No. asap 1345/2019

- ***Translation*** -

November 13, 2019

Subject: Management's Discussion and Analysis (MD&A) for the 3rd Quarter ended September 30, 2019

To: President
The Stock Exchange of Thailand

Synergetic Auto Performance Public Company Limited ("the Company") would like to clarify the change of operating results for the 3rd Quarter ended September 30, 2019 which had decreased more than 20% compared to the same period of the previous year as follows;

<u>For the 3-month period ended September 30, 2019</u>

The Company had revenue from sales and services amounting to Baht 797.51 million, increased by Baht 112.92 million or 16% from Baht 684.59 million in the same period of year 2018. Major driver was the increasing of car rental revenue amounting to Baht 107.70 million, resulted from increasing of number of rental cars. Car selling revenue increased by Baht 3.95 million, lease space revenue of asap AutoPark Project, Franchise revenue and others increased by Baht 1.27 million.

The Company had cost of sales and services amounting to Baht 650.40 million, increased by Baht 99.19 million or 18% from Baht 551.21 million in the same period of year 2018. Major drivers were the increasing of cost of selling cars amounting to Baht 14.09 million, the increasing of car depreciation amounting to Baht 58.99 million, car repair and maintenance cost, car insurance, gasoline cost and others increased by Baht 26.11 million, resulted from increasing of number of rental cars.

The Company had selling and service expenses and administrative expenses amounting to Baht 62.49 million, increased by Baht 13.94 million or 29% from Baht 48.55 million in the same period of year 2018. Major drivers were the recording of provision for doubtful debt amounting to Baht 3.30 million, the recording of reimbursement expenses (to customers and insurance companies) amounting to Baht 5.90 million (reimbursement amount was presented in other revenues) and the increasing of staff costs, office expenses and other service expenses amounting to Baht 4.74 million.

The Company had finance costs amounting to Baht 105.14 million, increased by Baht 14.88 million or 16% from Baht 90.26 million in the same period of year 2018. Major driver was the increasing of number of rental cars, therefore the Company had to borrow money to support the procurement of new cars.

The Company had net loss for the 3-month period ended September 30, 2019 amounting to Baht 5.61 million, decreased by Baht 26.01 million or 128% from net profit of Baht 20.40 million in the same period of year 2018. The decreasing in net income was driven by lower proportion of increased revenue as compared to expenses as mentioned above.

For the 9-month period ended September 30, 2019

The Company had revenue from sales and services amounting to Baht 2,282.90 million, increased by Baht 363.90 million or 19% from Baht 1,919.00 million in the same period of year 2018. Major driver was the increasing of car rental revenue amounting to Baht 410.00 million, resulted from increasing of number of rental cars. While car selling revenue decreased by Baht 49.98 million, lease space revenue of asap AutoPark Project, Franchise revenue and others increased by Baht 3.88 million.

The Company had cost of sales and services amounting to Baht 1,848.96 million, increased by Baht 333.28 million or 22% from Baht 1,515.68 million in the same period of year 2018. Major drivers were the increasing of car depreciation, car repair and maintenance cost, car insurance, gasoline cost, and other costs, resulted from increasing of number of rental cars.

The Company had selling and service expenses and administrative expenses amounting to Baht 169.85 million, increased by Baht 47.23 million or 39% from Baht 122.62 million in the same period of year 2018. Major drivers were the recording of provision for doubtful debt amounting to Baht 3.84 million, the recording of reimbursement expenses (charge to customers and insurance companies) amounting to Baht 18.04 million (reimbursement amount was presented in other revenues), and the increasing of staff costs, office expenses and other operating costs resulted from the increasing of number of customers and rental cars.

The Company had finance costs amounting to Baht 306.67 million, increased by Baht 66.33 million or 28% from Baht 240.34 million in the same period of year 2018. Major driver was the increasing of number of rental cars, therefore the Company had to borrow money to support the procurement of new cars.

The Company had net income for the 9-month period ended September 30, 2019 amounting to Baht 6.31 million, decreased by Baht 83.13 million or 93% from Baht 89.44 million in the same period of year 2018. The decreasing in net income was driven by lower proportion of increased revenue as compared to expenses as mentioned above.

Please be informed accordingly.

Yours faithfully,

(Mr. Songvit Titipoonya)
Chief Executive Officer