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*APOLLO TYRES (THAILAND) LIMITED*

*Financial Statements*

*Year ended March 31, 2020*

## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

### TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

### APOLLO TYRES (THAILAND) LIMITED

#### Opinion

We have audited the financial statements of Apollo Tyres (Thailand) Limited, (the “Company”), which comprise the statement of financial position as at March 31, 2020, and the related statements of income, and changes in shareholders’ equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Apollo Tyres (Thailand) Limited as at March 31, 2020, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

#### Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities, 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Porakoch Jongkolsiri  
Certified Public Accountant (Thailand)  
Registration No. 7150

BANGKOK  
April 30, 2020

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**APOLLO TYRES (THAILAND) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

UNIT : BAHT

	Notes	2020	2019
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	49,988,692	57,708,798
Trade and other receivables	5	179,277,106	227,395,348
Inventories	6	68,780,799	99,395,595
Total Current Assets		298,046,597	384,499,741
<b>NON-CURRENT ASSETS</b>			
Leasehold office improvements and equipment	7	14,237,748	18,085,859
Intangible assets	8	26,716	30,923
Other non-current assets		604,685	578,066
Total Non-current Assets		14,869,149	18,694,848
<b>TOTAL ASSETS</b>		<b>312,915,746</b>	<b>403,194,589</b>

Notes to the financial statements form an integral part of these statements

**APOLLO TYRES (THAILAND) LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT MARCH 31, 2020**

UNIT : BAHT

	Notes	2020	2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	195,939,781	260,872,212
Current portion of long-term liability under the finance lease agreement		-	34,174
Current income tax payable		-	493,320
Provision for warranty claims	10	6,065,256	6,093,680
Other current liabilities		2,308,482	1,918,537
Total Current Liabilities		204,313,519	269,411,923
<b>NON-CURRENT LIABILITIES</b>			
Long-term liability under the finance lease agreement		-	1,200
Employee benefit obligations	11	7,710,677	6,711,837
Total Non-current Liabilities		7,710,677	6,713,037
<b>TOTAL LIABILITIES</b>		212,024,196	276,124,960
<b>SHAREHOLDERS' EQUITY</b>			
<b>SHARE CAPITAL</b>			
Authorized share capital			
4,000,000 ordinary shares of Baht 100 each		400,000,000	400,000,000
Paid-up share capital			
4,000,000 ordinary shares of Baht 100 each, Baht 25 called and paid-up		100,000,000	100,000,000
<b>RETAINED EARNINGS</b>			
Appropriated			
Legal reserve	13	3,000,000	3,000,000
Unappropriated		(2,108,450)	24,069,629
TOTAL SHAREHOLDERS' EQUITY		100,891,550	127,069,629
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		312,915,746	403,194,589

Notes to the financial statements form an integral part of these statements

**APOLLO TYRES (THAILAND) LIMITED**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2020**

UNIT : BAHT

	Note	2020	2019
<b>REVENUES</b>			
Revenue from sales		1,044,237,982	1,169,329,143
Net gain on foreign exchange rate		4,533,512	7,510,791
Other income		25,186,909	30,435,741
Total Revenues		<u>1,073,958,403</u>	<u>1,207,275,675</u>
<b>EXPENSES</b>			
Cost of sales		865,753,068	967,923,321
Selling expenses		68,408,625	70,170,765
Administrative expenses		165,974,789	164,110,932
Total Expenses		<u>1,100,136,482</u>	<u>1,202,205,018</u>
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE		(26,178,079)	5,070,657
INCOME TAX EXPENSE	14	-	493,320
NET PROFIT (LOSS)		<u>(26,178,079)</u>	<u>4,577,337</u>

Notes to the financial statements form an integral part of these statements

**APOLLO TYRES (THAILAND) LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2020**

UNIT : BAHT

	Paid-up share capital	Retained earnings		Total shareholders' equity
		Appropriated Legal reserve	Unappropriated	
<b>Beginning balance as at April 1, 2018</b>	100,000,000	3,000,000	19,492,292	122,492,292
Net profit	-	-	4,577,337	4,577,337
<b>Ending balance as at March 31, 2019</b>	100,000,000	3,000,000	24,069,629	127,069,629
<b>Beginning balance as at April 1, 2019</b>	100,000,000	3,000,000	24,069,629	127,069,629
Net loss	-	-	(26,178,079)	(26,178,079)
<b>Ending balance as at March 31, 2020</b>	100,000,000	3,000,000	(2,108,450)	100,891,550

Notes to the financial statements form an integral part of these statements



**APOLLO TYRES (THAILAND) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**1. THE OPERATIONS AND GENERAL INFORMATION OF THE COMPANY**

Apollo Tyres (Thailand) Limited (the “Company”) was incorporated under the Thai Civil and Commercial Code on January 22, 2013, and has its registered office located at 23rd Floor, Unit A, KPN Tower, No. 719 Rama 9 Road, Bangkok Sub-district, Huaykwang District, Bangkok. The main objective of the Company is trading and generally carrying business of manufacturer in tyres of vehicles.

As at March 31, 2020 and 2019, the Company’s major shareholder is Apollo Tyres Co-operatief (U.A.), which is incorporated in the Netherlands, by holding 99.99% of the Company’s shares. The Company’s ultimate shareholder is Apollo Tyres Ltd., which is incorporated in India.

The Company has extensive transactions and relationships with related companies. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations.

**2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (“TFRS for NPAEs”) issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.
- 2.2 The financial statements of the Company are prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statements B.E. 2554”.
- 2.3 The financial statements have been prepared on the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 The English version of financial statements has been prepared from the Thai version of financial statements. In the event of any conflict or be interpreted in two different languages, the Thai version of financial statements shall prevail.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand and all types of deposits at financial institutions with original maturities of 3 months or less, and excluding deposits at financial institutions used as collateral.

#### 3.2 Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts, (if any).

An allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Bad debts which are identified during the year are recognized as expenses in the statement of income, (if any).

#### 3.3 Inventories

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

Cost is calculated using the weighted average cost method and 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 make the sale.

Provision is estimated from obsolete and slow moving inventories, (if any).

#### 3.4 Leasehold office improvements and equipment

Leasehold office improvements and equipment is stated at cost less accumulated depreciation and provision for diminution in value, if any.

Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows:

Leasehold office improvements	5 years
Moulds	5 years
Furniture and fixture	5 years
Office equipment	3 - 5 years
Vehicle	5 years

In case permanent devaluation of leasehold office improvements and equipment has occurred, the resultant loss on diminution in value will be recognized as an expense in the statement of income.

### 3.5 Intangible asset

Intangible asset is software licenses which is stated at cost, net of accumulated amortization and provision for diminution in value, (if any).

Amortization is calculated by the straight-line method, based on the estimated useful life of the asset as follows:

Software licenses	5 - 10 years
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If there is an indicator that the value of an intangible asset has permanently declined, the Company shall recognize a loss on diminution in value of an intangible asset in the statement of income.

### 3.6 Long-term lease

#### Operating lease

Lease in which substantially all the risk and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Operating lease expenses are recognized as expenses in the statement of income on a straight-line basis over the lease term.

#### Finance lease

Leases agreements in which substantially all the risks and rewards of ownership of asset transfer to the lessee except legal ownership, are accounted for finance leases.

At the commencement of the lease term, the Company recognizes finance leases as assets and liabilities in the statements of financial position at amounts equal to lower of fair value of the leased assets or present value minimum lease payments.

The leased assets are depreciated using the straight-line method over their estimated useful lives and depreciation is recognized as expenses in the statement of income. Finance charge is calculated by the effective interest rate method over the term of contracts and recognized as expenses in the statement of income.

### 3.7 Provision for warranty claim

The provision for warranty claim is estimated by the management based on past experience. The Company recognized warranty claim in the statement of income.

### 3.8 Employee benefits

#### 3.8.1 Employee benefit obligations

Employee benefit obligations are the provision of the post-employment benefit obligations under the Thai Labor Protection Act. Employee benefit obligations is calculated based on the last month salary of the year, years of services and possibilities that employee will work with the Company until retire.

Gains or losses from changes in estimate are recognized in the statement of income in the period during which the transactions are incurred.

#### 3.8.2 Provident fund

The Company's contributions to the provident fund are charged to the statement of income in the accounting period to which they incur.

### 3.9 Revenue and expenses recognition

Revenues from domestic sales are recognized when goods are delivered to customers.

In the case of export sales, revenues are recognized when goods are shipped and titles are passed to the buyers. Titles are passed to the buyers when the Company delivers the goods to the common carriers who act as agents for the buyers.

Interest income, other income and expenses are recognized on an accrual basis.

### 3.10 Income tax expense

Income tax expense is based on tax paid and accrued for the year.

### 3.11 Foreign currency transactions

Transactions denominated in foreign currencies incurred during the years are translated into Baht at the exchange rate on the transactions dates. Monetary assets and liabilities denominated in foreign currencies at the statements of financial position date are translated into Baht at the reference exchange rates established by the Bank of Thailand on that date.

Gains or losses on foreign exchange rate arising on settlements and translation are recognized as income or expenses in the statement of income.

### 3.12 Use of management judgments

The preparation of financial statements in conformity with TFRS for NPAEs and accounting practices generally accepted in Thailand also requires the Company's management to exercise judgment in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the last date of the reporting period and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

## 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at March 31, are as follows:

	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Cash at banks - current accounts	6,316,949	3,132,238
Cash at banks - savings accounts	43,671,743	54,576,560
	<u>49,988,692</u>	<u>57,708,798</u>

## 5. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at March 31, are as follows:

	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Trade receivables		
Trade receivables - related companies	54,379	-
Trade receivables - other companies	103,806,602	134,912,616
<u>Less Allowance for doubtful account</u>	<u>(64,168)</u>	<u>-</u>
	<u>103,796,813</u>	<u>134,912,616</u>
Other receivables		
Other receivables - related companies	72,994,467	90,296,629
Other receivables - the Revenue Department	-	548,741
Other receivables - others	769,137	311,610
Prepaid expenses	1,716,689	1,325,752
	<u>75,480,293</u>	<u>92,482,732</u>
	<u>179,277,106</u>	<u>227,395,348</u>

## 6. INVENTORIES

Inventories as at March 31, are as follows:

	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Finished goods	67,389,365	79,440,255
Goods in transit	3,514,097	23,012,579
	<u>70,903,462</u>	<u>102,452,834</u>
<u>Less Allowance for devaluation of inventories</u>	<u>(2,122,663)</u>	<u>(3,057,239)</u>
	<u>68,780,799</u>	<u>99,395,595</u>

For the years ended March 31, 2020 and 2019, the Company recorded (reversed) loss from devaluation of inventories in the amount of Bah (0.93) million and Baht 3.06 million, respectively, as part of cost of goods sold.

## 7. LEASEHOLD OFFICE IMPROVEMENTS AND EQUIPMENT

Movements of leasehold office improvements and equipment during the years, are as follows:

For the year ended March 31, 2020

	<b>Balance as at</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance as at</b>
	<b>April 1,</b>			<b>March 31,</b>
	<b>2019</b>			<b>2020</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Cost:</b>				
Leasehold office improvements	4,418,114	-	-	4,418,114
Moulds	13,795,104	-	-	13,795,104
Furniture and fixtures	2,518,888	-	-	2,518,888
Office equipment	6,374,848	330,792	-	6,705,640
Vehicle	4,256,095	883,897	(843,095)	4,296,897
Total cost	<u>31,363,049</u>	<u>1,214,689</u>	<u>(843,095)</u>	<u>31,734,643</u>
<b>Accumulated depreciation:</b>				
Leasehold office improvements	(3,815,549)	(269,953)	-	(4,085,502)
Moulds	(525,755)	(2,759,021)	-	(3,284,776)
Furniture and fixtures	(2,247,282)	(152,061)	-	(2,399,343)
Office equipment	(4,588,997)	(714,610)	-	(5,303,607)
Vehicle	(2,099,607)	(872,071)	548,011	(2,423,667)
Total accumulated depreciation	<u>(13,277,190)</u>	<u>(4,767,716)</u>	<u>548,011</u>	<u>(17,496,895)</u>
<b>Leasehold office improvements and equipment</b>	<u>18,085,859</u>			<u>14,237,748</u>

For the year ended March 31, 2019

	Balance as at April 1, 2018 Baht	Additions Baht	Balance as at March 31, 2019 Baht
<b>Cost:</b>			
Leasehold office improvements	4,418,114	-	4,418,114
Moulds	-	13,795,104	13,795,104
Furniture and fixtures	2,518,888	-	2,518,888
Office equipment	5,699,710	675,138	6,374,848
Vehicle	4,256,095	-	4,256,095
Total cost	<u>16,892,807</u>	<u>14,470,242</u>	<u>31,363,049</u>
<b>Accumulated depreciation:</b>			
Leasehold office improvements	(3,486,889)	(328,660)	(3,815,549)
Moulds	-	(525,755)	(525,755)
Furniture and fixtures	(2,031,236)	(216,046)	(2,247,282)
Office equipment	(3,788,811)	(800,186)	(4,588,997)
Vehicle	(1,248,388)	(851,219)	(2,099,607)
Total accumulated depreciation	<u>(10,555,324)</u>	<u>(2,721,866)</u>	<u>(13,277,190)</u>
<b>Leasehold office improvements and equipment</b>	<u>6,337,483</u>		<u>18,085,859</u>
<b>Depreciation for the years ended March 31,</b>			
2020		Baht	<u>4,767,716</u>
2019		Baht	<u>2,721,866</u>

8. INTANGIBLE ASSET

Movements of intangible asset during the years, are as follows:

For the year ended March 31, 2020

	Balance as at April 1, 2019 Baht	Additions Baht	Balance as at March 31, 2020 Baht
<b>Cost:</b>			
Software licenses	126,683	-	126,683
Total	<u>126,683</u>	<u>-</u>	<u>126,683</u>
<b>Accumulated amortization:</b>			
Software licenses	(95,760)	(4,207)	(99,967)
Total	<u>(95,760)</u>	<u>(4,207)</u>	<u>(99,967)</u>
<b>Intangible asset</b>	<u>30,923</u>		<u>26,716</u>

For the year ended March 31, 2019

	Balance as at April 1, 2018 Baht	Additions  Baht	Balance as at March 31, 2019 Baht
<b>Cost:</b>			
Software licenses	123,361	3,322	126,683
Total	<u>123,361</u>	<u>3,322</u>	<u>126,683</u>
<b>Accumulated amortization:</b>			
Software licenses	(83,437)	(12,323)	(95,760)
Total	<u>(83,437)</u>	<u>(12,323)</u>	<u>(95,760)</u>
<b>Intangible asset</b>	<u>39,924</u>		<u>30,923</u>
<b>Amortization for the years ended March 31,</b>			
2020		Baht	<u>4,207</u>
2019		Baht	<u>12,323</u>

9. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, are as follows:

	2020 Baht	2019 Baht
Trade payables		
Trade payables - related companies	53,573,213	131,766,842
Trade payables - other company	396,534	-
	<u>53,969,747</u>	<u>131,766,842</u>
Other payables		
Other payables - related companies	36,483,590	27,691,025
Other payables - other companies	8,660,154	6,571,615
Accrued promotional expenses	74,397,452	63,951,617
Accrued advertising expenses	1,337,177	9,631,577
Accrued transportation expenses	3,545,862	3,441,648
Accrued bonus	5,647,468	6,093,109
Other accrued expenses	11,898,331	11,724,779
	<u>195,939,781</u>	<u>260,872,212</u>



#### 10. PROVISION FOR WARRANTY CLAIMS

Movements of provision for warranty claims for the years ended March 31, are as follows:

	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Beginning balances	6,093,680	4,692,632
<u>Add</u> Addition during the years - recognized as expenses for the years	634,657	1,434,530
<u>Less</u> Paid during the years	<u>(663,081)</u>	<u>(33,482)</u>
Ending balances	<u>6,065,256</u>	<u>6,093,680</u>

#### 11. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at March 31, are as follows;

	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Balance as at April 1,	6,711,837	4,780,606
Increase during the year - recognized as an expense	998,840	1,931,231
Balance as at March 31,	<u>7,710,677</u>	<u>6,711,837</u>

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2020. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits. For the year ended March 31, 2020, the Company reflected the effect of such change by recognizing loss from change in estimate as an expense amount Baht 0.54 million in the statement of income.

#### 12. PROVIDENT FUND

The Company has a provident fund for those employees who indicated their willingness to size. The contributions from employees are deducted from the employee's monthly salaries, with the Company's contribution at 10% with minimum contribution of 3% from employees. The fund is managed by an authorized fund manager in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended March 31, 2020 and 2019, the Company paid the provident fund contributions and recorded as an expense in the statements of income amount Baht 4.29 million and Baht 3.99 million, respectively.

### 13. LEGAL RESERVE

According to the Civil and Commercial Code, the Company must appropriate to a reserve fund at each distribution of dividend at least one-twentieth of the profit arising from the business of the Company until the reserve fund reaches one-tenth part of the capital of the Company. Such reserve fund is not available for distribution as a dividend until the Company is finally wound up.

### 14. INCOME TAX EXPENSE

For the year ended March 31, 2019, effective tax rate was different from the corporate income tax rate specified by the Revenue Code because the Company has adjusted certain revenue and expense in calculating income tax in accordance with the Revenue Code (2020: nil).

### 15. SIGNIFICANT AGREEMENTS

On June 1, 2013, the Company entered into Trademark License & Royalty Agreement with the ultimate parent company of the group and the related companies, for the latter to grant the Company to commercially exploit the Trademarks for the sale of tyres as specified in the agreements. In this regard, the Company agreed to pay royalty fee at the rates specified in the agreements which shall be effective from June 1, 2013 to March 31, 2014 and thereafter it shall be renewed automatically, for further successive periods of 1 year each unless either party notifies the termination to the other in writing at least 6 months.

### 16. COMMITMENTS

As at March 31, 2020 and 2019, the Company has commitments on office premises rental and utilities agreements with minimum future lease and service payments as follows:

	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Not later than one year	2,398,044	190,300
Later than one year but not over 5 years	2,597,880	-

For the years ended March 31, 2020 and 2019, the Company recorded rental fees as expenses in the statement of income amount Baht 2.39 million and Baht 2.31 million, respectively.

### 17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by an authorized director of the Company on April 30, 2020.