio) is calculated from (Total Liabilities - Cash or Cash Equivalents - Temporary Investments) / (Earnings Before Interest Expenses and Income Taxes + Depreciation + Amortization Intangible Assets and Other Assets. + Cost from car sales)

/ 4 Interest Coverage Ratio (ICR) is calculated from (Profit Before Interest, Tax, Depreciation and Amortization and Cost from Car Sales) / Financial Costs.

/ 5 Debt Service Coverage Ratio (DSCR) calculated from (Earnings Before Interest, Tax, Depreciation and Amortization and Cost of Car Sales) / (Long Term Loan Due in 1 year + interest paid)

6 / As of December 31, 2017 -2020, the company has no outstanding bills of exchange.

7 / Interest bearing debt to EBITDA ratio is calculated from interest bearing debt / (earnings before interest, taxes, depreciation and amortization) and cost from car sales)



## 14. Management's analysis and explanation

### 14.1 Analyze operations and operational status

#### 1) Performance overview

The company operates car rental business with a focus on providing a full range of services cover and meet customer needs. Currently, the company offers 4 types of car rental services: 1) Long-term car rental, 2) Short-term car rental, 3) car rental with a driver (limousine) and 4) services cars for rent through an application.

As of December 31, 2020, the company had a total of 18,662 cars, a reduction of 534 vehicles or 2.78 percent decrease compared to 19,196 vehicles as of December 31, 2019, which was a reduction of 548 long-term rental cars. Short Term Rental Cars Rental cars with driver and rental cars available through the application total 153 vehicles while rental cars await delivery. 167 replacement and additional vehicles.

Unit: Cars

Item	As of 31 December		
	2018	2019	2020
Vehicles for Lease:			
Long-term Lease	14,750	16,600	16,052
Short-term Lease	693	697	580
Limousine Lease	141	142	92
Lease via Mobile Application	95	226	240
<b>Total Vehicles for Lease</b>	<b>15,679</b>	<b>17,665</b>	<b>16,964</b>
Leased Vehicles pending Delivery	147	117	115
Replacement Vehicles	1,295	1,361	1,536
Other Vehicles*	21	53	47
<b>Total Vehicles</b>	<b>17,142</b>	<b>19,196</b>	<b>18,662</b>

#### 2) Performance analysis

##### 2.1) Income

In the year 2018 - 2019, the company had total revenues of 2,659.56 million baht and 3,173.79 million baht, respectively. The total revenues in 2018 and 2019 have grown at 24.90 percent and 19.33 percent, respectively, and in 2020 the company has total revenues of 3,556.79 million baht, with an increase of 383.00 million baht or Increased 12.07% compared to the same period of 2019.

In this regard, the Company's income can be split from year 2018 to year 2020 with details as follows:

Item	For the Year Ending 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues from Car Rental</b>						
1) Revenue from Long-Term Rental:						
Private Companies:						
Retail/Wholesale Businesses.	376.35	14.07	595.06	18.75	575.91	16.19
Transportation Businesses.	201.85	7.55	251.86	7.94	262.23	7.37
Other Businesses.	1,195.56	44.69	1,355.10	42.70	1,446.93	40.68
Total Private Companies.	1,773.76	66.30	2,202.02	69.38	2,285.07	64.25
Government Agencies And State Enterprises.	298.54	11.16	311.64	9.82	282.84	7.95
Ordinary Persons	0.28	0.01	0.00	0.00	0.00	0.00
Total Revenue From Operating	2,072.58	77.47	2,513.66	79.20	2,567.92	72.20
2) Revenue From Short-Term Rental.*	78.80	2.95	101.92	3.21	61.85	1.74
3) Revenue From Limousine Rental*	63.59	2.38	58.09	1.83	35.71	1.00
4) Revenue From Car Rental via Mobile	2.56	0.10	33.42	1.05	46.94	1.32
<b>Total Revenue from Car Rental</b>	<b>2,217.53</b>	<b>82.89</b>	<b>2,707.09</b>	<b>85.30</b>	<b>2,712.42</b>	<b>76.26</b>
Revenue from Car Sales	415.13	15.52	420.64	13.25	761.41	21.41
Rental of space and service income**	3.48	0.13	9.90	0.31	14.10	0.40
Other Revenues***	39.03	1.46	36.16	1.14	68.86	1.94
<b>Total Revenue</b>	<b>2,675.17</b>	<b>100.00</b>	<b>3,173.79</b>	<b>100.00</b>	<b>3,556.79</b>	<b>100.00</b>

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.

#### Revenue from car rental

In 2019, the Company's total car rental income was 2,707.09 million baht, an increase from the previous year by 489.56 million baht or 22.08 percent, which was an increase in long-term car rental income of 441.08 million baht or increased. Increased 21.28 percent due to an increase in the number of long-term rental cars of 1,850 cars.

For the year 2020, the company had revenues from car rental totaling 2,712.42 million baht, an increase of 5.33 million baht from the same period of the previous year or 0.20 percent increase in revenue from car rental period. 54.26 million baht or an increase of 2.16 percent. While income from short-term car rentals and leasing with drivers decreased by 48.93 million baht due to the COVID-19 epidemic. Causing the closure of the domestic airport Flight suspension Travel for both Thai and foreign tourists is not allowed. In addition, companies have a policy for employees to work from home during the state of emergency. All of these factors have a direct impact on short-term car rental income. Rent a car with a driver and rent a car through the company's application.

#### Revenue from car sales

In 2019, the company had total car sales of 420.64 million baht, an increase from the previous year by 5.51 million baht or an increase of 1.33 percent because in 2019 there were 933 cars sold in total, while in 2018 there were Total number of 911 cars sold.

For the year 2020, the company had revenue from car sales of 761.41 million baht, an increase from the same period of the previous year by 340.77 million baht or an increase of 81.01 percent due to the year 2020, the company had long-term rental cars that had expired. Returned to sell 1,038 more than the same period in 2019.

#### Income from rental of real estate and other services

In 2019, the Company had real estate rental and income from FRANCHISE amounting to 9.90 million baht, increasing from the previous year by 6.42 million baht or an increase of 184.48% as a result of the completed construction of the ASAP AUTOPARK project and The tenants of the area can open their business now. Causing the company to have more rental income.

For the year 2020, the Company had income from real estate rental and income from FRANCHISE amounted to 14.10 million baht, which increased from the same period of the previous year by 4.20 million baht or 42.42% increased due to the tenants operating space. More Causing the company to have more rental income.

#### Other income

In 2019, the company had other income of 36.16 million baht, an increase of 12.74 million baht from the previous year or an increase of 54.40 percent. Which is a result of an increase in other income which is the contract cancellation penalty. And expenses that can be recovered from customers.

For the year 2020, the company had other income of 68.86 million baht, which increased from the same period of the previous year by 32.70 million baht or increased 90.43 percent from the increase in other income which is the service fee for changing the license plate with Kerry Express Service Company Limited in the amount of 26.76 million baht and other items 5.94 million baht.

#### 2.2) Cost of sales and services And gross margin

In the year 2018 to 2020, the Company had cost of sales and services of Baht 2,101.00 million, 2,625.43 million Baht and 3,120.03 million, respectively, with cost divided by 3 main segments as follows: 1) Cost from car rental 2) Cost from Sales of cars and 3) costs from real estate rental and other services.

Item	For the year ended December 31					
	2018		2019		2020	
	Million baht	%*	Million baht	%*	Million baht	%*
Revenue from sales and services	2,636.14	100.00	3,137.63	100.00	3,487.93	100.00
Cost from car rental	1,723.56	65.38	2,188.05	69.74	2,313.54	66.33
Cost from car sales	373.92	14.18	429.24	13.68	791.51	22.69
Cost from renting space, FRANCHISE And service etc.,	3.52	0.13	8.14	0.26	14.98	0.43
Total cost of sales and services	2,101.00	79.7	2,625.43	83.68	3,120.03	89.45
Gross profit	535.14	20.3	512.20	16.32	367.90	10.55

Note: \* Percentage of revenue from sales and services

#### Cost from car rental

In 2019, the company had cost from car rental totaling 2,188.05 million baht, increasing from the previous year by 464.49 million baht or 26.95 percent.

This was mainly due to the increase in vehicle depreciation car repair and maintenance costs Insurance and car tax which increased in line with the number of cars for rent.

For the year 2020, the company had total cost of car rental of 2,313.54 million baht, an increase of 125.49 million baht from the same period of the previous year or an increase of 5.74 percent, mainly due to an increase in car depreciation Car repair and maintenance costs Insurance and car tax This increased with the number of car rentals in 2020 when compared to the same period of the previous year.

#### Cost from car sales

In 2019, the company has cost from car sales of 429.24 million baht, an increase from the previous year by 55.32 million baht or 14.79% as a result of the number of cars sold in 2019 that is greater than in 2018.

For the year 2020, the cost of car sales is 791.51 million baht, an increase from the same period of the previous year by 362.27 million baht or an increase of 84.40% due to the sale of long-term rental cars that have expired in the year. In 2020, more than 690 units in the same period last year.

#### Cost of real estate rental and other services

In 2019, the company had the cost of real estate rental and other services amounting to 8.14 million baht, an increase of 4.62 million baht from the previous year or 131.25 percent. Most of them are due to depreciation of the property of the completed construction ASAP AUTOPARK project. And utility costs of stores that operate in the ASAP AUTOPARK project.

For the year 2020, the company had the cost of real estate rental and other services of 14.98 million baht, an increase of 6.84 million baht from the same period of the previous year or an increase of 84.03 percent, mainly due to the increase in utility costs of the shops. That opened for operation in the ASAP AUTOPARK project.

#### Gross profit and gross margin

Item	For the year ended December 31					
	2018		2019		2020	
	Million baht	%*	Million baht	%*	Million baht	%*
Gross profit from car rental	493.97	22.28	519.04	19.17	398.88	14.71
Gross profit from car sales	41.21	9.93	-8.60	-2.04	-30.10	-3.95
Gross profit from leasing, FRANCHISE and other services	-0.04	-1.15	1.76	17.78	-0.88	-6.24
Total gross profit	535.14	20.30	512.20	16.32	367.90	10.55

Gross profit in 2019 amounted to 512.20 million baht, a decrease of 22.94 million baht from the previous year or a 4.29 percent decrease due to cost of car repair and maintenance and car insurance costs were higher in proportion than the increase in rental income. Which is caused by an increase in the number of insured cars And the increase in vehicle maintenance and repair expenses due to the high usage volume of some customers. In the future, the company will improve the conditions of using the car and the customer is responsible for the expenses in the use of more than specified or not careful in use.

For the year 2020, the company had gross profit of 367.90 million baht, a decrease of 144.30 million baht from the same period of the previous year or 28.17 percent, due to a decrease in short-term car rental income due to the outbreak of COVID-19 While the main cost of rental cars such as Car depreciation Repair and maintenance costs Insurance and car tax It is a fixed expense to be paid in the same amount even though short-term car rental income decreases in line with the demand for services. And partly it was due to the loss from car sales as the used car prices fell on the back of the slowing economy and the impact of the COVID-19 disease.

### 2.3) Selling expenses and administrative expenses

Item	For the year ended December 31					
	2018		2019		2020	
	Million baht	%*	Million baht	%*	Million baht	%*
Employee expenses	75.18	49.22	97.68	55.22	68.35	49.00
Temporary wages and labor wages	9.91	6.49	3.13	1.77	2.58	1.85
Rental of office buildings and equipment	10.94	7.16	13.08	7.39	3.80	2.72
Allowance for doubtful accounts	1.65	1.08	7.56	4.27	3.57	2.56
Cost of insurance claims	0.57	0.37	0.79	0.45	4.60	3.30
Travel and accommodation expenses	2.70	1.77	4.72	2.67	6.81	4.88
Depreciation of other assets and computer program amortization.	5.55	3.63	7.02	3.97	14.32	10.27
Bank fees and others	6.33	4.14	6.92	3.91	6.92	4.96
Other expenses	39.91	26.13	35.99	20.35	28.55	20.47
Total cost of sales and administrative expenses	152.74	100.00	176.89	100.00	139.50	100.00

Note: \* Percentage from sales and service expenses And administrative expenses

Selling expenses and administrative expenses of the company consisted of 1) expenses related to employees such as salary, overtime pay, social security contributions and other benefits, etc. 2) temporary wages And wages for doing things Most of which is the annual cost of the GPS system installed in service cars and some replacement vehicles and car trailer for delivery of rental cars and replacement cars to customers in some provinces. 3) rental of office buildings and office equipment This is the cost of renting land and office buildings from Toyota @ and Ms. Parinda vongvitavat with a 3-year contract period. The current contract starts from June 1, 2020 until May 30, 2023 and copier rental expenses 4) Expected credit loss allowance. In the year 2020, the Company has adopted the Financial Reporting Standard No. 9 on Financial Instruments using past credit loss data for car rental receivables Let's determine the current credit loss allowance for the debtor. 5) Cost of car wreckage which is claimed to be insured This is the net book value of the car that was involved in the accident and the company claims the compensation from the insurance company. This is an expense incurred from the delivery of the vehicle for rent and replacement cars for customers. 7) Depreciation of other assets and computer program amortization items as depreciation of office building improvements Office equipment, computers and computer programs. 8) Bank fees and others Most of them are bank fees for the issuance of a letter of guarantee and credit card fees (From the payment of short-term car rental) fees of the Stock Exchange and the SEC. and 9) Others, such as service expenses, promotion activities, consulting fees and audit fees, etc.

In 2019, the company has selling expenses and administrative expenses totaling 176.89 million baht, an increase of 24.15 million baht from the previous year or an increase of 15.81 percent.

For the year 2020, the company has selling expenses and administrative expenses totaled 139.50 million baht, a decrease from the same period of the previous year by 37.39 million baht or 26.80% due to employee expenses from the number of employees that decreased by about 146 people since the period. Early years and the cost of the insurance claim is reduced.

#### 2.4) Financial costs

In 2019, the company had finance costs of 411.05 million baht, an increase of 72.63 million baht or 21.46 percent from 338.42 million baht, which was an increase in line with the increasing number of rental cars. This is because the company uses loans from financial institutions and finance lease agreements as the main source of finance for car purchases. Financial costs in 2019 accounted for 13 percent of revenue from sales and services, a similar ratio to that of 2018.

For the year 2020, the company had finance costs of 387.80 million baht, a decrease of 23.25 million baht from the same period of the previous year or 5.66 percent from 411.05 million baht in the same period of 2019 due to the company delaying the increase in the number of cars. new Financial costs in the year 2020 accounted for 11.12 percent of revenue from sales and services.

#### 2.5) Net profit and net profit margin

Item	For the year ended December 31		
	2018	2019	2020
Net profit (million baht)	89.64	-89.79	-90.55
Net profit margin (Percentage of total income)	3.40	-2.86	-2.60

In 2019, the company had a loss before income tax of 39.57 million baht, a decrease of 106.97 million baht from profit before income tax of 67.40 million baht in 2018, which was a result of an increase in income in a smaller proportion than an increase in value. Spend as mentioned above. In 2019, the Company recorded a reversal of deferred tax assets of Baht 50.22 million, while in 2018, the Company recorded deferred tax assets of Baht 22.24 million. The reversal of deferred tax assets resulted from impairment of losses. Tax way Due to the uncertainty that The company will be able to take advantage of the tax losses carried forward on time.

For the year 2020, the company has a loss before income tax of 90.55 million baht, an increase from the same period of the previous year by 50.98 million baht from loss before income tax of 39.57 million baht in the same period of 2019, mainly due to an increase in income At a smaller proportion than the increase in expenses as discussed above. A drop in car prices in the used car market And the effects of COVID-19.

From all of the above reasons, in 2019 the company has a net loss of 89.79 million baht, a decrease of 179.43 million baht from a net profit of 89.64 million baht, resulting in a loss per share of 0.12 baht in 2019, while in 2018 the company has an earnings per share of 0.12. baht.

For the year 2020, the company had a net loss of 90.55 million baht, which increased from the same period of the previous year by 0.76 million baht from the net loss of 89.79 million baht, resulting in a loss per share of 0.125 baht, while the same period of the previous year The company had a loss per share of 0.124 baht.

### 3) Analysis of financial position

#### 3.1) Total assets

As of December 31, 2018, 2019 and 2020, the Company's total assets were 12,639.50 million baht, 13,122.30 million baht, and 11,992.48 million baht, respectively. The main components of the Company's total assets were property, plant and equipment. Which accounts for approximately 90 percent of the Company's total assets.

As of December 31, 2019, the Company had total assets of 13,122.30 million baht, an increase of 482.80 million baht or an increase of 3.82 percent when compared to the amount of 12,639.50 million baht as of 31 December 2018, mainly due to an increase in rental cars. Which is shown in the list of property, plant and equipment

As of December 31, 2020, the company has total assets of 11,992.48 million baht, a decrease of 1,129.82 million baht or a 8.61 percent decrease compared to the amount of 13,122.30 million baht as of 31 December 2019, mainly due to the purchase of new rental cars. Less than the depreciation of cars and car sales in 2020



Item	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	71.71	0.57	9.68	0.07	16.18	0.13
Current investments	0.67	0.01	0.69	0.01	0.00	0.00
Trade and other receivables	311.25	2.46	273.98	2.09	283.37	2.36
Inventories	7.20	0.06	66.28	0.51	7.37	0.06
Other current assets	403.65	3.19	457.35	3.49	438.15	3.65
<b>Total current assets</b>	<b>794.48</b>	<b>6.29</b>	<b>807.98</b>	<b>6.16</b>	<b>745.07</b>	<b>6.21</b>
<b>Non-current assets</b>						
Restricted bank deposits	15.09	0.12	17.22	0.13	26.36	0.22
Long-term receivables under finance leases	2.07	0.02	0.00	0.00	0.00	0.00
Investment property	168.95	1.34	170.67	1.30	169.16	1.41
Property, plant and equipment	11,386.60	90.09	11,824.80	90.11	10,637.86	88.70
Rights of use assets	0.00	0.00	0.00	0.00	138.68	1.16
Intangible assets	27.30	0.22	31.38	0.24	30.22	0.25
Deferred tax assets	50.22	0.40	0.00	0.00	0.00	0.00
Other non-current assets	194.79	1.54	270.25	2.06	245.13	2.04
<b>Total non-current assets</b>	<b>11,845.02</b>	<b>93.71</b>	<b>12,314.32</b>	<b>93.84</b>	<b>11,247.41</b>	<b>93.79</b>
<b>Total assets</b>	<b>12,639.50</b>	<b>100.00</b>	<b>13,122.30</b>	<b>100.00</b>	<b>11,992.48</b>	<b>100.00</b>

#### Trade accounts and other receivables

The Company had trade and other receivables as of 31 December 2018, 2019 and 2020 equal to 311.25 million baht, 273.98 million baht and 283.37 million baht, respectively. Car rental receivables accounted for approximately 78 percent, car sales receivables accounted for about 13 percent, other receivables accounted for about 9 percent, most of which were the accounts receivable from car wreckage claims and so on.

As of December 31, 2019, the Company had trade accounts receivable of 256.63 million baht, a decrease of 34.84 million baht or 11.95 percent decrease when compared with an amount of 291.47 million baht as of 31 December 2018 due to the company expediting the collection of debtors over time. During up to 3 months.

As of December 31, 2020, the Company has trade accounts receivable in the amount of 248.38 million baht, a decrease of 8.25 million baht or a decrease of 3.21% compared to the amount of 256.63 million baht as of 31 December 2019. The age of outstanding debt can be as follows:

Item	For the year ended December 31					
	2018		2019		2020	
	Million baht	%*	Million baht	%*	Million baht	%*
Trade accounts receivable						
Not yet due	135.42	43.51	241.28	88.06	219.86	77.59
Overdue:						
< 3 months	142.65	45.83	14.47	5.28	24.75	8.73
3 – 6 months	8.55	2.75	1.03	0.38	5.7	2.01
6 – 12 months	5.73	1.84	0.76	0.28	3.38	1.19
over 12 months	1.07	0.34	8.32	3.04	9.84	3.47
Total Trade accounts receivable	293.42	94.27	265.86	97.04	263.53	93.00
Less the allowance for the expected credit loss.					15.15	5.35
Less: Allowance for Doubtful Accounts	1.95	0.63	9.23	3.37		
Total trade accounts receivable - net	291.47	93.64	256.63	93.67	248.38	87.65
Other receivables - net	19.78	6.36	17.35	6.33	34.99	12.35
Total trade and other receivables - net	311.25	100	273.98	100	283.37	100

Note: / 1 percent from total trade and other receivables - net

As of December 31, 2020, the Company has trade receivables that are overdue for less than 3 months, amounting to 24.75 million baht or 8.73 percent, most of which are long-term car rental receivables of government agencies and state enterprises. Group of companies listed on the stock exchange And large companies That do not have liquidity problems But the reason for the delay payment is due to the delay in the payment approval process. And the organization's work system has been adjusted due to the COVID-19 epidemic.

Most long-term credit terms are 30 days prior to January 1, 2020, the Company will consider setting up an allowance for doubtful accounts based on their ability to payment history and financial status of each customer. But from January 1, 2020, the company has adopted the Financial Reporting Standard No. 9 on Financial Instruments. The Company measures the expected credit loss by the simple standard method. Using historical credit loss data to determine the expected credit loss allowance as of December 31, 2020, the expected credit loss allowance amounted to 15.15 million baht.

## Property, plant and equipment

The company has land Buildings and equipment (Net of accumulated depreciation) as of December 31, 2018, 2019 and 2020 equal to 11,386.60 million baht, 11,824.80 million baht and 10,637.87 million baht, respectively. Most of them consisted of rental cars and vehicles, accounting for approximately 99 percent of the land value. Buildings and equipment (Net of accumulated depreciation).

As of December 31, 2019, the company has land Buildings and equipment (Net of accumulated depreciation) in the amount of 11,824.80 million baht, an increase of 438.20 million baht or an increase of 3.85 percent compared to 11,386.60 million baht as of December 31, 2018, mainly due to an increase of 442.39 cars for rent. Million Baht Most of these cars are used for long-term leases with a lease of 3-5 years and the Company is entitled to a fixed monthly rental over the term of the lease.

As of December 31, 2020, the company has land Buildings and equipment (Net of accumulated depreciation) in the amount of 10,637.87 million baht, a decrease of 1,186.93 million baht or 10.04 percent decrease when compared to the amount of 11,824.80 million baht as of December 31, 2019, which is mainly due to a decrease of 1,187.75 cars for rent. Million baht due to the delay in increasing the number of new cars for rent in line with the economic slowdown and the impact of the COVID-19 epidemic. (Net of accumulated depreciation) details are as follows:

Category	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Land	5.89	0.05	5.89	0.05	5.89	0.06
Buildings and improvements to lease buildings	38.07	0.33	35.47	0.30	33.05	0.31
Cars for rent and vehicles	11,328.12	99.49	11,770.51	99.54	10,589.84	99.55
office equipment	13.42	0.12	12.14	0.10	8.92	0.08
Craftsman tool	1.10	0.01	0.79	0.01	0.17	0.00
Building in process	0.00	0.00	0.00	0.00	0.00	0.00
<b>Land, plant and equipment-Net</b>	<b>11,386.60</b>	<b>100.00</b>	<b>11,824.80</b>	<b>100</b>	<b>10,637.87</b>	<b>100</b>

The net value of cars and vehicles consists of 1) rental cars. Which has both a long-term lease with a 3-5 year contract, a short-term lease for a period of less than 1 year, a rental with a driver. Renting through the application 2) a replacement vehicle which is a vehicle that the company provides in reserve For delivery to the customer to use in accordance with the terms of the rental contract in the event that the rental vehicle used by the customer has an accident or has been repaired and maintained for a long time. 3) Rental cars waiting to be delivered to customers This is a new car purchased by the Company and is pending delivery to the customer. 4) Other cars, which are 4.1) Cars for use in business operations 4.2) Pending cars and claims from the

insurance company. Which is the Company's rental car, which was involved in a severe accident that it cannot be repaired and reused It is in the process of making an insurance claim from the insurance company. 4.3) Mobile Car Service for on-site car maintenance and repair services.

Changes of rental cars and the Company's vehicles as of December 31, 2018 - 2020 are as follows:

Item	As of 31 December		
	2018	2019	2020
Vehicles for Lease:			
Long-term Lease	14,750	16,600	16,052
Short-term Lease	693	697	580
Limousine Lease	141	142	92
Lease via Mobile Application	95	226	240
<b>Total Vehicles for Lease</b>	<b>15,679</b>	<b>17,665</b>	<b>16,964</b>
Leased Vehicles pending Delivery	147	117	115
Replacement Vehicles	1,295	1,361	1,536
Other Vehicles*	21	53	47
<b>Total Vehicles</b>	<b>17,142</b>	<b>19,196</b>	<b>18,662</b>

\* Remarks: Other cars consist of a pending carcass claim from an insurance company and management vehicles

As of December 31, 2018, 2019 and 2020, the Company had a total of 17,142 cars and 19,196 vehicles and 18,662 vehicles, respectively, comprising rental cars representing approximately 91% of the total number of cars. Replacement cars accounted for approximately 8% of the total number of vehicles. Rental cars waiting to be delivered to customers and other vehicles account for approximately 1 percent of the total number of vehicles. In this regard, the determination of the car's scrap value is close to the actual selling price in the future. It is one of the important factors in business operation. And affecting the Company's operating results, therefore, in order to ensure that the scrap value of the car that the company determines remains accurate and close to reality on a regular basis. Therefore, the company has established a policy to monitor, review and improve the residual value of the rental car. Which has been approved by the Board of Directors meeting And the Board of Directors has required to review this policy every year. The latest time was on February 27, 2020. The aforementioned policy requires the company to track and review the scrap value of all models of rental cars on a quarterly basis. By considering the profit and loss of each car model If the following conditions are met The company will adjust the price of the remaining car remains of that model to the price expected to be sold when the car expires or reaches its useful life. The conditions for consideration are as follows:

1) There is a sufficient number of the aforementioned vehicle that has expired and sold to assure the Company and believe that the average selling price can be used as a reasonable representative of the market price of the said vehicle.

- 2) The method of selling the vehicle is no different from the method the company has used or is expected to use in the future for the car model it has in its portfolio.
- 3) The car sold has overall condition, which is the condition of the car body and the engine usage history Maintenance history and the history of accidents, etc. at a moderate level or in accordance with the average overall condition of all the aforementioned vehicles that the company has in its portfolio.

The policy of monitoring, review and improvement of the residual value of leased cars is as follows:

- 1) The company has to monitor and review the carcass value of all models on a quarterly basis by requiring the company to consider the total value of car sales for rent, which has expired during the past quarter by car model ("Total value based on actual selling price") and then compare with the total value of the said rental car. Calculated by using the scrap price instead of the actual selling price, divided by car model as well ("Total value according to book value")
- 2) The Company shall adjust the residual value of the rental car by using "Average Actual Selling Price" which is equal to the total value of the actual selling price divided by the number of rental cars that have expired the said model lease agreement sold in the same period. During the past quarter Instead of the original carcass price that was previously set If the comparison of value according to 1) enters one of the following cases:
  - A) Total value according to the actual selling price More or less Total value according to book value  
Accounted for more than 10% of the total book value The company has more than 100 such cars and accounted for more than 1.00 percent of the total number of cars available at that time.
  - B) Total value according to the actual selling price More or less Total value according to book value  
Accounted for more than 30% of the total book value.
- 3) The company shall take the matter of monitoring and review the carcass value according to 1) to report to the Audit Committee and the Board of Directors for acknowledgment on a quarterly basis In addition, in the event that there is a need to improve the scrap value according to item 2) , the Company shall propose an agenda for the Audit Committee and the Board of Directors to consider and approve the revision of the scrap value of the car model.
- 4) Resolutions of the Audit Committee and the Board of Directors that approve the revision of the car's carcass value according to item 3) to the company to immediately replace the original carcass price. The Company has to adjust the value of all such vehicles that the Company has at that time and use it as a reference price for determining the price of the said car model that will be added in the future.
- 5) The company takes the issue of car scrap value improvement to seek approval from the Audit Committee and the Board of Directors before taking action every quarter.

### Other current assets

The Company has other current assets as of December 31, 2018, 2019 and 2020 equal to 403.65 million baht, 457.35 million baht and 438.15 million baht, respectively. Mainly comprised of Insurance and car tax paid in advance VAT Pending Credit and Refund And advances paid to extend the car tax.

As of December 31, 2019, the Company has other current assets of 457.35 million baht, an increase of 53.70 million baht or an increase of 13.30 percent when compared with the balance as of 31 December 2018, which is an increase in prepaid insurance. And VAT waiting for credit and refund.

As of December 31, 2020, the Company has other current assets of 438.15 million baht, a decrease of 19.20 million baht or a decrease of 4.20% compared to the balance as of December 31, 2019, most of which is a reduction of VAT waiting for credit and requests.

### 3.2) Total Liabilities

As of December 31, 2018, 2019 and 2020, the Company's total liabilities were 11,146.15 million baht, 11,718.74 million baht, and 10,681.42 million baht, respectively. The main component of the Company's total liabilities was loans from financial institutions and liabilities under finance lease agreements Which is a source of funds for purchasing cars for leasing to customers.

As of December 31, 2019, total liabilities amounted 11,718.74 million baht, an increase of 572.59 million baht or an increase of 5.14 percent compared to the balance as of 31 December 2018, mainly due to an increase in borrowing from financial institutions and Liabilities under finance lease agreements Due to the increased purchase of cars for rent.

As of December 31, 2020, total liabilities amounted 10,681.42 million baht, a decrease of 1,037.32 million baht or decreased by 8.85 percent when compared to the balance as of 31 December 2019, mainly due to the delay in the increase of cars for rent due to Economic slowdown The new loan balance is less than the amount repaid in the year 2020.

Item	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Bank overdraft and short-term loans from financial institutions	19.26	0.15	122.25	0.93	106.33	0.89
Trade and other payables	530.00	4.19	936.63	7.14	747.07	6.23
Liabilities due within one year	0.00	0.00	0.00	0.00	690.92	5.76
Current portion of lease liabilities due within one year	2,223.01	17.59	2,600.74	19.82	2,024.25	16.88
Other current liabilities	18.86	0.15	16.65	0.13	21.35	0.18
<b>Total current liabilities</b>	<b>2,791.13</b>	<b>22.08</b>	<b>3,676.26</b>	<b>28.02</b>	<b>3,589.92</b>	<b>29.93</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions	2,496.07	19.75	2,366.94	18.04	1,864.72	15.55
Long-term liabilities under finance leases	5,845.15	46.25	5,650.85	43.06	5,176.92	43.17
Deferred tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Employee benefit obligations	1.34	0.01	2.45	0.02	3.68	0.03
Other non-current liabilities	12.46	0.10	22.23	0.17	46.18	0.39
<b>Total non-current liabilities</b>	<b>8,355.02</b>	<b>66.10</b>	<b>8,042.48</b>	<b>61.29</b>	<b>7,091.50</b>	<b>59.13</b>
<b>Total liabilities</b>	<b>11,146.15</b>	<b>88.19</b>	<b>11,718.74</b>	<b>89.30</b>	<b>10,681.42</b>	<b>89.07</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,639.50</b>	<b>100.00</b>	<b>13,122.30</b>	<b>100.00</b>	<b>11,992.48</b>	<b>100.00</b>

Note: / 1 percent from total and equity

#### Trade payables and other payables

The Company has trade payables and other payables as at December 31, 2018, 2019 and 2020 equal to 530.00 million baht, 936.63 million baht and 747.07 million baht, respectively. Creditors from car purchases Insurance payable And payable for car repairs and maintenance The Company will receive a different credit term according to each creditor and each type of business. The repayment period will be approximately 30-90 days.

Item	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Trade payables and other payables</b>						
Unrelated parties	146.39	27.62	179.82	19.2	140.7	18.83
Related parties	383.61	72.38	756.81	80.8	606.24	81.17
<b>Total trade and other payables</b>	<b>530</b>	<b>100</b>	<b>936.63</b>	<b>100</b>	<b>747.06</b>	<b>100</b>

Note: / 1 percent from trade payables and other payables

As of December 31, 2019, the Company has trade payables and other payables amounting to 936.63 million baht, which consists of car purchase payable from Toyota @ United Company Limited (which is a related company) in the amount of 752.54 million baht or equivalent to a hundred. 80.35 each of the trade and other payables. The remainder of the amount of 184.09 million baht is debt insurance Car repair and maintenance costs, and others, through the increase of trade payables and other payables. This was mainly due to the increase in the number of new cars purchased and the request for an extension of the repayment period.

As of December 31, 2020, the Company has trade payables and other payables amounting to Baht 747.06 million, consisting of car purchase payable from Toyota @ United Company Limited, amounting to Baht 603.31 million or equivalent to 80.76% of the trade payable and Other creditors The remaining amount of 143.75 million baht is owed to insurance. Car repair and maintenance expenses and others. In 2020, the Company has trade payables and other payables decreased from the end of 2019 in the amount of 189.57 million baht or 20.24 percent, mainly due to a decrease in the number of cars.

#### Loans from financial institutions

The Company has loans from financial institutions as of December 31, 2018, 2019 and 2020 equal to 3,034.90 million baht, 3,099.96 million baht and 2,661.97 million baht. And use long-term loans from financial institutions to purchase cars for leasing to customers.

Long-term loans from financial institutions used to purchase cars for the service of the customer needs. The Company will set the repayment period close to the term of the car rental agreement with the customer, which is 3-5 years with the same monthly loan repayment every month And there is a large payment (Balloon Payment) in the last installment to be in line with the nature of the company's cash inflow. Which has the cash flow from car rental for a period of 3-5 years according to the lease term And the cash flow received from the sale of the car when the lease expires.

Item	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Short-term loans from financial institutions	19.26	0.63	122.25	3.94	106.33	4.00
Long-term loans from financial institutions						
Parts due within 1 year	519.57	17.12	610.77	19.7	690.92	25.95
The portion that is due more than 1 year	2,496.07	82.25	2,366.94	76.35	1,864.72	70.05
Total long-term loans from financial institutions	3,015.64	99.37	2,977.71	96.06	2,555.64	96.00
Total loans from financial institutions	3,034.90	100	3,099.96	100	2,661.97	100

Note: / 1 percent from the total appraisal fund



As of December 31, 2019, the Company had loans from financial institutions in the amount of 3,099.96 million baht, an increase of 65.06 million baht or an increase of 2.14 percent when compared with the amount of 3,034.90 million baht as of 31 December 2018, mainly due to an increase of short-term loans in the form of promissory notes to be used as working capital of the business.

As of December 31, 2020, the Company has loans from financial institutions in the amount of 2,661.97 million baht, a decrease of 437.99 million baht or 14.13% compared to the amount of 3,099.96 million baht as of 31 December 2019 due to the company delaying the purchase of new cars. Make the new loan balance less than the scheduled loan repayment amount for the nine months of 2020.

#### Lease liabilities

The company has entered into a finance lease to purchase cars for serving the needs of the customers. The Company will set the term of the finance lease to be in line with the term of the car rental agreement with the customer which is approximately 3-5 years with the same monthly loan repayment on every month and most contracts will be paid in a large amount (Balloon Payment) in the last installment to be in line with the nature of the company's cash inflow. Which has the cash flow from car rental for a period of 3-5 years according to the lease term And the cash flow received from the sale of the car when the lease expires.

Item	As of 31 December					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Lease liabilities						
Parts due within 1 year	1,703.44	22.57	1,989.97	26.04	2,024.25	28.11
The portion that is due more than 1 year	5,845.15	77.43	5,650.85	73.96	5,176.92	71.89
Total lease liabilities	7,548.59	100	7,640.82	100	7,201.17	100

Note: / 1 percent of total lease liability

As of December 31, 2019, the Company has liabilities under lease agreements of Baht 7,640.82 million, an increase of Baht 92.23 million or an increase of 1.22% compared to the balance as of December 31, 2018, all of which are liabilities under finance lease agreements to bring Used to buy cars.

As of December 31, 2020, the Company has lease liabilities of Baht 7,201.17 million, a decrease of 439.65 million Baht or 5.75% compared to Baht 7,640.82 million as of December 31, 2019 due to the Company delaying the purchase of new cars. This makes the debt from new car purchases less than the debt repayment schedule in 2020.

### 3.3) Equity

Item (Unit: million baht)	As of December 31		
	2018	2019	2020
Registered capital	363	363	363
Issued and Paid Capital	363	363	363
Surplus on ordinary share value	510.95	510.95	510.95
Retained Earnings Allocated - Legal Reserve	15.51	15.51	15.51
Unappropriated retained earnings	603.89	514.1	421.6
<b>Total equity</b>	<b>1,493.35</b>	<b>1,403.56</b>	<b>1,311.06</b>

As of December 31, 2019, the Company had total shareholders' equity of 1,403.56 million baht, a decrease of 89.79 million baht or a 6.01 percent decrease from 1,493.35 million baht as of 31 December 2018 due to operating loss in 2019.

As of December 31, 2020, the Company has shareholders' equity of 1,311.06 million baht, a decrease of 92.50 million baht or a 6.60 percent decrease compared to 1,403.56 million baht as of 31 December 2019 due to operating loss during For the period of the year 2020 in the amount of 90.55 million baht and the improvement of the retained earnings in the previous year from the application of new accounting standards in 2020 amounting to 1.95 million baht.

## Financial Significant Ratios

Important financial ratios	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2020
<b>The ratio shows profitability.</b>			
Gross Profit Ratio - (excluding profit from the sale of the vehicle for rent)	22.67	19.17	14.60
Gross profit ratio - (from the sale of the vehicle for rent)	9.93	-2.04	-3.95
Gross Profit Ratio - (Including profit from car sales for rent) (%)	20.66	16.32	10.55
Operating profit margin (%)	15.39	11.84	8.52
Net profit margin (%)	3.40	-2.86	-2.60
<b>Liquidity measurement ratio</b>			
Liquidity ratio (times)	0.28	0.22	0.21
Quick turnover ratio (times)	0.13	0.08	0.08
Asset turnover (times)	0.25	0.25	0.28
Cash flow liquidity ratio	0.74	0.63	0.70
Accounts receivable turnover ratio	10.77	11.22	13.18
Average collection period	33.41	32.09	27.32
<b>Operating efficiency ratio</b>			
Return on assets (%)	0.84	-0.70	-0.72
Return on fixed assets (%) <sup>1/</sup>	17.11	15.73	20.05
Return on Equity (%) <sup>2/</sup>	6.18	-6.20	-6.67
<b>Financial management analysis</b>			
Net debt to earnings before interest, income tax, depreciation and amortization ratio (net debt to EBITDA ratio) (time) <sup>3/</sup>	5.62	5.11	4.01
Debt to equity ratio (time) (debt to equity :D/E ratio) (time)	7.46	8.35	8.15
Interest bearing debt to equity :D/E ratio) (time)	7.09	7.65	7.52
Interest coverage ratio : ICR)(EBITDA)(time) <sup>4/</sup>	5.82	5.57	6.68
Debt service coverage ratio : DSCR)(EBITDA) (time) <sup>5/</sup>	0.88	0.84	1.00
BE size to interest bearing debt ratio (time) <sup>6/</sup>	N/A	N/A	N/A
Interest bearing debt to EBITDA) (time) <sup>7/</sup>	5.37	4.69	3.71
The interest bearing debt ratio due within 1 year to the total interest bearing debt. (%)	21.19	25.35	28.61
Ratio of loans from financial institutions to debt with interest burden (%)	28.68	28.86	26.99
Book value per share (baht per share)	2.06	1.93	1.81
Net profit (loss) per share (baht per share)	0.12	-0.12	-0.12

Note:

/ 1 Return on fixed assets calculated as (net profit + depreciation + cost of car sales) / fixed assets (average)

/ 2 Return on equity calculated from net profit / equity (average)

/ 3 Net debt to earnings before interest, income tax, depreciation Amortization and Amortization (Net Debt to EBITDA Ratio) is calculated from (Total Liabilities - Cash or Cash Equivalents - Temporary Investments) / (Earnings Before Interest Expenses and Income Taxes + Depreciation + Amortization Intangible Assets and Other Assets. + Cost from car sales)

/ 4 Interest Coverage Ratio (ICR) is calculated from (Profit Before Interest, Tax, Depreciation and Amortization and Cost from Car Sales) / Financial Costs.

/ 5 Debt Service Coverage Ratio (DSCR) calculated from (Earnings Before Interest, Tax, Depreciation and Amortization and Cost of Car Sales) / (Long Term Loan Due in 1 year + interest paid)

6 / As of December 31, 2017 -2020, the company has no outstanding bills of exchange.

7 / Interest bearing debt to EBITDA ratio is calculated from interest bearing debt / (earnings before interest, taxes, depreciation and amortization) and cost from car sales)

For the period ended December 31, 2020, the Company's gross profit margin was 10.55% and net profit margin of 10%. The gross margin of -2.60 gross margin decreased from 16.32% in 2019, while the net profit margin improved slightly from -2.86% in 2019. COVID-19 epidemic While the cost of sales and services which mainly consisted of Car depreciation Insurance and car tax Car repair and maintenance costs Staff expenses It cannot be reduced because it is a fixed expense. As a result, the gross profit margin in 2020 decreased compared to the previous year. But the company was able to reduce and control selling expenses and administrative expenses better, resulting in better net profit margin compared to the previous year. That is why the net profit margin has improved slightly.

As of December 31, 2020, the Company's debt to equity ratio was 8.15 times, slightly better from 8.35 times as of December 31, 2019, despite the company's high debt to equity ratio. The company also tries to manage to have cash from rent. (Especially the rent from long-term leases Which is the main source of income, approximately 80% of the total income) is a constant amount over the term of the lease 3-5 years (Which is a source of approximately 15% of total income) At the end of the contract on time to meet and balance the cash required to repay loans and finance lease liabilities. In addition, the company is able to source loans with fixed interest rates to match long-term leases to mitigate risks from future interest rate fluctuations.

14.2 Factors or events that may significantly affect the financial status or operations in the future.

Please consider more details in the topic. "Risk Factors"

## **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 Independent Director  ▪ Being considered as Director on February 3, 2017 ▪ Being considered as an Independent Director on February 27, 2020	59	- 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. - Ethical Leadership Program (ELP) No. 21,2021	0.68	-	February 27,2020– Present	Chairman of the Board / Independent Director	Synergetic Auto Performance PCL.	Car leasing business
					2017–February 26,2020	Chairman of the Board	Synergetic Auto Performance PCL.	Car leasing business
					2021- Present	Director	Modena Motorwork Company Limited	Sales of new vehicles, passenger cars, pickups, vans and similar small cars Retail and delivery of cars, including spare parts and equipment and installation services, repairs, maintenance
					2020- Present	Director	Central Pet and Me Company Limited	Business depository, Pet Grooming (Hotel), Cleaning and Grooming, Business clinic Animal 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
					2020- Present	Director	Central People Development Center Company Limited	Business about managing a meeting
					2020–Present	Director	Central Food Retail Company Limited	Retail business
					2019–Present	Director	Grabtaxi Holdings (Thailand) Company Limited	Foundation
					2019–Present	Director	Central & Matsumoto Kiyoshi Limited	Retail business
					2018–Present	Director	The 1 Central Limited	Providing management services for customer data analysis
					2018–Present	Director Executive Committee and Chief Executive Officer	Central Retail Corporation Public Company Limited	Operates retail business with a variety of formats and types of products through holding shares in subsidiaries and associates
					2018–Present	Director	Central Familymart Company Limited	Retail business
					2018–Present	Director	Central JD Money Company Limited	Financial services

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
					2018–Present	Director	Central JD Fintech Company Limited	Financial services
					2018–Present	Director	Central JD Fintech Holding Company Limited	Holding
					2018–Present	Director	Central JD Logistics Holding 4 Company Limited	Holding
					2018–Present	Director	Central JD Logistics Holding 3 Company Limited	Holding
					2018–Present	Director	Central JD Logistics Holding 2 Company Limited	Holding
					2018–Present	Director	Central JD Logistics Holding 1 Company Limited	Holding
					2018–Present	Director	Wejoin Solutions Company Limited	Management of transportation and storage
					2017–Present	Director	Central JD Commerce Company Limited	Retail business
					2018-2020	Director	The One Central Company Limited	Providing management and analysis services for customer data



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
					2016–2018	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 Deputy Chairman of the Board Authorized Signatory Chief Executive Officer  ■ Being considered as Director on April 10, 2006	53	- 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 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

First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience			
					Time Period	Position	Agency/Company Name	Business Type
					2008–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
2019–Present					Director	At U Port Joint Venture Company Limited	Retail space rental	
2019–Present					Director	Thai Smile Leasing Company Limited	For leasing of passenger vehicles, pickup trucks, vans and similar light vehicles.	

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 Recruitment & Remuneration Director Authorized Signatory  ▪ Being considered as Director on April 10, 2006	54	- 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	8.97	Wife of Mr. Songwit Thitipunya	2006–Present	Director with Signatory Authority and Nomination and Remuneration Director	Synergetic Auto Performance PCL.	Car Rental 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 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.
					2008–Present	Company Director	Toyota At United Used Car Co., Ltd.	Toyota sales representative; used Toyota vehicles

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 Kamonoratep/ Director Managing Director ▪ resigned from the position of director Effective from December 9, 2020 and resigned from the position of Managing Director Effective January 9, 2021. ▪ Being considered as Director on November 1, 2016	62	- Master of Business Administration, Marketing, National Institute of Development Administration - Bachelor of Engineering Science, Civil Engineering, Kasetsart University - Strategic Board Master Class (Class 2/2017) , Thai Institute of Directors - Director Certification Program (DCP), Class 214/2015, 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 – 9 January 2021	Director	Synergetic Auto Performance PCL.	Car Rental Business
					2016– 9 December 2020	Managing Director	Synergetic Auto Performance PCL.	Car Rental Business
					2015–2016	Director, Executive Director, Risk Management Director and Managing Director	Krungthai Bank Leasing Co., Ltd.	Hire, purchase and financial 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
Miss Pachara Pacharavanich Director Independent Director Chairman of the Audit Committee  ▪ Being considered as Director on June 23, 2015	50	- 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	-	2015–Present	Independent Director Chairman of the Audit Director	Synergetic Auto Performance PCL.	Car Rental Business
					2013- Present	Independent Director Chairman of the Audit Director	TWZ Corporation Public Company Limited	Information and Communication Technology
					1996–Present	Resident Professor, Faculty of Commerce and Accountancy	Thammasat University	University

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. Surapong Uthaichalanond Director Independent Director Audit Director Chairman of the Recruitment and Remuneration Director  - Being considered as Director on June 23, 2015	68	- 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	0.137	-	2015- Present	Independent Director Audit Director Chairman of the Recruitment and Remuneration Director	Synergetic Auto Performance PCL.	Car Rental Business
					1977–2013	Human Resources Manager	PTT PLC.	Comprehensive petroleum and petrochemical business
General Siravudhi Sukanthanark Director  - Being considered as Director on December 9, 2014 - Appointed as an authorized director on February 27, 2018	66	- 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	-	February 27, 2018 –Present	Director	Synergetic Auto Performance PCL.	Car Rental Business
					2016 -February 26, 2018	Director Independent Director Audit Director	Synergetic Auto Performance PCL.	Car Rental Business
					June 2019 – Present	Senate Specialist	Senate	Government agencies
					2014–2016	Chairman of the Board	Synergetic Auto Performance PCL.	Car Rental 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
					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
					2013–2014	Director-general, Office of Defense Budget	Office of the Secretary-general of the Ministry of Defense	Government Agency
					2012–2013	Director of Mobilization Department	Office of the Secretary-general of the Ministry of Defense	Government Agency
					2010–2012	Support Office Director	Office of the Secretary-general of the Ministry of Defense	Government Agency



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 Director Independent Director Audit Committee  - Being considered as Director on May 27,2014	67	- Bachelor of Accounting, Bangkok University - Director Accreditation Program (DAP) Class118, Year 2015, Thai Institute of Directors	0.067	-	2014–Present	Independent Director and Audit Director	Synergetic Auto Performance PCL	Car Rental Business
					2013–Present	Management Advisor	Delphys Hakuhodo Thailand Co., Ltd.	Consultant business on advertisement, design and marketing
					1977–2013	Deputy Director of Sales, Bangkok Metropolitan Area	Toyota Motor (Thailand) Co., Ltd.	Sales of Toyota vehicles and automotive parts

First-Last Name/Position/Date of Appointment	Age (Years)	Education/History of Training	Company Shares Held (%)	Familial Relationships between Directors and Executives	Five Years Retrospective Work Experience			
					Time Period	Position	Agency/Company Name	Business Type
Mr. Tanachai Bunditvorapoom Director Independent Director Nomination and Remuneration Committee  - Appointed as Director of Mr.Passakorn Rakkul on February 27, 2018  - considered an independent director on February 27, 2020	48	- 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)	0.00	-	February 2020 –Present	Independent Director / Nomination and Remuneration Committee	Synergetic Auto Performance Public Company Limited	Car rental service
					2018 - February 2020	Director / Nomination and Remuneration Committee	Synergetic Auto Performance Public Company Limited	Car rental service
					2017 – Present	Chief Executive Officer Director/ Executive Director	Absolute Clean Energy Company Limited	Holding company who invests in power generation business.
					2018 - Present	Director	Absolute Clean Energy Company Limited	Holding company who invests in power generation business.
					2019 - Present	Director	Asia Clean Energy Company Limited	Holding company who invests in power generation business.
					2019 - Present	Director	Advance Agro Asia Company Limited	Power plant 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
					2019 - Present	Director	Bio Power Plant Company Limited	Power plant business
					2019 - Present	Director	ACE Solar Company Limited	Power plant business
					2019 - Present	Director	Satuck Bio Mass Company Limited	Power plant business
					2020 - Present	Director	Advance Bio Energy Company Limited	Power plant business
					2020 - Present	Director	Advance Asia Energy Company Limited	Power plant 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
Miss Varangkna Wasuwanich Deputy Managing Director - Account & Finance / CFO  - Resigned from the company, effective March 12,2021  - Appointed as Management on November 26, 2018	54	- Master's Degree (Master of Business Administration, Executive MBA), Thammasat University - Bachelor's Degree (Accounting), Thammasat University	0.00	-	November 2018- March 12,2021	Deputy Managing Director Accounting and Finance/CFO	Synergetic Auto Performance Public Company Limited	Car rental service
					2003-2013	Senior Director Finance department	Capital Nomura Securities Public Company Limited	Capital and securities
					1995-2003	Accounting Manager	GE Capital(Thailand) Company Limited	Finance

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.Passakorn Saejueng Accounting Manager Chief Accounting - Appointed as Management on August 1, 2019 - Appointed as Chief Accounting on October 8, 2019	44	- Bachelor of Accounting Bangkok University  <u>Training in 2020</u> - Saving for retirement, easy, accountant style for 7 hours - Professional closing of financial statements for 7 hours <u>Training in 2019</u> - TFRS9,TAS32 and TFRS7 6.30 hours - TFRS16 7 hours	0.00	-	October 2019-Present	Accounting Manager Chief Accounting	Synergetic Auto Performance PCL.	Car Rental Business
					August 2019 – October 2019	Accounting Manager	Synergetic Auto Performance PCL.	Car Rental Business
					2012-2019	General Manager / Accounting Manager	Probity international Company Limited	Wholesale / retail electrical equipment
					2010-2012	Administration Manager	Faber Flags and Banners (Thailand) Company Limited	Manufacturing

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 Call Center  - Appointed as Management on July 1, 2016	52	Bachelor of Laws, Ramkhamhaeng University	0.136	-	August 2019 - Present	General Manager Call Center	Synergetic Auto Performance PCL.	Car Rental Business
					March 2018– August 2019	General Manager, After Sales	Synergetic Auto Performance PCL.	Car Rental Business
					2016-March 2019	General Manager, Front Office	Synergetic Auto Performance PCL.	Car Rental Business
					2010–2016	Service Center Manager	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
Miss Ladda Satchoi General Manager After Sales  - Appointed as Management on September 3, 2012	50	- 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	-	August 2019 - Present	General Manager, After Sales	Synergetic Auto Performance PCL.	Car Rental Business
					March 2018– August 2019	General Manager, Front Office	Synergetic Auto Performance PCL.	Car Rental Business
					2012-March 2018	General Manager, After Sales	Synergetic Auto Performance PCL.	Car Rental Business
					2006–2012	Executive Personal. Secretary of Chairman and Acting Personal Manager	Phra Buddha Santitham	Foundation

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 Siriporn Sirisap Company Secretary Investor Relation  - Appointed as on 3 February 2017	38	<ul style="list-style-type: none"> <li>- Master of Public Administration, Ramkhamhaeng University</li> <li>- Master of Business Administration, Ramkhamhaeng University</li> <li>- Bachelor of Computer Business, Business Administration, Suan Sunandha Rajabhat University</li> <li>- Company Secretary Program Class 80/2017</li> <li>- Corporate Secretary Development Program 2008, Thai Listed Companies Association</li> </ul>	0.00	-	2017 -Present	Company Secretary Investor Relation	Synergetic Auto Performance PCL.	Car Rental Business
					2011 - 2016	Company Secretary	Thai Sugar Terminal PCL.	Transport and logistics
					2006 - 2010	Company Secretary	Porn Prom Metal PCL.	Industrial



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.Somkit Pipopwattana Chief Operating Officer  - Appointed as on 1 December 2020	49	- Bachelor's Degree, Thammasat University	0.00	-	March,1 2021	Chief Operating Officer	Synergetic Auto Performance PCL.	Car Rental Business
					December,1 2020 – February,28 2021	Deputy Managing Director Operation / Acting Deputy Managing Director - Used Car Marketing	Synergetic Auto Performance PCL.	Car Rental Business
					November 2018 - November 2020	General Manager	Nissan Leasing (Thailand) Co.,Ltd	Leasing
					1995 - 2014	Manager	Toyota Leasing (Thailand) Co.,Ltd	Leasing

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.Tul Vongvitavat/ General Manager – Used Car Marketing -Appointed as an executive on 1 January 2020	41	<ul style="list-style-type: none"> <li>- Master's Degree IMC / QUT. Australia</li> <li>- Bachelor's Degree (Political Science), Thammasat University</li> </ul>	0.00	The father of Mrs. Prinda Vongvitavat is the uncle of Mr.Tul Vongvitavat	January 2020 - Present	General Manager – Used Car Marketing	Synergetic Auto Performance PCL.	Car Rental Business
					March 2018 - November 2018	General Manager	Mitsu Auto Work	Car Dealer
					2014 - March 2018	General Manager	At United Uses car Company Limited	Dealer Toyota Sure

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. Prateep Silruk  Deputy Director of Accounting and Finance/CFO  -Appointed as Deputy Managing Director Accounting and Finance / CFO on March 12,2021	58	- Bachelor of Business Administration in Accounting, Ramkhamhaeng University  - CFO Orientation Course for New IPOs Class 5 on March 5-6, 2021	0.00	-	March 12,2021-Present	Deputy Director of Accounting and Finance/CFO	Synergetic Auto Performance PCL.	Car Rental Business
					February 22,2021-March 11,2021	Deputy Director of Accounting and Finance	Synergetic Auto Performance PCL.	Car Rental Business
					2016 – 2019	Fixed Asset and Investment Budge Manager	Unilever Thailand Company Limited	Distribution of consumer products and consumer goods
					2015-2016	Project Management Rubiks Thailand	Unilever Thailand Company Limited	Distribution of consumer products and consumer goods
					2007-2015	Accounting and finance manager, production department Product department House appliances and personal appliances	Unilever Thailand Company Limited	Distribution of consumer products and consumer goods

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
						,Food and ice cream Department		
					2002-2007	Cost Account Manager	Unilever Thailand Company Limited	Distribution of consumer products and consumer goods

### **Descriptions of the Directors 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 <sup>th</sup> Floor, Permsap (Pracha Chuen 20), Pracha Chuen Road, Bangsue, Bangsue, Bangkok, 10800 Tel.: 0-2536-0500
Internal Audit Work Supervisor	Ms.Korakot Wanasawat, Vice President.
Academic Degree	Bachelor of Science Program in Computer Science, King Mongkut's University of Technology North Bangkok Bachelor of Accountancy, Ramkhamhaeng University
Work Experience	2018–Present Vice President., Dharmniti Internal Audit Co., Ltd 2016 Executive Director., Dharmniti Internal Audit Co., Ltd 2012-2015 Director, Dharmniti Auditing Co., Ltd 2010–2011 Deputy Director, Dharmniti Auditing Co., Ltd
Related Training	<ul style="list-style-type: none"> <li>– COSO 2013 course: Theory and Practice.</li> <li>– IT Audit Course of The Institute of Internal Auditors of Thailand.</li> <li>– CPIAT course</li> <li>– IA Standards and Internal Audit Process Improvement</li> <li>– Anti- Corruption Section</li> <li>– Asian Confederation of Institutes of Internal Auditors (ACIIA) Conference 2016</li> <li>– Leading IA in the ERA of Digital Disruption</li> <li>– CAC SME Certification</li> <li>– Transforming IA for the Digital Age</li> <li>– Introduction to COBIT 2019</li> <li>– CAE Forum 2019</li> <li>– Smart IA in The Digital World 2020</li> </ul>
Professional License or Certificate	<ul style="list-style-type: none"> <li>– Certified Professional Internal Auditors of Thailand (CPIAT) , IIAT</li> </ul>
Duties and Responsibilities	<ul style="list-style-type: none"> <li>– Specify objectives, strategies and plans and monitor internal audit performance for each customer to comply with plan specifications.</li> <li>– Offer services related to risk management and internal audit.</li> <li>– Provide knowledge and understanding about internal audit for work teams and coordinate collaboration with customers.</li> </ul>

**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, 2020, 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 2020 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, 2020



(Mr. Songvit Titipunya)

Deputy Chairman of the Board and Chief Executive Officer

## 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 2020, 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 2020 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. 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 2020 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



(Assoc. Prof. Patchara Patcharavanich)

President of the Audit Committee

**SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED**  
**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

## **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, 2020, 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, 2020, 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.

#### **Emphasis of Matter**

I draw attention to note 1 to the financial statements, the situation of Coronavirus disease 2019 Pandemic (COVID-19) has significantly affected to the Company's business activities in terms of rendering service of cars for rent and sale of used cars. Due to the measures of the Government sector regarding to the restrictions for entering to Thailand of foreign tourists and others measures in order to restrict and protect the communicable disease, the decrease in trend of operating cost of Business sector and domestic purchasing power resulted to the fluctuation in pricing in the used car market, there is significantly impacts to the Company's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company's management has continuously monitored ongoing that situation to assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities. As the situation has evolved, the management's judgements and significant accounting estimates will be reviewed.

I draw attention to notes 13 and 17 to the financial statements, the Company had loan and lease liabilities with several creditors arising from purchase of cars to operate their own business. Those required the Company to perform in according to certain of terms and conditions specified in the loan agreement such as to maintain the debt to equity ratio and the debt service coverage ratio. During the year 2020, the Company received the notified letter from the creditors regarding the waiver for the compliance to terms and conditions in respect of loan and lease agreement for year 2019, and at the present, the Company will request the notified letter regarding the waiver for the year 2020 compliance.

I draw attention to note 4 to the financial statements, the Company has adopted group of Financial Instruments Standards and Thai Financial Reporting Standard 16 “Leases” for the first time since January 1, 2020. The Company has recognized the cumulative effect of initially applying such Standards by applying an adjustment to the beginning balance of retained earnings of the reporting period.

I draw attention to note 2 to the financial statements, the Company has prepared the financial information for the year ended December 31, 2020 by applying the adoption of Accounting Guidance announced by the Federation of Accounting Professions regarding to the temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation.

My opinion on the financial statement is not modified in according to the matters which I draw attention above.

### **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.

The key audit matter	Audit procedures
<p><b><i>Cars for rent</i></b>  <b><i>Determining of residual value and the existence</i></b></p> <p>The Company has a number of cars providing for rental as operating lease with a variety of types, models and brands as for customer need. Most of cars for rent are in possession of customers distributing in the regions of Thailand with most of the rental period is various years. 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 cars for rent retired by estimating from the expected salable price less cost to make the sale. As at December 31, 2020, cars for rent has the carrying amount of Baht 10,581 million and related depreciation for the year ended December 31, 2020 is of Baht 1,558 million as disclosed in note 12 to the financial statement.</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 cars for rent, which directly affects to the depreciation and the estimation of expected salable price of cars for rent retired, depends on the second-hand market price which is fluctuating according to the automotive industry, the demand and domestic purchasing power, including the efficiency of control and tracking system of cars for rent.</p>	<p>Other than making the inquiries, the audit procedures included sampling test as follows:</p> <ul style="list-style-type: none"> <li>- testing of internal control relates to the assets system;</li> <li>- assessing the process of estimation for residual value and costs to make the sale;</li> <li>- testing the information regarding to estimation for residual value with disposal information from past experience or external sources;</li> <li>- testing the revision of estimation for residual value;</li> <li>- testing the control and tracking system of cars for rent;</li> <li>- testing the system of maintenance and repair information;</li> <li>- physical inspecting all of cars for rent with the rental report and observation report at end of year;</li> </ul>

The key audit matter	Audit procedures
<p><b>Recognition of revenue from service rendered</b></p> <p>The Company has a number of revenue from rental under the car 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, 2020, revenue from service rendered is of Baht 2,712 million as disclosed in note 23 and 24 to the financial statement.</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 conditions under the operating leases affects to the complex operations and revenue recognition.</p>	<p>Other than making the inquiries, the audit procedures for revenue from service rendered included sampling test as follows:</p> <ul style="list-style-type: none"> <li>- assessing the efficiency, testing the information system and test of internal control relates to the revenue system;</li> <li>- testing revenue report and revenue recognition with the rental conditions specified in the operating lease agreement, including supporting documents as invoices and receipts;</li> <li>- analytical the information relating to revenue transactions to examine the errors that may occurred especially generated from journal voucher;</li> <li>- reviewing credit notes issued after reporting period;</li> <li>- comparing the revenue report with the cars for rent registration report;</li> <li>- sending the outstanding confirmations to trade receivables.</li> </ul>

### 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 Number 7147

Siam Truth Audit Company Limited  
Bangkok, February 27, 2021

**SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2020**

*Baht*

	Note	2020	2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	16,175,049	9,683,698
Current investments	4	-	686,409
Trade and other receivables	4, 5, 7	283,367,535	273,981,157
Inventories	8	7,371,236	66,281,027
Other current assets	5, 9	438,155,492	457,345,799
<b>Total current assets</b>		<b>745,069,312</b>	<b>807,978,090</b>
<b>Non-current assets</b>			
Restricted bank deposits	10	26,356,152	17,222,788
Investment property	11	169,161,461	170,674,679
Property, plant and equipment	5, 12	10,637,863,606	11,824,801,774
Right-of-use assets	4, 5, 13	138,677,728	-
Intangible assets	5, 14	30,220,254	31,377,441
Other non-current assets		245,128,621	270,249,108
<b>Total non-current assets</b>		<b>11,247,407,822</b>	<b>12,314,325,790</b>
<b>Total assets</b>		<b>11,992,477,134</b>	<b>13,122,303,880</b>

**SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

*Baht*

	Note	2020	2019
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Bank overdraft and short-term loans from financial institutions	15	106,333,266	122,245,456
Trade and other payables	5, 16	747,064,950	936,631,764
Current portion of debts	17	690,923,306	610,771,433
Current portion of leases liabilities	13	2,024,249,862	1,989,970,836
Other current liabilities		21,345,880	16,646,463
<b>Total current liabilities</b>		<b>3,589,917,264</b>	<b>3,676,265,952</b>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions	17	1,864,720,572	2,366,942,494
Long-term lease liabilities	4, 5, 13	5,176,916,939	5,650,849,336
Provisions for employee benefit	18	3,676,729	2,452,680
Other non-current liabilities		46,182,635	22,232,689
<b>Total non-current liabilities</b>		<b>7,091,496,875</b>	<b>8,042,477,199</b>
<b>Total liabilities</b>		<b>10,681,414,139</b>	<b>11,718,743,151</b>
<b>Shareholders' equity</b>			
Share capital	20		
Ordinary shares		362,999,986	362,999,986
Premium on share capital	21	510,951,425	510,951,425
Retained earnings			
Appropriated			
Legal reserve	22	15,512,914	15,512,914
Unappropriated	4	421,598,670	514,096,404
<b>Total shareholders' equity</b>		<b>1,311,062,995</b>	<b>1,403,560,729</b>
<b>Total liabilities and shareholders' equity</b>		<b>11,992,477,134</b>	<b>13,122,303,880</b>

**SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

*Baht*

	Note	2020	2019
Revenue from sales and services	5, 23, 24	3,487,925,133	3,137,625,015
Cost of sales and services	5, 25, 26	(3,120,025,005)	(2,625,426,599)
Gross profit		367,900,128	512,198,416
Other income	5, 23, 24	68,859,980	36,163,590
Selling expenses	5, 25, 26	(30,004,886)	(36,086,808)
Administrative expenses	5, 25, 26	(109,501,407)	(140,801,816)
Profit from operating activities		297,253,815	371,473,382
Finance costs	5, 27	(387,804,234)	(411,046,795)
Loss before income tax		(90,550,419)	(39,573,413)
Tax expense	29	-	(50,215,714)
Loss for the year		(90,550,419)	(89,789,127)
Other comprehensive income (loss)		-	-
Total comprehensive loss		(90,550,419)	(89,789,127)
Loss per share			
Basic loss per share		(0.12)	(0.12)
Weighted average number of ordinary shares (shares)		725,999,972	725,999,972

SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Baht

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings			Total
				Appropriated		Unappropriated	
				Legal reserve			
Balance as at January 1, 2019		362,999,986	510,951,425	15,512,914	603,885,531	1,493,349,856	
Total comprehensive loss		-	-	-	(89,789,127)	(89,789,127)	
Balance as at December 31, 2019		362,999,986	510,951,425	15,512,914	514,096,404	1,403,560,729	
Cumulative effect of the changes in accounting policies	4	-	-	-	(1,947,315)	(1,947,315)	
Adjusted balance		362,999,986	510,951,425	15,512,914	512,149,089	1,401,613,414	
Total comprehensive loss		-	-	-	(90,550,419)	(90,550,419)	
Balance as at December 31, 2020		362,999,986	510,951,425	15,512,914	421,598,670	1,311,062,995	

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, 2020**

*Baht*

	2020	2019
<b>Cash flows from operating activities</b>		
<b>Loss before income tax</b>	<b>(90,550,419)</b>	<b>(39,573,413)</b>
Adjustments to reconcile loss before income tax to cash generated (paid) from operating activities		
Depreciation and amortization	1,570,592,943	1,490,688,279
Interest income	(483,714)	(892,603)
Interest expenses	382,107,504	409,093,691
Expected credit loss and doubtful accounts	3,571,197	7,698,783
Loss on impairment of assets (reversal)	(2,680,222)	13,940,121
<b>Profit from operating before changes in operating assets and liabilities</b>	<b>1,862,557,289</b>	<b>1,880,954,858</b>
<b>Changes in operating assets and liabilities</b>		
Trade and other receivables	(17,155,847)	30,007,650
Lease receivables	2,250,958	1,430,351
Inventories	805,450,766	442,506,121
Other current assets	19,190,307	(53,694,129)
Restricted bank deposits	(9,133,365)	(2,136,571)
Other non-current assets	1,030,077	2,647,980
Trade and other payables	(185,081,414)	(193,081,029)
Other current liabilities	4,699,415	(2,211,832)
Provisions for employee benefit	1,224,049	1,112,819
Other non-current liabilities	23,949,946	9,769,950
<b>Cash generated from the operations</b>	<b>2,508,982,181</b>	<b>2,117,306,168</b>
Interest received	483,714	1,103,846
Income tax refunded	160,248,267	41,838,647
Income tax paid	(122,169,373)	(121,925,844)
<b>Net cash provided by operating activities</b>	<b>2,547,544,789</b>	<b>2,038,322,817</b>

**SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Baht**

	2020	2019
<b>Cash flows from investing activities</b>		
Sale of current investments	688,563	-
Purchase of investment property	(1,607,442)	(4,782,789)
Purchase of plant and equipment	(75,867,426)	(77,434,188)
Sales of equipments	1,087,427	-
Purchase of intangible assets	(2,482,807)	(5,711,271)
<b>Net cash used in investing activities</b>	<b>(78,181,685)</b>	<b>(87,928,248)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(15,912,190)	102,981,456
Proceeds from short-term loans from related party	317,000,000	7,000,000
Repayment of short-term loans from related party	(317,000,000)	(7,000,000)
Proceeds from long-term loans from financial institutions	220,134,090	527,324,360
Repayment of long-term loans from financial institutions	(642,204,140)	(565,256,229)
Repayment of leases liabilities	(1,638,339,131)	(1,665,556,993)
Finance costs paid	(386,550,382)	(411,914,938)
<b>Net cash used in financing activities</b>	<b>(2,462,871,753)</b>	<b>(2,012,422,344)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,491,351</b>	<b>(62,027,775)</b>
Cash and cash equivalents at the beginning of the year	9,683,698	71,711,473
<b>Cash and cash equivalents at the end of the year</b>	<b>16,175,049</b>	<b>9,683,698</b>
<b>Additional details of non-cash items</b>		<b>Million Baht</b>
1. Transferred car for rent to inventories at net book value	730.97	486.29
2. Transferred inventories to car for rent at net book value	6.85	-
3. Purchased cars for rent by		
- payable to supplier	-	505.27
- entering into a lease agreement	1,049.95	1,921.27



**SYNERGETIC AUTO PERFORMANCE PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**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 Company was listed on the Stock Exchange of Thailand on March 30, 2017.

The principal activities of the Company are a provider of car for rent and selling of used cars, including related car maintenance services and renting property.

The Company’s major shareholders were as follow:

Major shareholders	Country/ Nationality	Shareholding	
		December 31,	
		2020	2019
Toyota @ United Company Limited	Thai	25	25
At Holding Company Limited	Thai	25	25
Mrs. Parinda Vongvitavat	Thai	9	9
Mr. Songvit Titipunya	Thai	7	7

These financial statements have been approved for issue by the Company’s Board of Directors on February 27, 2021.

**Coronavirus disease 2019 Pandemic**

The situation of Coronavirus disease 2019 Pandemic (COVID-19) has significantly affected to the Company’s business activities in terms of rendering service of cars for rent and sale of used cars. Due to the measures of the Government sector regarding to the restrictions for entering to Thailand of foreign tourists and others measures in order to restrict and protect the communicable disease, the decrease in trend of operating cost of Business sector and domestic purchasing power resulted to the fluctuation in pricing in the used car market, there is significantly impacts to the Company’s financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company’s management has continuously monitored ongoing that situation to assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities. As the situation has evolved, the management’s judgements and significant accounting estimates will be reviewed.

**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 (“TFAC”) and the financial reporting requirements of the Securities and Exchange Commission.

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

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

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

### **New financial reporting standards**

#### **a) New financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards and interpretations, including the accounting guidance which are effective for fiscal years beginning on or after January 1, 2020. 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, except a set of 5 financial reporting standards related to financial instruments and TFRS 16 Leases that have changed key principles of these standards are summarized below:

#### **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 amortized 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.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Recognition of credit losses that the Company is to recognize an expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider the lifetime allowance for expected credit losses of trade receivables.

## **TFRS 16 Leases**

TFRS 16 Leases establishes principles for the recognition, measurement, presentation and disclosure of leases, requiring lessees to recognise assets and liabilities for all leases which the lease term is over 12 months. There are substantially unchanged to lessor accounting from its predecessor, lessors continue to classify leases as operating or finance.

The Company has adopted the financial reporting standards related to financial instruments and leases which the cumulative effect is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policies is described in note 4 to the financial statements.

### **Accounting Guidance on “Temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation”**

The Federation of Accounting Professions announced Accounting Guidance on “Temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

The Accounting Guidance was announced in the Royal Gazette on April 22, 2020 and it is effective for the Company’s financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

## **TFRS 9 Financial Instruments**

The measurement of expected credit losses by using a simplified approach

The Company can elect not to take into account forward-looking information when determining expected credit losses. The Company can use the historical credit losses or other method that give similar results including the management’s judgement to estimate expected losses basing on the available information without undue cost or effort.

## **TFRS 16 Leases**

### **Lease contract modification**

The Company as a lessee has been granted a reduction in rental fee from lessor due to the COVID-19 situation. The lessee can elect not to take such rental reduction as a lease contract modification. If the Company has elected this alternative The Company has to treat to all lease contract granted a rental reduction. When the lessee receive a written rental reduction confirm, each instalment of lease liability to be due shall be adjusted in the proportion of rental reduction throughout the period of reduction basing on the prior calculation in accordance with the instalment granted a rental reduction, including reverse depreciation of right-of-use assets and interest from lease liability in the proportion of rental reduction. Differences in gain or loss shall be only adjusted to lease liability, not to the right-of-use assets, and re-measure all of lease liabilities. This alternative is limited to the lessee only.

## **TAS 36 Impairment of Assets**

The Company can elect not to consider the COVID-19 situation as an indication that an asset may be impaired. However, the Company has to consider the indication of impairment and test the asset impairment incurred from other circumstances than those COVID-19 situation.

The Company can elect not to consider the COVID-19 situation that may affect the cash flow forecasts used in testing impairment for goodwill, intangible assets, which have indefinite useful lives or not ready to use. However, the Company has to consider in testing impairment incurred from other circumstances than those COVID-19 situation.

### **b) Financial reporting standard that will become effective in the future**

The Federation of Accounting Professions issued of new and revised financial reporting standards and interpretations including accounting guidance, which are effective for fiscal years beginning on or after January 1, 2021. 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.

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

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **The measurement bases used in preparing the financial statements**

- 3.1 The Company has changed the accounting policies due to the adoption of a set of financial reporting standards related to financial instruments and TFRS 16 Leases which are effective for fiscal years beginning on or after January 1, 2020. The effects of accounting policy differences are as follow:

#### **Financial instruments**

##### *Accounting policy applicable from January 1, 2020*

Financial assets and financial liabilities are recognized in the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities and subsequently measured at amortized cost or fair value fair value through other comprehensive income are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### **Classification and measurement of financial assets and financial liabilities**

##### **Financial assets classified as debt instruments**

The Company classifies financial assets that are debt instruments as financial assets that are subsequently measured at amortized cost or fair value depends on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows:

#### Financial assets measured at amortized cost

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value on trade date and subsequently measured at amortized cost net of allowance for expected credit losses (if any).

#### Amortized cost basing on the effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognized in profit or loss and is included in the "interest income" item.

#### Financial assets measured at fair value through other comprehensive income

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value realized, after which such gains or losses on disposal of the instruments will be recognized as gain or losses in profit or loss. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognized in profit or loss.

#### Financial assets measured at fair value through profit or loss

Unless the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gains and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments.

Debt instruments that meet either the amortized cost criteria or the fair value through other comprehensive income criteria may be designated as at the fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

#### Financial assets classified as equity instruments

##### Financial assets measured at fair value through profit or loss

The Company has classified investment in equity instruments that held for trading but not held for strategic purposes as the financial asset measured at fair value through profit or loss, where an irrevocable election has been made. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from subsequently changes in fair value is recognized in profit or loss and gain or loss from disposal is recognized in profit or loss when disposal.

##### Financial assets measured at fair value through other comprehensive income

The Company has classified investment in equity instruments that not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at fair value through other comprehensive income, where an irrevocable election has been

made. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from subsequently changes in fair value is recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal, instead, it is transferred to retained earnings.

Dividends on these investments are recognized in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends income is recognized in profit or loss and is included in the "finance income" item.

### **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created, controlled or retained by the Company, are still recognized as financial assets and recognized as borrowing which have collateral for proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

### **Write-off**

The Company writes off debts (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the legal criteria for bad debts written-off, whichever occurs sooner. Bad debt written-off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. However, the Company continues to execute the case, in order to comply with the Company's recovery policy.

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

### **Allowance for expected credit losses on financial assets/ allowance for doubtful accounts**

*Accounting policy applicable from January 1, 2020*

The Company applies the Simplified Approach for recognition of expected credit losses of financial assets - debt instruments which are deposit at financial institutions, trade receivables and the contractual assets, loans and certain of other assets.

The Company recognizes allowance for expected credit losses at an amount equal to the lifetime expected credit losses in cases where there has been a significant increase in credit risk since initial recognition, but the assets are not credit impaired, or where the assets are credit impaired.

At every reporting date, the amount of allowance for expected credit losses is reassessed to reflect changes in credit risk of financial assets since initial recognition of related financial instruments.

### **Simplified Approach**

The measurement of expected credit losses on financial assets by applying the Simplified Approach is a calculation to estimate using a provision matrix depended on the Company's historical credit loss experience adjusted with the factors that are specific to the receivables, general economic conditions, an assessment of both the current as well as the forecast direction of conditions at the reporting date, and time value of money, as appropriate. In addition, the Company shall principally determine the past due status of the customers and also their capability to maintain the value of collateral relative to the terms of contract.

At every reporting date, the Company determines whether the credit risk of other debt instruments and deposit at financial institutions has increased significantly since initial recognition, by mainly taking into account internal and external credit rating of the counterparties as well as overdue status.

The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Company classifies financial assets on the basis of shared credit risk characteristics, such as the type of instrument, internal credit rating, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred, there are indications that the borrower is experiencing significant financial difficulties, or there is a breach of contract, as well as delinquency.

The Company recognizes an allowance for expected credit losses by adjusting to the carrying amount of related accounts. For the increase (decrease) in an allowance for expected credit losses is recognized as expenses during the period in the statements of income, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### **Financial liabilities**

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or a shorter period, to the amortized cost of a financial liability.

Financial liabilities designated at fair value through profit or loss

Financial liabilities may be designated at fair value through profit or loss upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial liabilities that are designated at fair value through profit or loss are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss.

Financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are transferred to retained earnings upon derecognition of the financial liability.

#### Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective date is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

#### Investments

##### *Accounting policy applicable before January 1, 2020*

- Investments in marketable equity instruments stated at fair value at the reporting period. Any changes in the fair value of these securities are recorded in profit or loss.

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

Purchase and sales of investments are recorded on trade date.

The cost of investments are calculated by using the first in - first out method.

Losses on impairment of investments (if any) are included in profit or loss.

#### Disposal of investments

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the first in - first out method applied to the carrying amount of the total holding of the investment.



## **Trade and other accounts receivable and contract assets**

### *Accounting policy applicable before January 1, 2020*

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

A receivable is recognized when the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is recognized as a contract asset that means accrued income.

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

In determined 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.

Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Company is entitled to, less impairment losses.

## **Leases**

### *Accounting policy applicable from January 1, 2020*

As a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

### **Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any) and adjusted for any remeasurement of lease liabilities.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, such provision is recognized and measured to the extent that the costs relate to a right-of-use asset.

In case that the lessee is unable to allocate the consideration in the contract to each lease component and non-lease component on the basis of its relative stand-alone prices, as a practical expedient, a lessee may

elect not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of the estimated lease term and the estimated useful lives as follows:

	Years
Land and Buildings	2 - 19
Office equipments	2 - 4

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

If the Company is unable to obtain reasonable assurance that the ownership of the underlying asset is substantially transferred to the Company at the end of the lease term, the right-of-use assets will be depreciated on the straight-line method from the commencement date to the end of the useful lives or the end of the lease term, which is earlier.

The Company applies the derecognition and impairment requirements, in according to the financial instruments principle, to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

#### **Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Company is reasonably certain to exercise option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Interest expense is recognized in profit or loss.

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

#### **Short-term leases and leases of low-value assets**

The Company recognized payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, as expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

#### **As a lessor**

The Company, as a lessor, classify leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to a lessee, all other leases are classified as operating leases.

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each component on the basis of their relative standalone prices.

The Company recognizes lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as rental income in the accounting period in which they are earned.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

The Company recognizes finance lease receivables at the amount of the Company's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

#### *Accounting policy applicable before January 1, 2020*

##### **Finance lease**

Leases of assets which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. 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.

##### **Operating leases**

Leases of assets which all the risks and rewards of ownership have substantially not transferred to the lessee are classified as operating leases.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease payments made.

Contingent rentals, as a revision of rental is confirmed, are included in the calculation of the minimum payment for the remaining term of the lease

##### **Revenue recognition**

#### *Accounting policy applicable from January 1, 2020*

##### **Interest income**

Interest income is recognized using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross book value of financial assets.

When financial assets are determined to credit impair, interest income is calculated by applying the effective interest rate to the net book value (gross book value less allowance for expected credit losses) of

the financial assets. If the financial assets are not credit impaired, interest income is calculated basing on the original gross book value.

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

### **Revenue**

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

The Company accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Company has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

Revenues from contracts with multiple elements are allocated by fair value of standalone selling price in each performance obligation. In case of contracts have both obligations to perform at point of time and overtime, difference from revenue recognition and performance obligations at the beginning of contracts is recognized as contract assets or contract liabilities and recognized over the contracts periods.

Contract assets stated at net book value after allowance for terminate contracts.

Allowance for terminate contracts is mostly assessed primarily on analysis of payment histories, future expectations of customer payments and cancellation contracts history. Contract assets will be written off when contracts are cancelled.

### **Sale of goods and rendering of services**

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns.

For bundled packages, the Company accounts for individual products and services separately if they are distinct, or a product or service is separately identifiable from other items and a customer can benefit from it, or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices of products and services.

### **Advances**

Advances received from customers is classified as current liabilities and recognized as revenue when the Company transferred control over the goods to the customers. For the advances that contain a significant financing component, they include the interest expense accreted on the contract liability under the effective interest method. The Company uses practical expedient which is not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

### **Revenue from rendering of services**

The Company recognized services revenue over the contract period. Such recognition is on a straight-line basis according to the proportion of the rendered services over the contract period.

### **Rental income**

Rental income is recognized on a straight-line basic over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

### **Rental income and its related services**

Rental income and its related services from investment property are recognized on a straight-line basis over the term of the lease. Contingent rentals are recognized as income in the accounting period in which they are occurred. The related service income is recognized over the term of the lease.

### **Dividend received**

Dividend received is recognized as income when the Company has the right to receive dividends.

### **Other income**

Other income is recognized on an accrual basis.

### **Consideration payable to the customer**

The Company recognizes the consideration payable to the customer as a reduction of the revenue from contract with customers.

### **Expenses**

#### **Finance cost**

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 capitalized as part of the cost of the respective assets.

All other borrowing costs are expensed in the period they are incurred basing on the effective interest method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.

The interest component of finance lease payments is recognized using the effective interest method.

Interest expenses are recognized as an expenses over the term of loan. Interest expenses are calculated from the outstanding of loan principal on an accrual basis using the effective interest 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 interest method over the term of loan.

## **Foreign currencies**

### **Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency using the exchange rate at that date.

Non-monetary assets and liabilities measured at cost in foreign currencies at the reporting date are translated to the functional currency using the exchange rate at the date of transaction.

Foreign currency differences arising from the translation are recognized in profit or loss in the reporting period as incurred.

## **Employee benefits**

### **Short-term benefits**

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

### **Post-employment benefits**

The Company and its employees have jointly established the provident funds which is a monthly contributed and defined contribution plan. The fund's asset of the provident fund is separated from the Company's asset and has been managed by a licensed fund manager.

The provident fund receives a cash contribution from employee and the Company. The contribution expenditure of the provident fund and obligation in respect of defined contribution plan is recognized as expense in profit or loss for the period that transaction incurred.

### **Post-employment benefits**

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 profit or loss 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.

Past service costs relating the amendment of plan are recognized as an expense in other comprehensive income when the plan amendment is effective.

## Termination benefits

Termination benefits are recognized as liability and as expense in profit or loss when the Company are committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy or the Company have made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting period, then they are discounted to their present value.

## Income tax

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

Current and deferred taxes are recognized in profit or loss.

Deferred tax in the extent that they relate to items recognized directly in shareholders' equity are recognized 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 their 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, including unutilized taxable losses. Deferred tax assets are reviewed at the end of reporting period date and reduced its carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized against to the temporary differences and unutilized taxable losses.

## Cash and cash equivalents

Cash and cash equivalents comprise cash, cash at banks type current accounts and saving accounts, cash at bank with an original maturity not exceeding 3 months, including negotiable certificate of deposit and highly liquid short-term investments in bill of exchange or promissory notes issued by financial institutions due at call or with original maturities of three months or less, excluded deposits at bank on obligation or subject to withdrawal restrictions and insignificant risk of change in value.

## **Inventories**

Inventories are stated at the lower of cost or net realizable value.

Cost of inventories is calculated by using the first in – first out method.

The cars for rent under operating leases are transferred to inventories when ceased to rent and held for sale and stated at the 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 ordinary course of business less the estimated costs to complete and to make the sale.

The Company records the allowance for devaluation of inventories for all deteriorated, damaged, obsolete and slow-moving inventories.

## **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 (if any).

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 capitalized 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 less accumulated impairment losses (if any).

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

### **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 (if any).

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 of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Assets from cost of replacement and cost of renovations are depreciated over the remaining useful life of the related asset.

Depreciation is calculated basing on a straight-line basis over the estimated useful lives of each component of an item of assets. The estimated useful lives are as follows:

	<i>Years</i>
Buildings	3, 5 and 20
Cars for rent and vehicles	5, 8 and 10
Office equipment	5
Tools	5

Depreciation is recognized as an expense in profit or loss.

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

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.

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 depreciation methods, 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.

Cars for rent have primary purpose for lease and subsequently cars for sale. At first, cars are primary taken for operating lease presented in the statement of financial position under "Equipment" account and are depreciated over their estimated useful lives as mentioned above included in the statement of comprehensive income under "Cost of services". When cars for rent is returned in according to the term of agreement and the purpose changes to for sale, cars are no longer depreciated and classified to "Inventories" at their net book value (cost less accumulated depreciation and allowance for impairment (if any)). When such cars are sold, cost of sale is recognized with the net book value on the date of sale in the statement of comprehensive income in the period as 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 (if any).

#### **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:

	Years
Software licences	5 and 10
Franchise	5

No amortization is provided on intangible assets under development and installation.

The amortization methods, the residual value and the useful life 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.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit or loss.

### **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets in respect of property, plant and equipment, intangible assets, right-of-use assets and other 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.

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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

## **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 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. The expected future cash flows are discounted by using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

## **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.

## **Debt issued and other borrowings**

Debt issued and other borrowings are initially recognized at the fair value of the proceeds received. Debt issued and other borrowings are subsequently measured at amortized cost, using the effective interest method. Any difference between proceeds and the redemption value is recognized as an interest in profit or loss over the period of the borrowings.

## **Premium on share**

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.

## **Basic earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the years attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the years.

## **Judgements of management**

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments to determine the accounting policies, estimates regarding matters that are inherently uncertain and various assumptions.

**Significant judgements and accounting estimates are as follow:**

**a) Recognition and derecognition of assets and liabilities**

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current circumstances and arrangements.

**b) Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risks, liquidity, correlation and long-term volatility of financial instruments. Any changes in assumption related to the inputs may affect to the fair value stated in the financial statements and disclosure of fair value hierarchy.

**c) Allowances for expected credit loss for financial assets**

Allowances for expected credit loss for financial assets are intended to adjust the value of receivables for probable credit losses. The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realized, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. However, the use of different estimates and assumptions could affect the amounts of allowances for expected credit loss and adjustments to the allowances may therefore be required in the future.

**d) Property, plant and equipment**

The recognition of cost incurred in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of buildings and equipment and to review estimated useful lives and residual values when circumstance changes.

The management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

**e) Intangible assets**

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**f) Deferred tax assets**

The Company recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised, including unutilized taxable loss. Significant management judgement is

required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

**g) Leases**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The management is required to use judgement in evaluating the condition and term of a contract.

Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

**h) Post-employment benefits**

The obligation under the defined benefit plan is determined based on actuarial techniques which depends on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate. Subsequent actual payment may differ from these estimates.

**i) 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.

**j) Revenue from contracts with customers**

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company recognizes revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognized at a point in time. Where the management is required to determine when the performance obligation under the contract is satisfied,

## **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 maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1     Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2     Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3     Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the 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. CHANGES IN ACCOUNTING POLICIES**

The Company has adopted the financial reporting standards related to financial instruments and TFRS 16 Lease since January 1, 2020. The Company has recognized the cumulative effect of initially applying these standards as an adjustment, for Leases, to the right-of-use assets and lease liabilities as at January 1, 2020. The Company has applied an adjustment, for the financial reporting standards related to financial instruments, to the beginning balance of retained earnings as at January 1, 2020 (Modified retrospective), therefore, the comparative information was not restated.

The impacts on the statement of financial position including the beginning balance of retained earnings of 2020 from changes in accounting policies are as follows:

Baht

	December 31, 2019 (as previously reported)	The impacts of Financial reporting standards related to		January 1, 2020 (restated)
		Financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
Current investments	686,409	(686,409)	-	-
Trade and other receivables	273,981,157	(1,947,315)	-	272,033,842
Other current financial asset	-	686,409	-	686,409
Right-of-use asset	-	-	148,532,395	148,532,395
<b>Liabilities</b>				
Current portion of lease liabilities	-	-	4,562,935	4,562,935
Long-term lease liabilities	-	-	143,969,460	143,969,460
<b>Shareholders' equity</b>				
Retained earnings	514,096,404	(1,947,315)	-	512,149,089

## Financial instruments

Details of the impact on retained earnings as at January 1, 2020 due to the initially adoption of financial reporting standards related to financial instruments are as follows:

**Baht**

Recognition of an allowance for expected credit losses on financial assets	(1,947,315)
Impacts on retained earnings	(1,947,315)

As at January 1, 2020, the classification and measurement of financial assets in accordance with TFRS 9 Financial Instruments, and with the carrying amounts under the former basis, were as follows:

*Baht*

	Classification and measurement of financial assets in accordance with TFRS 9 Financial Instruments				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets					
Current investment	686,409	686,409	-	-	686,409



## Leases

Upon initial application of TFRS 16 Lease, the Company recognized the right-of-use asset and lease liabilities for lease previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	<i>Baht</i>
Lease commitments as at December 31, 2019	89,389,215
The impacts of changes in accounting policies	
Add Option to extend lease term	216,149,913
Less Short-term leases	(833,685)
Contracts reassessed as service agreements	(79,457,645)
Less Deferred interest expenses	(76,715,403)
Increase in leases liabilities	148,532,395
Liabilities under finance lease agreements as at December 31, 2019	7,640,820,171
Leases liabilities as at January 1, 2020	7,789,352,566
Average discount rate (%)	3.96

	<i>Baht</i>
Leases liabilities comprise of:	
Current portion of leases liabilities	4,562,935
Long-term leases liabilities	143,969,460
Total	148,532,395

As at January 1, 2020, the adjustments of right-of-use assets were summarized below:

	<i>Baht</i>
Land	1,605,304
Buildings	143,510,816
Office equipment	3,416,275
Total	148,532,395

## 5. TRANSACTIONS WITH RELATED PARTIES

A related party is a person or entity that has control, or are controlled by, the Company whether directly or indirectly, or which are under common control with the Company.

They also include a person which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, or officers with authority in the planning and direction of the Company's operations, including, close family members of mentioned person and entity that has control or significant influence whether directly or indirectly.

Significant transactions with related parties for the years ended December 31, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
Revenue from sales and services		
Toyota @ United Company Limited	16,465,770	68,872,846
Thai Smile Leasing Company Limited	-	96,933
Siam Nissan P2M Company Limited	29,580	9,100
Other income		
Toyota @ United Company Limited	1,728,223	3,254,265
Thai Smile Leasing Company Limited	-	1,495
Wisdom Innovatech Company Limited	330,220	-
Purchase of cars and spare parts		
Toyota @ United Company Limited	1,089,091,061	2,435,572,080
Siam Nissan P2M Company Limited	5,406,016	3,530,942
P2M Energy Company Limited	118,815	9,237
SMP Global Trading Company Limited	-	182,700
Purchase of intangible asset		
Wisdom Innovatech Company Limited	-	1,100,000
Repair and maintenance expenses		
Toyota @ United Company Limited	16,472,792	9,591,774
Toyota Premium Phitsanulok Company Limited	739,779	701,596
Toyota Phitsanulok Toyota's Dealer Company Limited	944,933	929,238
P2M Energy Company Limited	18,648	106,669
Siam Nissan P2M Company Limited	1,845,104	581,391
Office rental and other service expenses (discount)		
Toyota @ United Company Limited	(7,627,799)	(3,720,037)
@ United Broker Company Limited	(5,458,061)	(9,908,311)
P2M Energy Company Limited	27,900	45,119
SMP Global Trading Company Limited	5,340,616	4,981,096
Wisdom Innovatech Company Limited	2,074,315	-
Directors	-	1,228,000
Related person	-	614,000

		<i>Baht</i>
	2020	2019
Amortization of the right-of-use asset		
Toyota @ United Company Limited	3,814,666	-
Directors	1,057,066	-
Interest expense		
Toyota @ United Company Limited	4,005,421	-
Directors	869,686	-

### **Key management personnel compensation**

Key management personnel compensation for the years ended December 31, 2020 and 2019 consisted of:

		<i>Baht</i>
	2020	2019
Short-term benefits	23,178,965	33,107,359
Post-employment benefits	813,048	1,524,597
Total	23,992,013	34,631,956

### **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, 2020 and 2019, the Company paid directors' remuneration in the amount of Baht 1.31 million and Baht 2.84 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2020 and 2019 were as follows:

		<i>Baht</i>
	2020	2019
Trade and other receivables		
Toyota @ United Company Limited	4,236,546	58,897
@ United Broker Company Limited	1,899,826	-
Thai smile Leasing Company Limited	-	800
Siam Nissan P2M Company Limited	9,844	-
Prepaid service expense		
SMP Global Trading Company Limited	2,713,710	3,116,991
Right-of-use assets		
Toyota @ United Company Limited	106,176,261	-
Directors	29,422,060	-
Trade and other payables		
Toyota Premium Phitsanulok Company Limited	83,624	216,001
Toyota @ United Company Limited	603,310,935	752,542,448
Toyota Phitsanulok Toyota's Dealer Company Limited	101,537	216,558
P2M Energy Company Limited	10,165	138,068
Siam Nissan P2M Company Limited	452,393	417,788
SMP Global Trading Company Limited	657,697	1,504,173
Wisdom Innovatech Company Limited	1,193,276	1,100,000
Directors	427,652	429,100
Related person	-	248,159
Leases liabilities		
Toyota @ United Company Limited	110,364,118	-
Directors	30,582,539	-

### Short-term loans from related party

Movements of short-term loans from related party for the years ended December 31, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
Beginning balance	-	-
Increase	317,000,000	7,000,000
Decrease	(317,000,000)	(7,000,000)
Ending balance	-	-

The Company had loans from Toyota @ United Company Limited, by entering into short-term loan agreement, with the interest rate of 1.80% per annum. The Company has pledge car registration as collateral for the loans (year 2019: without agreement, no interest charged 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, 2020 to May 31, 2023 with a monthly rental of Baht 0.78 million.

On April 9, 2020, the Company notified the related party by written to request for a rental discount period for another 9 months starting from April 1, 2020 to December 31, 2020 and request for a rental discount to Baht 0.39 million per month.

### Co-guarantee for liabilities

As at December 31, 2020, 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, 15 and 17).

## Nature of relationship

Name	Country	Relation	Type of relation
Toyota @ United Company Limited	Thailand	Related company	Direct shareholding
P2M Energy Company Limited	Thailand	Related company	Common shareholder and/or director
Thai Smile Leasing Company Limited	Thailand	Related company	Common shareholder and/or director
@ United Broker 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
Wisdom Innovatech Company Limited	Thailand	Related company	Close members of the family of management and/or shareholder

## 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 (discount)	Stipulate in the agreement
Purchase of intangible assets	Stipulate in the agreement
Interest expenses	Stipulate in the agreement/ the commercial bank's interest rate

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Cash	758,000	790,200
Cash at banks	15,417,049	8,893,498
<b>Total</b>	<b>16,175,049</b>	<b>9,683,698</b>

## 7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
<b>Trade receivables</b>		
Operating leases	243,980,133	244,056,445
Finance leases	-	2,250,958
Selling of cars	18,459,614	19,082,321
Renting property	1,092,259	470,439
Total	263,532,006	265,860,163
Less Allowance for expected credit loss	(15,149,559)	-
Less Allowance for doubtful accounts	-	(9,231,080)
Trade receivables - net	248,382,447	256,629,083
Other receivables	35,871,988	18,638,941
Less Allowance for expected credit loss	(886,900)	-
Less Allowance for doubtful accounts	-	(1,286,867)
Other receivables - net	34,985,088	17,352,074
<b>Trade and other receivables - net</b>	<b>283,367,535</b>	<b>273,981,157</b>

Movements of allowance for expected credit loss and doubtful accounts for years ended December 31, 2020 and 2019 were as follows:

		<i>Baht</i>	
	Note	2020	2019
Beginning balance		10,517,947	2,819,164
Add The effect of change in accounting policy	4	1,947,315	-
Expected credit loss		3,571,197	-
Doubtful accounts		-	7,698,783
Ending balance		16,036,459	10,517,947

As at December 31, 2020 and 2019, the Company had outstanding balances of trade receivable aged by number of months as follow:

		<i>Baht</i>
	2020	2019
Current	219,863,144	241,278,184
Overdue		
Not over 3 months	24,746,770	14,467,534
Over 3 months up to 6 months	5,699,174	1,028,525
Over 6 months up to 12 months	3,377,965	762,344
Over 12 months	9,844,953	8,323,576
Total	263,532,006	265,860,163



As at December 31, 2020 and 2019, the Company had a minimum amount to be received in the future under operating leases, as follows:

	<i>Baht</i>			
	2020		2019	
Year	Car rental	Renting property	Car rental	Renting property
Total	Total		Total	
<b>Minimum lease payments from</b>				
<b>Operating leases</b>				
1st year	2,186,094,859	5,586,400	2,416,155,682	3,784,424
2nd year	1,506,889,691	4,312,600	1,919,959,822	3,494,600
3rd year	995,614,836	3,623,400	1,191,246,232	941,000
4th year	422,333,968	990,000	587,775,071	-
5th year	85,333,313	990,000	137,058,942	-
After 5th year	302,500	11,452,517	56,000	-
<b>Total</b>	<b>5,196,569,167</b>	<b>26,954,917</b>	<b>6,252,251,749</b>	<b>8,220,024</b>
				<b>6,260,471,773</b>

## 8. INVENTORIES

Inventories as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Used cars	8,658,828	71,996,129
Parts	-	1,029,555
Total	8,658,828	73,025,684
Less Allowance for devaluation of inventories	(1,287,592)	(6,744,657)
<b>Inventories - net</b>	<b>7,371,236</b>	<b>66,281,027</b>

Cost of inventories are recognized in cost of sales for years ended December 31, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
Cost of sales	785,932,333	419,416,393
Adjustment for allowance for devaluation of inventories	(5,457,064)	7,979,690
<b>Net</b>	<b>780,475,269</b>	<b>427,396,083</b>

Movements of allowance for devaluation of inventories for the years ended December 31, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
Beginning balance	6,744,657	149,914
<b>Add</b> Loss from devaluation of inventories	702,021	8,129,604
<b>Less</b> Reversal from sales	(5,113,724)	(149,914)
<b>Less</b> Reversal from price adjustments	(1,045,362)	(1,384,947)
<b>Ending balance</b>	<b>1,287,592</b>	<b>6,744,657</b>

At December 31, 2020 and 2019, the carrying amount of inventories under obligation were as follows:

		<i>Baht</i>	
	Note	2020	2019
Loans from financial institutions	15, 17	-	7,912,630
Lease liabilities	13	4,939,929	35,854,086
Total		<u>4,939,929</u>	<u>43,766,716</u>

## 9. OTHER CURRENT ASSETS

Other current assets as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Prepaid expenses	195,656,062	187,821,869
Value added tax pending for credit	242,060,130	268,910,739
Others	439,300	613,191
Total	<u>438,155,492</u>	<u>457,345,799</u>

## 10. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>			
Cash at banks	2020	2019	Note	Collaterals
			15	Bank overdraft / Performance guarantee
			17	Credit line for loans from financial institutions
Savings	<u>26,356,152</u>	<u>17,222,788</u>	30	Credit line for letter of guarantee

## 11. INVESTMENT PROPERTY

Movements of investment property for the years ended December 31, 2020 and 2019 consisted of:

				Baht
	Land	Buildings	Constuction in progress	Total
<b>Cost</b>				
At January 1, 2019	106,801,020	61,234,071	2,656,601	170,691,692
Increase / transfer in	-	-	4,782,789	4,782,789
Disposals / transfer out	-	-	-	-
At December 31, 2019	106,801,020	61,234,071	7,439,390	175,474,481
Increase / transfer in	-	9,212,197	1,753,807	10,966,004
Disposals / transfer out	-	-	(9,193,197)	(9,193,197)
At December 31, 2020	106,801,020	70,446,268	-	177,247,288
<b>Accumulated depreciation</b>				
At January 1, 2019	-	1,740,197	-	1,740,197
Depreciation / transfer in	-	3,059,605	-	3,059,605
Disposals / transfer out	-	-	-	-
At December 31, 2019	-	4,799,802	-	4,799,802
Depreciation / transfer in	-	3,286,025	-	3,286,025
Disposals / transfer out	-	-	-	-
At December 31, 2020	-	8,085,827	-	8,085,827
<b>Net book value</b>				
At December 31, 2019	106,801,020	56,434,269	7,439,390	170,674,679
At December 31, 2020	106,801,020	62,360,441	-	169,161,461

				Baht
	Note	2020	2019	
For the years ended December 31				
An amount recognized in profit or loss				
Rental income and other service	24	12,026,020	8,838,149	

As at December 31, 2020 and 2019, fair value of investment property as follows:

	<i>Baht</i>	
	2020	2019
Land	133,726,250	125,860,000
Building for rent	46,403,585	46,877,450

Fair value of investment property as at December 31, 2020 and 2019 was determined by basing on the asset valuation as followed:

Land and building for rent with its carrying amount of Baht 169.16 million (year 2019: amount of Baht 170.67 million): were appraised by and independent appraiser based on market comparison approach and replacement cost approach.

Fair value appraised by an independent appraiser was based on market approach and value under market condition for land and replacement cost approach for building for rent. The Professional Standards of the Appraisers Association of Thailand an independent value date January 6, 2021 and February 17, 2020.

As at December 31, 2020 and 2019, the Company mortgaged investment property as collateral for loan from financial institutions (see note 17) which its net book value were summarized as follow:

	<i>Baht</i>	
	2020	2019
Land	106,801,020	106,801,020
Building for rent	62,360,441	63,873,659
Total	169,161,461	170,674,679

## 12. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, 2020 and 2019 were as follows:

	Baht					
	Land	Buildings and Building improvements	Office equipment	Tools	Vehicles	Cars for rent
Cost						Total
At January 1, 2019	5,889,076	43,199,012	19,193,903	2,406,977	4,788,193	13,835,302,194
Purchases / transfer in	-	321,115	2,425,855	6,135	-	2,503,980,039
Disposals / transfer out	-	-	-	-	-	(1,016,087,732)
At December 31, 2019	5,889,076	43,520,127	21,619,758	2,413,112	4,788,193	15,323,194,501
Purchases / transfer in	-	-	746,300	48,501	20,030,841	1,160,505,931
Disposals / transfer out	-	-	(460,400)	(1,261,690)	(4,707,264)	(1,515,290,743)
At December 31, 2020	5,889,076	43,520,127	21,905,658	1,199,923	20,111,770	14,968,409,689
Accumulated depreciation						
At January 1, 2019	-	5,131,563	5,777,289	1,302,946	2,187,391	2,441,970,023
Depreciation	-	2,919,909	3,700,517	318,780	637,309	1,484,011,942
Disposals / transfer out	-	-	-	-	-	(441,681,485)
At December 31, 2019	-	8,051,472	9,477,806	1,621,726	2,824,700	3,484,300,480
Depreciation	-	2,418,635	3,728,704	226,721	11,384,882	1,575,744,448
Disposals / transfer out	-	-	(225,489)	(814,886)	(3,134,367)	(761,023,313)
At December 31, 2020	-	10,470,107	12,981,021	1,033,561	11,075,215	4,299,021,615

	Buildings and						
	Land	Building improvements	Office equipment	Tools	Vehicles	Cars for rent	Total
<b>Allowance for impairment</b>							
At January 1, 2019	-	-	-	-	-	6,734,557	6,734,557
Loss from impairment	-	-	-	-	-	29,282,513	29,282,513
Reversal of loss from impairment	-	-	-	-	-	(21,924,823)	(21,924,823)
At December 31, 2019	-	-	-	-	-	14,092,247	14,092,247
Loss from impairment	-	-	-	-	-	35,567,625	35,567,625
Reversal of loss from impairment	-	-	-	-	-	(18,135,404)	(18,135,404)
At December 31, 2020	-	-	-	-	-	31,524,468	31,524,468
<b>Net book value</b>							
<b>Owned assets</b>							
At December 31, 2019	5,889,076	35,468,655	12,141,952	791,386	1,963,493	3,314,112,967	3,370,367,529
At December 31, 2020	5,889,076	33,050,020	8,924,637	166,362	3,820,875	2,918,620,592	2,970,471,562
<b>Assets under finance leases</b>							
At December 31, 2019	-	-	-	-	-	8,454,434,245	8,454,434,245
At December 31, 2020	-	-	-	-	5,215,680	7,662,176,364	7,667,392,044
<b>Total</b>							
At December 31, 2019	5,889,076	35,468,655	12,141,952	791,386	1,963,493	11,768,547,212	11,824,801,774
At December 31, 2020	5,889,076	33,050,020	8,924,637	166,362	9,036,555	10,580,796,956	10,637,863,606

	<i>Baht</i>	
	2020	2019
At December 31,		
The gross carrying amount of fully depreciated equipment that is still in use	8,502,756	5,511,282
Transferred cars for rent to inventories at net book value for the years ended December 31,	730,965,425	486,291,976

Movements of the right-of-use assets recognized as property, plant and equipment for the year ended December 31, 2020 were summarized as follows:

	<i>Baht</i>		
	Vehicles	Car for rent	Total
Net book value as at January 1, 2020	-	8,454,434,245	8,454,434,245
Increase	6,561,013	1,043,384,466	1,049,945,479
Decrease	-	(171,471,993)	(171,471,993)
Less Amortization	(1,345,333)	(1,661,003,765)	(1,662,349,098)
Less Allowance for impairment	-	(3,166,589)	(3,166,589)
Net book value as at December 31, 2020	5,215,680	7,662,176,364	7,667,392,044

The Company entered into the lease agreement for cars for rent and vehicles with financial institutions and other parties. The company recognized the right-of-use assets as part of property, plant and equipment.

During the year 2020 and 2019, 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 increase in depreciation for the year ended December 31, 2020 in the amount of Baht 3.81 million (year 2019: increase in the amount of Baht 2.26 million).

As at December 31, 2020, the Company estimated the allowance for impairment of cars for rent of Baht 17.17 million by basing on the market price or the reference price to reflect the current used car price, which may fluctuate resulted from the impact of the situation of Coronavirus disease 2019 Pandemic (COVID-19). Therefore, the management has assessed if the COVID-19 pandemic situation trends to improve in the future, that maybe effected to the increase in domestic purchasing power.



As at December 31, 2020 and 2021, the Company mortgaged land including construction that to be constructed in the future and including car registrations as collateral for loan from financial institution which its net book value were summarized as follow:

			<i>Baht</i>
	Note	2020	2019
Land	17	5,889,076	5,889,076
Buildings	17	5,349,576	5,657,235
Cars for rent			
Loans from financial institutions	15, 17	2,878,955,111	3,103,194,821
Leases liabilities	13	7,662,176,364	8,454,434,245
Vehicles			
Leases liabilities	13	5,215,680	-
Total		10,557,585,807	11,569,175,377

### 13. LEASES

#### Right-of-use assets

Movements of the right-of-use assets for the year ended December 31, 2020 were summarized as follows:

					Baht
	Note	Land	Building	Office equipment	Total
Net book value as at					
January 1, 2020		-	-	-	-
Effect of changes in					
accounting policies	4	1,605,304	143,510,816	3,416,275	148,532,395
Less Amortization		(942,577)	(7,889,804)	(1,022,286)	(9,854,667)
Net book value as at					
December 31, 2020		662,727	135,621,012	2,393,989	138,677,728

The Company leases a number of property, plants and equipment for 1 - 3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

#### Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is

reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	<i>Baht</i>	
	2020	2019
<b>For the year ended December 31</b>		
<b>Amounts recognized in profit or loss</b>		
Expense relating to short-term leases	6,219,659	-
Expense relating to leases of low-value-assets	466,865	-
Variable lease payment based on sales	2,085,967	-
Lease expenses	-	18,822,911

### **Leases liabilities**

Leases liabilities as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Leases liabilities	7,802,808,948	8,261,049,612
<b>Less</b> Deferred interest	(601,642,147)	(620,229,440)
Net	7,201,166,801	7,640,820,172
<b>Less</b> Current portion	(2,024,249,862)	(1,989,970,836)
<b>Long-term leases liabilities</b>	<b>5,176,916,939</b>	<b>5,650,849,336</b>

The Company entered into the lease agreement for car for rent (see note 12), land including constructions and office equipment for their operations (see note 13).

Toyota @ United Company Limited and directors had co-guaranteed for all lease liabilities (see note 5).

During the year 2020, the Company was granted the relief from the creditors under lease agreements by suspending the instalments payment for a short-term period.

Movements of leases liabilities for the year ended December 31, 2020 were as follows:

		<i><b>Baht</b></i>
	Note	2020
Beginning balance		-
Effect of changes in accounting policies	4	148,532,395
Transfer from liabilities under finance leases		7,640,820,172
Enter into the lease		1,049,945,479
Amortized interest		285,152,144
Lease payment		<u>(1,923,283,389)</u>
Ending balance		<u><u>7,201,166,801</u></u>

The Company had lease liabilities with several creditors arising from purchase of cars to operate their own business. Those required the Company to perform in according to certain of terms and conditions specified in the lease agreement such as to maintain the debt to equity ratio and the debt service coverage ratio. During the year 2020, the Company received the notified letter from the creditors regarding the waiver for the compliance to terms and conditions in respect of lease agreement for year 2019, and at the present, the Company will request the notified letter regarding the waiver for the year 2020 compliance.

As at December 31, 2020, lease liabilities presented by term of repayment period were summarized as follow:

Due of payment	2020			2019			Bahr
	Deferred		Minimum	Deferred		Minimum	
	Present value	interest expenses	lease payment	Present value	interest expenses	lease payment	
Within 1 year	2,024,249,862	226,811,963	2,251,061,825	1,989,970,836	260,584,227	2,250,555,063	
More than 1 year but not over 5 years	5,055,441,168	334,706,741	5,390,147,909	5,650,849,336	359,645,213	6,010,494,549	
Over 5 years	121,475,771	40,123,443	161,599,214	-	-	-	
Total	7,201,166,801	601,642,147	7,802,808,948	7,640,820,172	620,229,440	8,261,049,612	

**As a lessee**

***Baht***

**For the year ended December 31, 2020**

**Recognized in profit or loss**

Interest expense from lease liabilities	285,152,144
Expense relating to short-term leases	6,219,659
Expense relating to leases of low-value-assets	466,865

As at December 31, 2020, the Company had the minimum lease payment under short-term lease relating to low-value-assets and non-cancellable agreement other than those lease liabilities as follow:

<u>Due of payment</u>	<b><i>Baht</i></b>
Within 1 year	33,770,898
More than 1 year but not over 5 years	20,925,171
Total	<u>54,696,069</u>

#### 14. INTANGIBLE ASSET

Movements of intangible asset for the years ended December 31, 2020 and 2019 were as follows:

	Baht			
	Computer software	Computer software under installation	Franchise	Total
Cost				
At January 1, 2019	5,956,049	21,092,877	2,400,000	29,448,926
Purchase/ transfer in	1,285,500	4,425,771	-	5,711,271
Disposal/ transfer out	6,802,846	(6,802,846)	-	-
At December 31, 2019	14,044,395	18,715,802	2,400,000	35,160,197
Purchase/ transfer in	21,018,389	2,455,307	-	23,473,696
Disposal/ transfer out	(150,000)	(21,171,109)	-	(21,321,109)
At December 31, 2020	34,912,784	-	2,400,000	37,312,784
Accumulated amortization				
At January 1, 2019	(2,146,399)	-	-	(2,146,399)
Amortization	(1,228,686)	-	(407,671)	(1,636,357)
Disposal / transfer out	-	-	-	-
At December 31, 2019	(3,375,085)	-	(407,671)	(3,782,756)
Amortization	(2,895,492)	-	(481,314)	(3,376,806)
Disposal / transfer out	67,032	-	-	67,032
At December 31, 2020	(6,203,545)	-	(888,985)	(7,092,530)
Net book value				
At December 31, 2019	10,669,310	18,715,802	1,992,329	31,377,441
At December 31, 2020	28,709,239	-	1,511,015	30,220,254

## 15. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short-term loans from financial institutions as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Bank overdraft	11,214,766	22,982,956
Promissory notes	95,118,500	99,262,500
<b>Total</b>	<b>106,333,266</b>	<b>122,245,456</b>

The details of credit facilities from financial institutions as at December 31, 2020 and 2019 as follows:

Type of credit facilities	<i>Million Baht</i>		<i>Percent</i>			
	Credit limit		Referred interest rate		Installment	
	2020	2019	2020	2019	2020	2019
Bank overdraft	35	35	MOR	MOR	No maturity	No maturity
Promissory notes	100	100	MLR	MLR	3 months	3 months
Letter of guarantee	508	408	-	-	-	-

### Collateral

The Company has pledge bank deposit as collateral (see note 10).

Deliver the car registrations (see note 12).

Toyota @ United Company Limited and directors had co-guaranteed loans from financial institutions and letter of guarantee issued by the bank (see note 5).

The terms and conditions of agreement regarding loan from financial institution are summarized as follow:

- Maintain of debt to equity ratio
- Maintain of debt service coverage ratio

## 16. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2020 and 2019 consisted of:

		<i>Baht</i>
	2020	2019
<b>Trade payables</b>		
Related parties	603,705,721	752,561,530
Others parties	99,646,491	138,601,734
Total	<u>703,352,212</u>	<u>891,163,264</u>
<b>Other payables</b>		
Related parties		
Accrued expenses	1,450,325	1,728,006
Others	1,205,815	2,522,760
Others parties		
Accrued expenses	19,959,407	30,410,469
Others	21,097,191	10,807,265
Total	<u>43,712,738</u>	<u>45,468,500</u>
<b>Grand total</b>	<u><u>747,064,950</u></u>	<u><u>936,631,764</u></u>



# 17. LOANS FROM FINANCIAL INSTITUTIONS

Loan from financial institutions as at December 31, 2020 and 2019 consisted of:

Financial institutions	Million Baht		Baht		Percent	Installment	Due of payment
	Credit limit		Principal		Referred		
	2020	2019	2020	2019	interest rate		
Commercial bank	1,277	1,277	711,206,593	907,785,855	MLR	60 installments	Monthly principal repayment with interest Since 2016 Untill 2023
Commercial bank	738	738	459,861,076	566,273,011	MLR	48 - 96 installments	Since 2016 Untill 2024
Commercial bank	200	200	57,230,380	116,872,713	MLR	60 installments	Since 2016 Untill 2022
Commercial bank	524	524	277,295,451	339,484,116	MLR	36 - 60 installments	Since 2017 Untill 2023
Commercial bank	290	290	89,402,305	136,378,254	MLR	36 - 60 installments	Since 2017 Untill 2023
Commercial bank	1,125	1,125	764,256,936	915,669,014	MLR	63 installments	Since 2019 Untill 2024
Commercial bank	112	-	96,060,083	-	MLR	51 installments	Since 2020 Untill 2024
Commercial bank	166	-	104,402,898	-	MLR	63 installments	Since 2020 Untill 2026
Total			2,559,715,722	2,982,462,963			
Less Deferred financial fee			(4,071,844)	(4,749,036)			
Net			2,555,643,878	2,977,713,927			
Less Current portion			(690,923,306)	(610,771,433)			
Long-term loan			1,864,720,572	2,366,942,494			

Movements of loans from financial institutions for the years ended December 31, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
Beginning balance	2,977,713,927	3,015,645,796
Add Increase in loan	220,134,090	527,324,360
Less Repayment	(642,204,140)	(565,256,229)
Ending balance	2,555,643,877	2,977,713,927

#### Collateral

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).

Toyota @ United Company Limited and directors had co-guaranteed for liabilities of the Company on behalf of company and personally (see note 5).

As at December 31, 2020 and 2019, loan from financial institution presented by term of repayment period were summarized as follow:

	<i>Baht</i>	
	2020	2019
Due date of payment		
within 1 year	690,923,306	610,771,433
more than 1 year but not over 5 years	1,840,382,426	2,371,691,530
over 5 years	25,409,990	-
Total	2,556,715,722	2,982,462,963

During the year 2020, the Company was granted the relief from the financial institutions by suspending the principal repayment for a short-term period.

The terms and conditions of agreement regarding loan from financial institution are summarized as follow:

- Maintain of debt to equity ratio
- Maintain of debt service coverage ratio

The Company had loan with several creditors arising from purchase of cars to operate their own business. Those required the Company to perform in according to certain of terms and conditions specified in the loan agreement such as to maintain the debt to equity ratio and the debt service coverage ratio. During the year 2020, the Company received the notified letter from the creditors regarding the waiver for the compliance to terms and conditions in respect of loan agreement for year 2019, and at the present, the Company will request the notified letter regarding the waiver for the year 2020 compliance.

## 18. PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
<b>Post employment benefits</b>		
Present value of obligations	3,676,729	2,452,680
Other long-term employee benefit	-	-
Provisions for employee benefit	3,676,729	2,452,680
Less Current portion	-	-
<b>Provisions for long-term employee benefit</b>	<b>3,676,729</b>	<b>2,452,680</b>

Movements of the present value of provisions for employee benefit for the years ended December 31, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
<b>Post-employment benefit plan</b>		
Present value of provisions for employee benefit as at January 1,	2,452,680	1,339,861
Include in profit or loss:		
Current service cost	1,154,796	910,753
Interest cost	69,253	43,432
Past service cost	-	158,634
Present value of provisions for employee benefit		
as at December 31,	<b>3,676,729</b>	<b>2,452,680</b>

Principal actuarial assumptions as at December 31, 2020 and 2019 as follows:

	<i>Percent</i>
Discount rate	2.90
Salary increase rate	5
Turnover rate	23
Disability rate	5 of Mortality rate

Discount rate were the market yields on government's bond for legal severance payments plan and pension.

Salary increase rate depended on the management's policies.

Turnover rate depended on the length of service.

Mortality rate were the reference rate from TMO2017: Thai Mortality Ordinary Table 2017.

### Sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of the provisions for employee benefit as at December 31, 2020 and 2019 are summarized below:

	2020		2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(442,439)	524,467	(303,885)	361,454
Salary increase rate (1% Movement)	592,578	(500,659)	381,291	(323,812)
Turnover rate (1% Movement)	(487,462)	239,359	(335,284)	169,834

The Company presented in the statement of comprehensive income for the years ended December 31, 2020 and 2019 as follow:

	Baht	
	2020	2019
Cost of sales and service	330,190	307,472
Administrative expense	438,905	392,584
Management compensation	454,954	412,763
Total	1,224,049	1,112,819

## 19. DEBENTURE

The Extraordinary General shareholders' Meeting of the Company held on October 15, 2020, passed a resolution to approve an issuance and offering of the Company' bond with the total amount not exceeding Baht 1,500 million or equivalent amount in other currencies. The issuance of bond is intended for use in business operation.

## 20. SHARE CAPITAL

Movement of share capital for the years ended December 31, 2020 and 2019 were summarized as follows:

	Par value per share	2020		2019	
		<i>Shares</i>	<i>Baht</i>	<i>Shares</i>	<i>Baht</i>
		Amount	Number	Amount	Number
<b>Share capital</b>					
Ordinary shares	0.50	726,000,000	363,000,000	726,000,000	363,000,000
<b>Issued and paid-up shares</b>					
Ordinary shares	0.50	725,999,972	362,999,986	725,999,972	362,999,986

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

## 21. PREMIUM ON SHARE CAPITAL

According to the Public Companies Act B.E. 2535, Section 51 the Company is required to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.

## 22. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

## 23. REVENUE FROM CONTRACT WITH CUSTOMERS

### Disaggregation of revenue

	<i>Baht</i>	
	2020	2019
<b>Type of goods or services</b>		
Revenue from car rental	2,712,415,029	2,707,089,573
Revenue from selling of used cars	763,484,084	421,697,293
Renting property and other services	12,026,020	8,838,149
Total	3,487,925,133	3,137,625,015
Compensation for terminated the rental agreement	13,107,785	7,727,200
Operating fee income	26,790,000	-
Revenue from services	18,717,644	15,897,112
Other income	10,244,551	12,539,278
Total	68,859,980	36,163,590
Grand total	3,556,785,113	3,173,788,605
<b>Timing of revenue recognition</b>		
At a point in time	803,381,869	429,424,493
Over time	2,753,403,244	2,744,364,112
Total	3,556,785,113	3,173,788,605

## **24. OPERATING SEGMENT**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance measured basing on segment operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

The chief operating decision maker has been identified as the Board of Directors of the Company.

### **Business segment**

The Company identified their business segment as follow:

- Car rental
- Selling of used cars
- Renting property and other service

Operating segment for the years ended December 31, 2020 and 2019 were as follows:

*Baht*

	Car rental		Selling of used cars		Renting property and other service			Total
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue								
Timing of revenue recognition								
At a point in time	-	-	763,484,085	421,697,293	-	-	763,484,085	421,697,293
Over time	2,712,415,028	2,707,089,573	-	-	12,026,020	8,838,149	2,724,441,048	2,715,927,722
Total	2,712,415,028	2,707,089,573	763,484,085	421,697,293	12,026,020	8,838,149	3,487,925,133	3,137,625,015
Segment profit (loss) from operation	398,876,200	519,037,489	(35,446,787)	(8,933,681)	4,470,715	2,094,608	367,900,128	512,198,416
Unallocated revenue and expenses:								
Other income							68,859,980	36,163,590
Finance cost							(387,804,234)	(411,046,795)
Operating Expenses							(139,506,293)	(176,888,624)
Loss for the year							(90,550,419)	(39,573,413)
As at December 31,								
Trade receivables	243,980,133	244,056,445	18,459,614	21,333,279	1,092,259	470,439	263,532,006	265,860,163
Investment property	-	-	-	-	169,161,461	170,674,679	169,161,461	170,674,679
Property, plant and equipment							10,637,863,606	11,824,801,774
Total assets							11,992,477,134	13,122,303,880

## Geographical segments

The Company operates only in Thailand. As a result, all the revenues and assets as reflected in these financial statements pertain exclusive to this geographical reportable segment.

## 25. EMPLOYEE BENEFIT EXPENSES

	<i>Baht</i>	
	2020	2019
Wages and salaries	115,929,104	158,823,757
Defined benefit plans	1,365,597	1,216,676
Defined contribution plans	781,699	2,280,163
Termination benefits	3,981,973	-
Others	11,570,356	14,537,957
Total	133,628,729	176,858,553

## 26. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Changing of inventories	805,450,766	442,506,121
Employee benefit expense	133,628,729	176,858,553
Depreciation and amortization	1,570,592,943	1,490,688,279
Loss on impairment of assets (reversal)	(2,680,222)	13,940,121
Maintenance expenses	304,382,538	273,603,192
Car insurance expenses	288,426,394	241,412,898
Car registration fee	70,702,191	53,428,502

## 27. FINANCE COSTS

Finance costs for the years ended December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Interest expenses	386,144,725	409,093,691
Bank fees	1,659,509	1,953,104
Total	387,804,234	411,046,795



## 28. PROVIDENT FUND

The defined contribution plans comprise provident funds established by the Company for its employees under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Company at rates ranging from 3% to 15% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by Krungthai Asset Management Public Company Limited licensed Fund Manager and will be paid to the employees upon termination in accordance with the rules of the Fund. In the year 2020, the Company contributed in the amount of Baht 0.78 million (year 2019: Baht 2.28 million).

## 29. INCOME TAX

### 29.1 INCOME TAX

Income tax for the years ended December 31, 2020 and 2019 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 expense for the years ended December 31, 2020 and 2019 as follows:

	<i>Baht</i>	
	2020	2019
<b>Income tax recognized in profit or loss</b>		
<b>Current tax expense</b>		
Current year	-	-
Under (over) provided in prior years	-	-
	-	-
<b>Deferred tax expense</b>		
Movements in temporary differences	-	(50,215,714)
	-	(50,215,714)
<b>Tax expense</b>	-	<b>(50,215,714)</b>

**Reconciliation of effective tax rate**

	2020		2019	
	%		%	
	Tax rate	<i>Baht</i>	Tax rate	<i>Baht</i>
Loss before income tax expense		(90,550,419)		(39,573,413)
Income tax using the Thai corporate tax rate	20	(18,110,084)	20	(7,914,683)
Expenses not deductible for tax purposes		1,019,288		2,089,313
Income subject to tax		5,311,038		18,533,530
Addition expense for tax purpose		(68,258,021)		(77,050,699)
Loss for the current year which was not recognized as deferred tax asset		80,037,779		64,342,539
Current tax	-	-	-	-
Movement in temporary differences				(50,215,714)
Tax expense	-	-	127	(50,215,714)

**29.2 DEFERRED TAX**

Deferred tax as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Deferred tax assets	25,487,455	20,314,697
Deferred tax liabilities	(25,487,455)	(20,314,697)
Deferred tax assets - net	-	-

Movement of deferred tax assets and liabilities occurred during the year were summarized as follows:

	<i>Baht</i>				
	As at	Profit	As at	Profit	As at
	January 1,		December 31		December 31
	2019	or loss	2019	or loss	2020
<b>Deferred tax assets (liabilities)</b>					
Trade and other receivable	563,833	-	563,833	-	563,833
Inventories	29,983	-	29,983	-	29,983
Provisions for employee benefit	267,972	-	267,972	-	267,972
Loss carry forward	69,222,955	(49,770,046)	19,452,909	5,172,758	24,625,667
Equipment	(19,869,029)	(445,668)	(20,314,697)	(5,172,758)	(25,487,455)
Total	50,215,714	(50,215,714)	-	-	-

Deferred tax asset arising from temporary differences and accumulated loss not recognized in the financial statements as at December 31, 2020 and 2019 were summarized as follow:

	<i>Million Baht</i>	
	2020	2019
Loss carry forward	970.73	689.78
Temporary differences	22.19	(77.97)
Total	992.92	611.81

The Company has not recognized temporary differences for cumulative losses which are expired in 2021 – 2025 and not recognized deferred tax assets for unexpired temporary differences due to there is no certain future taxable profit to be utilized.

### 30. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2020 and 2019, the Company had commitments and contingent liabilities as follows:

#### Commitments

- a) As at December 31, 2020 and 2019, the Company has letters of guarantee issued by the banks regarding to the obligation under the agreement as follow:

	<i>Million Baht</i>	
	2020	2019
Letters of guarantee for performance guarantee	424.19	307.76

b) As at December 31, 2020 and 2019, the Company has commitments regarding to the agreements as follow:

1) Payment under service agreements for building areas, future minimum lease payments under operating leases as follows:

	<i>Million Baht</i>	
	2020	2019
Within 1 year	33.77	36.43
More than 1 year but not over 5 years	20.93	49.19

2) Capital commitments unrecognized contractual commitments

	<i>Million Baht</i>	
	2020	2019
Investment property		
Baht	-	1.69
Intangible assets		
Baht	-	0.19
Euro	-	0.04

c) Service agreement with a monthly service of Baht 0.19 million (year 2019: Baht 1.92 million).

d) Remaining value of financial advisor agreement in the amount of Baht 0.40 million

### 31. 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.

### 32. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments of the Company principally comprise cash and cash equivalents, deposits at banks, investments, trade and other receivables, trade and other payables, bank overdrafts, loan from financial institutions and lease liabilities.

#### **Risk management policy**

The Company are exposed to risks from changes in interest rates and currency exchange rates and risks from non-performance of contractual obligations by counterparties. The Company uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Company has a policy to enter into contracts with creditworthy counterparties. Therefore, the Company does not expect any material financial losses to arise from that the counterparties will fail to discharge their obligations as stipulated in the financial instruments contracts.

a) Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company.

The exposure to interest rate risk of the Company relates primarily to their deposits at financial institutions, bank overdrafts, loan from financial institution, and lease liabilities. However, as most of the financial assets and liabilities carry floating interest rate which fluctuates in line with the market interest rates or carry fixed interest rate which approximates to the current market interest rate, the Company's do not use derivatives to manage their interest rate risk.

	<i>Baht</i>			
	December 31, 2020		December 31, 2019	
	Variable interest rate	Fixed interest rate	Variable interest rate	Fixed interest rate
Financial assets				
Cash at banks	10,905,908	-	5,413,722	-
Trade receivables	-	-	-	2,250,958
Restricted bank deposits	26,356,152	-	17,222,788	-
Financial liabilities				
Bank overdraft and short-term loans				
from financial institutions	11,214,766	95,118,500	22,982,956	99,262,500
Loans from financial institutions	1,764,126,490	795,589,232	2,237,796,908	744,666,056
Leases liabilities	-	7,201,166,801	-	7,640,820,172

b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Company.

The Company is exposed to credit risk primarily with respect to trade and other receivables and loan. However, the Company controls such risk by establishing credit limits for clients and counter parties and analysing their financial position as an ongoing basis. the Company is not expected to have much concentration risk of credit exposure.

The Company determines the impairment of trade receivables basing on an expected credit loss model which the Company have established and maintain an appropriate credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The maturity dates of financial instruments held as of December 31, 2020 and 2019, counting from the statements of financial position date were as follows:

## As at December 31, 2020

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash and cash equivalents	16,175,049	-	-	-	-	16,175,049
Trade and other receivables	-	283,367,535	-	-	-	283,367,535
Restricted bank deposits	26,356,152	-	-	-	-	26,356,152
<b>Financial liabilities</b>						
Bank overdraft and short-term loans						
from financial institutions	-	106,333,266	-	-	-	106,333,266
Trade and other payables	-	747,064,950	-	-	-	747,064,950
Loans from financial institutions	-	690,923,306	1,840,382,426	28,409,990	-	2,559,715,722
Leases liabilities	-	2,024,249,862	5,055,441,168	121,475,771	-	7,201,166,801

## As at December 31, 2019

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash and cash equivalents	9,683,698	-	-	-	-	9,683,698
Trade and other receivables	-	273,981,157	-	-	-	273,981,157
Restricted bank deposits	17,222,788	-	-	-	-	17,222,788
<b>Financial liabilities</b>						
Bank overdraft and short-term loans						
from financial institutions	-	122,245,456	-	-	-	122,245,456
Trade and other payables	-	936,631,764	-	-	-	936,631,764
Loans from financial institutions	-	610,771,433	2,371,691,530	-	-	2,982,462,963
Leases liabilities	-	1,989,970,836	5,650,849,336	-	-	7,640,820,172

### 33. Fair value

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be amid in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

The fair value disclosure does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value

		<i>Baht</i>			
		Fair value			
December 31, 2020	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
<b>Assets for which fair value are disclosed</b>					
Investment property	169,161,461	-	133,726,250	46,403,585	180,129,835

		<i>Baht</i>			
		Fair value			
December 31, 2019	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets and financial liabilities</b>					
<b>Measured at fair value</b>					
Current investments	686,409	-	686,409	-	686,409
<b>Assets for which fair value are disclosed</b>					
Investment property	170,674,679	-	125,860,000	46,877,450	172,737,450

### 34. RECLASSIFICATION

The Company has reclassified certain accounts in the financial statement for the year ended December 31, 2019, to conform with the presentation of the financial statements of this year consisted of:

		<i>Baht</i>		
		Before	Reclassification	After
<b>Statement of financial position</b>				
Current portion of debts	2,600,742,269	(1,989,970,836)	610,771,433	
Current portion of leases liabilities	-	1,989,970,836	1,989,970,836	
<b>Statement of comprehensive income</b>				
Cost of sales and services	(2,597,411,815)	(28,014,784)	(2,625,426,599)	
Other income	64,656,327	(28,492,737)	36,163,590	
Selling expenses	(53,728,677)	17,641,869	(36,086,808)	
Administrative expenses	(179,667,468)	38,865,652	(140,801,816)	



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