

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
JUNE 30, 2020

1. GENERAL INFORMATION

a) Address and legal status

The Company was registered to be a limited company under the Civil and Commercial Code with the Ministry of Commerce on January 29, 1992. The Company was converted to be a public company limited with the Ministry of Commerce on August 19, 2004.

The address of its registered office are as follow:-

Head office : Located at 455/1, Rama 3 Road, Kwang Bangklo, Khet
Bangkorlaem, Bangkok 10120, Thailand.

Branch office : Located at 288/9, Asoke - Dindang Road, Kwang Bangkapi,
Khet Huaikhwang, Bangkok 10400, Thailand.

b) Nature the company's business

Main business activities of the company is a provider of operating lease in car rental business and selling of used cars. The others relating car maintenance services are also provided e.g. fitting and repairing services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting", and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2019.

The interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the financial statements in Thai language version.

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2.2 Basis for consolidation financial statements

2.2.1 The accompanying consolidated financial statements include the accounts of Krungthai Car Rent And Lease Public Company Limited and the following a subsidiary since November 1, 2005 as follow:-

Subsidiary company	Main business	Percentage of holding
Krungthai Automobile Co., Ltd.	Buying, selling and exchanging cars and spare part for both used and unused, and repairing	100

2.2.2 The acquisition of investment in the subsidiary was recorded by the purchase method

2.2.3 Significant intercompany transactions between the Company and its subsidiary have been eliminated.

2.3 Financial reporting standards that become effective in the current year

During the period, the Company and its subsidiary have adopted the revised and new financial reporting standards, interpretations and 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 clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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IFRS 16 Leases

IFRS 16 Leases supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under IFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company and its subsidiary have adopted IFRSs related to financial instruments and IFRS 16 the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect 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 is described in Note 4 to the interim financial statements.

Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation"

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 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.

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

The Company and its subsidiary have elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where use a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

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- Not to include information relating to the uncertain COVID-19 situation, which may affect the estimation of future taxable profits. Into data to estimate the adequacy of future taxable profits in order to take advantage of deferred tax assets.
- Not to account for any reduction in lease payments by lessors (if any) as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies as follows.

3.1 Financial assets and financial liabilities

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortized cost.

(2) Impairment of financial assets

The Company and its subsidiary recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company and its subsidiary accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade

receivables that do not contain a significant financing component, the Company and its subsidiary applies a simplified approach to determine the lifetime expected credit losses.

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3.2 Leases

At inception of a contract, the Company and its subsidiary assess whether the contract is, or contains, a lease. 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.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

Leased that have a lease term of 12 months or less from the commencement date and not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

4.CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.3 to the interim financial statements, during the current period, the Company and its subsidiary have impacts from adoption of TFRSs related to financial instruments and TFRS 16. The

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cumulative effect of the changes in accounting policies are recognized as an adjustment to retained earnings as at January 1, 2020 and the comparative information was not restated.

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The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	Baht			
	Consolidated financial statements			
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Investments in available-for-sale securities	59,087,104.00	(59,087,104.00)	-	-
Trade and other current receivables	167,788,006.73	(2,378,382.19)	-	165,409,624.54
Other current financial assets	-	59,087,104.00	-	59,087,104.00
Right-of-use assets	-	-	108,808,224.12	108,808,224.12
Leasehold right	10,657,946.15	-	(10,657,946.15)	-
Total assets	<u>5,530,700,370.43</u>	<u>(2,378,382.19)</u>	<u>98,150,277.97</u>	<u>5,626,472,266.21</u>
Current portion of lease liabilities	48,685,489.69	-	12,515,626.50	61,201,116.19
Lease liabilities	2,928,507.87	-	85,634,651.47	88,563,159.34
Total liabilities	<u>3,475,324,804.54</u>	<u>-</u>	<u>98,150,277.97</u>	<u>3,573,475,082.51</u>
Retained earnings - unappropriated	<u>1,612,899,691.29</u>	<u>(2,352,877.79)</u>	<u>-</u>	<u>1,610,546,813.50</u>
Gain from investment in securities measurement	25,504.40	(25,504.40)	-	-
Total Shareholder's equity	<u>2,055,375,565.89</u>	<u>(2,378,382.19)</u>	<u>-</u>	<u>2,052,997,183.70</u>

	Baht			
	Separate financial statements			
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Investments in available-for-sale securities	59,081,116.89	(59,081,116.89)	-	-
Trade and other current receivables	155,405,746.45	(1,459,313.31)	-	153,946,433.14
Other current financial assets	-	59,081,116.89	-	59,081,116.89
Right-of-use assets	-	-	18,316,260.49	18,316,260.49
Leasehold right	5,617,518.69	-	(5,617,518.69)	-
Total assets	<u>5,310,346,602.98</u>	<u>(1,459,313.31)</u>	<u>12,698,741.80</u>	<u>5,321,586,031.47</u>
Current portion of lease liabilities	48,685,489.69	-	1,246,500.21	49,931,989.90
Lease liabilities	2,928,507.87	-	11,452,241.59	14,380,749.46
Total liabilities	<u>3,489,169,142.55</u>	<u>-</u>	<u>12,698,741.80</u>	<u>3,501,867,884.35</u>
Retained earnings - unappropriated	<u>1,378,701,701.26</u>	<u>(1,433,924.34)</u>	<u>-</u>	<u>1,377,267,776.92</u>

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Gain from investment in securities measurement	25,388.97	(25,388.97)	-	-
Total Shareholder's equity	1,821,177,460.43	(1,459,313.31)	-	1,819,718,147.12

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4.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
Retained earnings - unappropriated as at December 31, 2019	1,612,899,691.29	1,378,701,701.26
Increase in loss allowance for trade and other current receivables	(2,378,382.19)	(1,459,313.31)
Debt instruments - Fair value through profit or loss	25,504.40	25,388.97
Retained earnings - unappropriated as at January 1, 2020 - TFRS 9	1,610,546,813.50	1,377,267,776.92

Classification and measurement

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:-

	Baht		
	Consolidated financial statements		
	FVPL	Amortized cost	Total
Financial assets as at January 1, 2020			
Cash and cash equivalents	-	86,370,717.12	86,370,717.12
Other current financial assets	59,087,104.00	-	59,087,104.00
Trade and other current receivables	-	167,788,006.73	167,788,006.73
Total financial assets	59,087,104.00	254,158,723.85	313,245,827.85

	Baht		
	Separate financial statements		
	FVPL	Amortized cost	Total
Financial assets as at January 1, 2020			
Cash and cash equivalents	-	85,935,707.10	85,935,707.10
Other current financial assets	59,081,116.89	-	59,081,116.89
Trade and other current receivables	-	155,405,746.45	155,405,746.45
Total financial assets	59,081,116.89	241,341,453.55	300,422,570.44

4.2 Leases

Upon initial application of TFRS 16 the Company and its subsidiary recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rate at January 1, 2020. For leases previously classified as

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finance leases, the Company and its subsidiary 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.

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	Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	97,854,164.00	8,616,800.00
<u>Add:</u> Purchase or extension options reasonably certain to be exercised	23,758,002.60	6,371,700.00
	121,612,166.60	14,988,500.00
<u>Less:</u> Deferred interest expenses	(23,461,888.63)	(2,289,758.20)
Additional lease liabilities from TFRS 16 adoption	98,150,277.97	12,698,741.80
Finance lease liabilities as at December 31, 2019	51,613,997.56	51,613,997.56
Lease liabilities recognized as at January 1, 2020	149,764,275.53	64,312,739.36
Consisted of:		
Current lease liabilities	61,201,116.19	49,931,989.90
Non-current lease liabilities	88,563,159.34	14,380,749.46
	149,764,275.53	64,312,739.36

The recognized right-of-use assets relate to type the of assets as at January 1, 2020 as follows.

	Baht	
	Consolidated financial statements	Separate financial statements
Land and land improvements	98,150,277.97	12,698,741.80
Total right-of-use assets	98,150,277.97	12,698,741.80

5. TRANSACTIONS WITH RELATED PARTIES

Details of relationship with related parties are as follows:-

	Nature of business	Relationship
<u>Subsidiary company</u>		
Krungthai Automobile Co., Ltd.	Buying, selling and exchanging car and spare parts for both new and unused, and repairing	100% of holding
<u>Related companies</u>		
Thanapat Property Co., Ltd.	Office rental	Shareholder/Co-Director
Siam Nissan Krungthai Co., Ltd.	Selling car and repair service	Shareholder/Co-Director
Toyota Krungthai Co., Ltd.	Selling car and repair service	Shareholder/Co-Director
Car Loft Auto Import Co., Ltd.	Selling car import	Shareholder/Co-Director
Mitsu Impression Co.,Ltd	Selling car import	Shareholder/Co-Director
<u>Related person</u>		
Mrs. Wipaporn Chantarasereekul		Shareholder/the mother of director

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During the periods, the Company has significant business transactions with subsidiary and related parties as follows:

	Pricing Policy	Baht			
		For the three-month periods		For the six-month periods	
		ended June 30,		ended June 30,	
		2020	2019	2020	2019
Transactions in the statements of comprehensive income					
<u>Consolidated financial statements</u>					
<u>Related companies</u>					
Revenue :					
Commission income					
Toyota Krungthai Co., Ltd.	Agreed price	-	-	4,040,000.00	-
Show room for rent					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 350 sqm., rental charge at 83,000 Baht/Month	249,000.00	249,000.00	498,000.00	498,000.00
Service center income					
Siam Nissan Krungthai Co., Ltd.	Agreed price	1,124,178.50	1,325,108.50	2,427,588.00	2,602,021.00
Rental fee.					
Car Loft Import Co., Ltd.	Rental charge at 86,290 Baht/Month	258,870.00	258,870.00	517,740.00	517,740.00
Interest received.					
Siam Nissan Krungthai Co., Ltd.	Interest rate of 3.15% per annum	-	-	-	210,575.34
Expenses :					
Repair expense					
Siam Nissan Krungthai Co., Ltd.	Market price	169,205.22	623,286.75	429,369.99	1,006,881.21
Toyota Krungthai Co., Ltd.	Market price	1,487,702.10	3,793,607.18	4,008,602.66	5,470,821.57
Car Loft Auto Import Co., Ltd.	Market price	40,553.50	380,395.00	79,587.30	405,804.00
Mitsu Impression Co.,Ltd.	Market price	36,125.50	-	56,534.55	-
		<u>1,733,586.32</u>	<u>4,797,288.93</u>	<u>4,574,094.50</u>	<u>6,883,506.78</u>
Commission expense					
Car Loft Auto Import Co., Ltd.		336,448.60	56,074.77	560,747.66	196,261.68
Purchase of assets :					
Cars for leases					
Siam Nissan Krungthai Co., Ltd.	At cost after deduct special discount	-	830,433.64	1,367,385.98	830,433.64
Toyota Krungthai Co., Ltd.	At cost after deduct special discount	108,991,287.86	134,765,692.06	270,215,136.92	476,246,870.10
Car Loft Auto Import Co., Ltd.	Market price for major buyer	22,634,579.44	27,521,495.33	33,232,710.28	33,456,074.77
Mitsu Impression Co.,Ltd.	At cost after deduct special discount	693,851.40	-	8,728,430.84	-
		<u>132,319,718.70</u>	<u>163,117,621.03</u>	<u>313,543,664.02</u>	<u>510,533,378.51</u>
<u>Related person</u>					
Interest expenses	Interest rate of 3.22% per annum	829,260.27	802,794.52	1,632,054.79	1,596,767.12
<u>Separate financial statements</u>					
<u>Subsidiary company</u>					
Revenue :					
Interest received.	Interest rate of 2.50% - 3.10% per annum	-	50,534.25	-	141,005.48
Expenses :					
Commission expenses	Agreed price	4,345,794.39	3,364,485.87	8,355,140.18	6,883,177.40
Sales promotion expenses	Agreed price	3,890,000.00	2,880,000.00	6,750,000.00	6,896,000.00
Interest expenses	Interest rate of 2.60%	29,125.68	-	29,125.68	-
Purchase of assets :					
Cars for leases	Market price for major buyer	-	-	-	364,485.98

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Pricing Policy	Baht				
	For the three-month periods ended June 30,		For the six-month periods ended June 30,		
	2020	2019	2020	2019	
Related companies					
Revenue :					
Commission income					
Toyota Krungthai Co.,Ltd.	Agreed price	-	-	4,040,000.00	-
Show room for rent					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 350 sqm., rental charge at 83,000 Baht/Month	249,000.00	249,000.00	498,000.00	498,000.00
Service center income					
Siam Nissan Krungthai Co., Ltd.	Agreed price	1,124,178.50	1,325,108.50	2,431,755.50	2,602,021.00
Interest received.					
Siam Nissan Krungthai Co., Ltd.	Interest rate of 3.15% per annum	-	-	-	210,575.34
Expenses :					
Repair expense					
Siam Nissan Krungthai Co., Ltd.	Market price	169,205.22	623,286.75	429,369.99	1,006,881.21
Toyota Krungthai Co.,Ltd.	Market price	1,391,150.62	3,234,028.66	3,272,239.82	4,605,520.51
Car Loft Auto Import Co., Ltd.	Market price	40,553.50	380,395.00	79,587.30	405,804.00
Mitsu Impresstion Co.,Ltd.	Market price	36,125.50	-	56,534.55	-
		<u>1,637,034.84</u>	<u>4,237,710.41</u>	<u>3,837,731.66</u>	<u>6,018,205.72</u>
Commission expense					
Car Loft Auto Import Co., Ltd.	Agreed price	336,448.60	56,074.77	560,747.66	196,261.68
Purchase of assets :					
Car for leases					
Siam Nissan Krungthai Co., Ltd.	At cost after deduct special discount	-	830,433.64	1,367,385.98	830,433.64
Toyota Krungthai Co., Ltd.	At cost after deduct special discount	108,991,287.86	134,765,692.06	270,215,136.92	476,246,870.10
Car Loft Auto Import Co., Ltd.	Market price for major buyer	22,634,579.44	27,521,495.33	33,232,710.28	33,456,074.77
Mitsu Impresstion Co.,Ltd.	At cost after deduct special discount	693,851.40	-	8,728,430.84	-
		<u>132,319,718.70</u>	<u>163,117,621.03</u>	<u>313,543,664.02</u>	<u>510,533,378.51</u>
Related person					
Interest expenses	Interest rate of 3.22% per annum	829,260.27	802,794.52	1,632,054.79	1,596,767.12

The outstanding between the Company, subsidiary and related companies are as follows :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Outstanding balances at the statements of financial position				
Subsidiary company				
Receivable - down payment	-	-	794,790.00	808,444.00
Subsidiary payable	-	-	14,240,927.49	17,962,038.05
Accrued interest expenses	-	-	2,537.53	4,188.74
Accrued expenses - commission	-	-	5,690,000.00	5,230,000.00

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	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Short-term loans from :				
Balance beginning	-	-	-	-
Additional loans	-	-	35,000,000.00	-
Payment loans	-	-	-	-
Balance forward	-	-	35,000,000.00	-
Accrued interest expenses	-	-	29,125.68	-
<u>Related companies</u>				
Other current receivables				
Siam Nissan Krungthai Co., Ltd.	928,414.93	938,513.06	928,414.93	938,513.06
Right-of-use assets				
Siam Nissan Krungthai Co., Ltd.	7,816,723.21	-	7,816,723.21	-
Toyota Krungthai Co., Ltd.	878,939.79	-	-	-
Thanapat Property Co., Ltd.	3,564,004.24	-	-	-
Total	12,259,667.24	-	7,816,723.21	-
Lease liabilities				
Siam Nissan Krungthai Co., Ltd.	7,892,199.62	-	7,892,199.62	-
Toyota Krungthai Co., Ltd.	888,577.17	-	-	-
Thanapat Property Co., Ltd.	3,602,152.83	-	-	-
Total	12,382,929.62	-	7,892,199.62	-
Trade and other payables				
Siam Nissan Krungthai Co., Ltd.	301,906.32	86,066.21	111,280.51	86,066.21
Toyota Krungthai Co., Ltd.	908,426.41	1,263,836.38	863,265.66	1,263,836.38
Car Loft Auto Import Co., Ltd.	86,834.12	148,222.84	27,638.96	125,658.67
Mitsu Impression Co., Ltd.	11,055.11	-	11,055.11	-
Total	1,308,221.96	1,498,125.43	1,013,240.24	1,475,561.26
Payables - purchase assets for leases				
Toyota Krungthai Co., Ltd.	-	57,744,894.60	-	57,744,894.60
Car Loft Auto Import Co., Ltd.	3,539,000.00	-	3,539,000.00	-
Total	3,539,000.00	57,744,894.60	3,539,000.00	57,744,894.60
Accrued expenses - commission				
Car Loft Auto Import Co., Ltd.	196,261.68	56,074.77	196,261.68	56,074.77
<u>Related person</u>				
Debentures	-	100,000,000.00	-	100,000,000.00
Accrued interest expenses	-	79,397.26	-	79,397.26

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KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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Directors and executive remuneration for the three-month and six-month periods ended June 30, 2020 and 2019 consisted of :

	Consolidated financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Directors	421,389.14	401,324.35	801,019.75	796,641.58
Executive directors	2,426,412.69	2,290,969.85	4,684,156.59	4,399,686.95
Executives	2,928,879.35	2,905,778.11	5,764,935.10	5,558,178.96
Total	<u>5,776,681.18</u>	<u>5,598,072.31</u>	<u>11,250,111.44</u>	<u>10,754,507.49</u>

	Separate financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Directors	421,389.14	401,324.35	801,019.75	796,641.58
Executive directors	2,426,412.69	2,290,969.85	4,684,156.59	4,399,686.95
Executives	2,928,879.35	2,905,778.11	5,764,935.10	5,387,349.82
Total	<u>5,776,681.18</u>	<u>5,598,072.31</u>	<u>11,250,111.44</u>	<u>10,583,678.35</u>

6. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Cash on hand	303,793.04	288,515.34	134,666.12	111,569.31
Cash at banks - current accounts	1,423,615.76	5,645,031.20	1,423,615.76	5,645,031.20
Cash at banks - savings accounts	<u>77,254,346.85</u>	<u>80,437,170.58</u>	<u>75,067,298.64</u>	<u>80,179,106.59</u>
Total	<u>78,981,755.65</u>	<u>86,370,717.12</u>	<u>76,625,580.52</u>	<u>85,935,707.10</u>

The Company and its subsidiary have made an agreement to allow the bank to automatically transfer funds from the savings accounts to such current accounts, in case of an overdraft.

As at June 30, 2020 and December 31, 2019, the Company has cash at banks-savings accounts has interest rate of 0.10% - 0.375% per annum.

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KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

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7. TRADE AND OTHER CURRENT RECEIVABLES

The outstanding balance of trade and other receivables aging are as follow:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Trade receivables				
Undue	122,885,510.71	111,640,627.38	116,192,134.71	103,376,810.88
Over 0 months to 3 months	23,478,243.13	12,466,489.42	21,935,885.13	11,736,107.42
Over 3 months to 6 months	1,877,739.89	2,495,695.04	1,877,739.89	1,620,975.39
Over 6 months to 12 months	1,060,018.27	1,569,823.82	1,060,018.27	1,569,823.82
Over 12 months	2,328,076.78	1,345,224.00	2,328,076.78	1,345,224.00
Total	151,629,588.78	129,517,859.66	143,393,854.78	119,648,941.51
<u>Less</u> Allowance for doubtful accounts	(5,504,018.95)	(3,677,091.67)	(5,462,811.42)	(3,677,091.67)
Trade receivables - net	<u>146,125,569.83</u>	<u>125,840,767.99</u>	<u>137,931,043.36</u>	<u>115,971,849.84</u>
Other current receivables				
Accrued incomes	5,772,803.63	9,684,856.04	5,561,237.43	9,486,241.63
Prepaid expenses	23,691,251.62	23,464,726.68	23,159,785.19	23,302,990.49
Insurance receivables	3,042,815.70	3,067,084.14	3,042,815.70	3,067,084.14
Other	2,413,227.38	5,730,571.88	1,931,361.17	3,577,580.35
Total other current receivables	34,920,098.33	41,947,238.74	33,695,199.49	39,433,896.61
Total trade and other current receivables	<u>181,045,668.16</u>	<u>167,788,006.73</u>	<u>171,626,242.85</u>	<u>155,405,746.45</u>
Trade receivables-net consisted of:				
Trade receivables of car leases	96,136,381.15	94,542,099.08	96,136,381.15	94,542,099.08
Trade receivables of sale of cars	49,989,188.68	31,298,668.91	41,794,662.21	21,429,750.76
Total	<u>146,125,569.83</u>	<u>125,840,767.99</u>	<u>137,931,043.36</u>	<u>115,971,849.84</u>

8. INVENTORIES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Used car	164,019,070.59	233,357,717.69	119,061,711.15	161,184,752.08
Spare parts of car	1,756,072.79	1,662,559.05	1,756,072.79	1,662,559.05
Total	<u>165,775,143.38</u>	<u>235,020,276.74</u>	<u>120,817,783.94</u>	<u>162,847,311.13</u>

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KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

9. OTHER CURRENT FINANCIAL ASSETS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Other current financial assets				
Unit trust - Mutual fund	2,599.78	59,087,104.00	2,599.78	59,081,116.89
Other current financial assets	2,599.78	59,087,104.00	2,599.78	59,081,116.89

10. CASH AT BANK USING FOR GUARANTEE

As at June 30, 2020 and December 31, 2019, the Company has fixed deposit accounts with a local commercial banks 2 credit lines, respectively, and fixed deposit accounts was guaranteed as follows:-

Credit Line No.	Credit amount (Million Baht)	Guaranteed
1	20	- The letter of guarantee issued by the bank for rental contracts, bidding envelope and using electricity of the company credit line of Baht 100 million.
2	20	- Short - term loans in promissory note in credit line of Baht 80 million (see Note 18).
	10	- Bank overdrafts credit line of Baht 20 million (see Note 18).
	<u>50</u>	

As at June 30, 2020 and December 31, 2019, the fixed deposit accounts has interest rate of 0.30% - 0.95% per annum.

11. INVESTMENT IN SUBSIDIARY COMPANY

This account consisted of:

	Baht											
	Number of shares				Percentage of holding				Value of investment under the equity method		Separate financial statements Cost method	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019		
<u>Subsidiary company</u>												
Krungthai Automobile Co., Ltd.	400,000	400,000	100	100	283,444,293.36	283,010,405.46	48,812,300.00	48,812,300.00	283,444,293.36	283,010,405.46	48,812,300.00	48,812,300.00

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

12. ASSETS FOR LEASES

Movements of the assets for leases account for the six-month period ended June 30, 2020 are summarized as follows.

	<u>Baht</u>
	<u>Consolidated/Separate</u>
	<u>financial statements</u>
At cost	
Balance as at December 31, 2019	6,403,429,572.46
Acquisitions during the period	511,774,924.64
Transferred in (transferred out) during the period	<u>(508,321,798.40)</u>
Balance as at June 30, 2020	<u>6,406,882,698.70</u>
Accumulated depreciation	
Balance as at December 31, 2019	(2,111,736,253.70)
Depreciation for the period	(433,276,958.01)
(Transferred in) transferred out during the period	<u>319,840,079.35</u>
Balance as at June 30, 2020	<u>(2,225,173,132.36)</u>
Net book value	
Balance as at December 31, 2019	<u>4,291,693,318.76</u>
Balance as at June 30, 2020	<u>4,181,709,566.34</u>

As at June 30, 2020 and December 31, 2019, the Company has cars for leases under lease liabilities as follows:-

	<u>Amount (Cars)</u>		<u>Net value (Baht)</u>	
	<u>As at June</u>	<u>As at December</u>	<u>As at June</u>	<u>As at December</u>
	<u>30, 2020</u>	<u>31, 2019</u>	<u>30, 2020</u>	<u>31, 2019</u>
Cars	278	253	144,458,416.62	77,795,910.68

As at June 30, 2020 and December 31, 2019, the Company has transferred the right of 2,445 and 2,339 cars' registers, respectively as collateral for long-term loans from 2 local financial institutions, respectively, (see Note 18).

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KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
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As at June 30, 2020 and December 31, 2019, the Company has minimum amounts on car leases under uncanceled operating lease agreements, presented by amounting in contracts as follow :-

	Baht	
	As at June 30, 2020	As at December 31, 2019
Under 1 year	1,126,796,096.53	1,169,065,323.50
Over 1 year to 5 years	1,626,893,793.69	1,788,656,580.95
Total	<u>2,753,689,890.22</u>	<u>2,957,721,904.45</u>

As at June 30, 2020 and December 31, 2019, the Company has been fully depreciated cars for leases but they are still in used at total amounting cost of Baht 281.03 million and Baht 255.53 million, respectively.

13. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the six-month period ended June 30, 2020 are summarized as follows.

	Baht	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at December 31, 2019	216,222,340.70	31,764,122.89
Acquisitions during the period	697,875.38	628,250.05
Balance as at June 30, 2020	<u>216,920,216.08</u>	<u>32,392,372.94</u>
Accumulated depreciation		
Balance as at December 31, 2019	(40,125,708.64)	(27,654,044.31)
Depreciation for the period	(1,925,339.44)	(731,450.66)
Balance as at June 30, 2020	<u>(42,051,048.08)</u>	<u>(28,385,494.97)</u>
Net book value		
Balance as at December 31, 2019	<u>176,096,632.06</u>	<u>4,110,078.58</u>
Balance as at June 30, 2020	<u>174,869,168.00</u>	<u>4,006,877.97</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

As at June 30, 2020 and December 31, 2019, equipment are fully depreciated but still in use are presented in the consolidated financial statements at cost of Baht 33.07 million and Baht 32.34 million, respectively and in the separate financial statements of Baht 24.86 million and Baht 24.25 million, respectively.

14. RIGHT OF USE ASSETS

Movements of the right of use assets account for the six-month period ended June 30, 2020 are summarized as follows.

	Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2020	10,657,946.15	5,617,518.69
Adjustments of right-of-use assets due to TFRS16 adoption	98,150,277.97	12,698,741.80
Net book value as at January 1, 2020 - as adjusted	108,808,224.12	18,316,260.49
Additions during the period	35,000.00	-
Depreciation for the period	(8,711,828.84)	(1,575,862.87)
Difference from rental reduction	(333,193.36)	-
Net book value as at June 30, 2020	<u>99,798,201.92</u>	<u>16,740,397.62</u>

15. INTANGIBLE ASSETS

Movements of the intangible assets account for the six-month period ended June 30, 2020 are summarized as follows.

	Baht	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at December 31, 2019	15,433,768.13	13,275,695.69
Acquisitions during the period	3,023,075.00	2,771,375.00
Balance as at June 30, 2020	<u>18,456,843.13</u>	<u>16,047,070.69</u>
Accumulated amortization		
Balance as at December 31, 2019	(6,735,024.75)	(5,728,842.69)
Amortization for the period	(157,377.87)	(64,878.54)
Balance as at June 30, 2020	<u>(6,892,402.62)</u>	<u>(5,793,721.23)</u>
Net book value		
Balance as at December 31, 2019	8,698,743.38	7,546,853.00

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Balance as at June 30, 2020

11,564,440.51

10,253,349.46

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As at June 30, 2020 and December 31, 2019, intangible assets are fully amortization but still in use are presented in the consolidated financial statements at cost of Baht 5.99 million and Baht 5.73 million, respectively and in the separate financial statements of Baht 5.23 million and Baht 4.97 million, respectively.

16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Deferred tax assets	133,721,801.50	110,654,623.92	159,388,563.63	136,159,924.47
Deferred tax liabilities	-	-	(26,415,653.10)	(25,868,839.89)
	<u>133,721,801.50</u>	<u>110,654,623.92</u>	<u>132,972,910.53</u>	<u>110,291,084.58</u>

Changes in deferred tax assets and deferred tax liabilities for the six-month period ended June 30, 2020, are summarized as follows:

	Baht			
	Consolidated financial statements			Balance as at Jun. 30, 2020
	Balance as at Dec. 31, 2019	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Accrued expense - rental	29,642.11	(29,642.11)	-	-
Provision for employee benefit	3,261,798.46	239,394.20	1,494,997.41	4,996,190.07
Leases liabilities	-	266,419.27	-	266,419.27
Tax losses carry forward	133,232,052.10	19,259,091.53	-	152,491,143.63
Total	<u>136,523,492.67</u>	<u>19,735,262.89</u>	<u>1,494,997.41</u>	<u>157,753,752.97</u>
Deferred tax liabilities:				
Investment in available-for-sale securities	6,376.10	-	6,376.10	-
Inventories	2,384,390.93	713,021.51	-	1,671,369.42
Assets for leases	23,471,446.82	1,112,864.71	-	22,358,582.11
Equipment	6,654.90	4,654.96	-	1,999.94
Total	<u>25,868,868.75</u>	<u>1,830,541.18</u>	<u>6,376.10</u>	<u>24,031,951.47</u>

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JUNE 30, 2020

	Baht			
	Separate financial statements			
	Balance as at Dec. 31, 2019	Revenue (expenses) during the period In profit or loss	Balance as at Jun. 30, 2020 In other comprehensive income	
Deferred tax assets:				
Accrued expense-rental	29,642.11	(29,642.11)	-	-
Provision for employee benefit	2,898,230.26	205,950.29	1,376,875.65	4,481,056.20
Leases liabilities	-	32,662.17	-	32,662.17
Tax loss carry forward	133,232,052.10	19,259,091.53	-	152,491,143.63
Total	<u>136,159,924.47</u>	<u>19,468,061.88</u>	<u>1,376,875.65</u>	<u>157,004,862.00</u>
Deferred tax liabilities:				
Investment in available-for-sale securities	6,347.24	-	6,347.24	-
Inventories	2,384,390.93	713,021.51	-	1,671,369.42
Assets for leases	23,471,446.82	1,112,864.71	-	22,358,582.11
Equipment	6,654.90	4,654.96	-	1,999.94
Total	<u>25,868,839.89</u>	<u>1,830,541.18</u>	<u>6,347.24</u>	<u>24,031,951.47</u>

17. OTHER NON - CURRENT ASSETS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Deposit	5,174,875.20	5,169,533.20	1,373,425.67	1,368,083.67
Withholding tax deducted at source	255,584,568.59	224,976,174.64	255,321,826.25	224,771,022.46
<u>Less</u> allowance for the refund	<u>(48,732,773.63)</u>	<u>(41,273,886.63)</u>	<u>(48,732,773.63)</u>	<u>(41,273,886.63)</u>
Withholding tax deducted at source - net	<u>206,851,794.96</u>	<u>183,702,288.01</u>	<u>206,589,052.62</u>	<u>183,497,135.83</u>
Total	<u>212,026,670.16</u>	<u>188,871,821.21</u>	<u>207,962,478.29</u>	<u>184,865,219.50</u>

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019

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Bank overdrafts	-	1,880,056.54	-	1,880,056.54
Promissory notes	130,000,000.00	40,000,000.00	130,000,000.00	40,000,000.00
Total	130,000,000.00	41,880,056.54	130,000,000.00	41,880,056.54

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As at June 30, 2020 and December 31, 2019, the Company has the bank overdrafts with the two local commercial banks, with 2 credit lines total of Baht 25 million consist of the first credit line Baht 20 million and the second credit line Baht 5 million, carrying interest Fixed+1 and MOR per annum. The first loan is guaranteed by fixed deposit of Baht 10 million and the second loan is no guaranteed.

As at June 30, 2020 and December 31, 2019, the Company has short-term loans in promissory notes with five local commercial banks total of 6 credit lines, are as follows :-

Credit line No.	Credit line (Million Baht)	Interest rate (per annum)	Guaranteed
1	80	MMR	- The Company's fixed deposit amount of Baht 20 million
2	50	MMR	- Directors of the company
3	30	MMR	- No guaranteed
4	50	MMR	- No guaranteed
5	40	MMR	- No guaranteed
6	30	MMR	- No guaranteed
	<u>280</u>		

19. BILL OF EXCHANGE

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	As at June 30, 2020	As at December 31, 2019
Bill of exchange-at face value	-	200,000,000.00
<u>Less Discount</u>	-	<u>(330,269.82)</u>
Bill of exchange-amortized value	-	<u>199,669,730.18</u>

As at December 31, 2019, the Company has 2 bills of exchange in the amount of Baht 200 million. The interest rate is at fixed rate, due at the date specified on the front of the bill of exchange and the discount from the bill of exchange is recognized as finance cost for the six-month periods ended June 30, 2020 and 2019 in the amount of Baht 1.07 million and Baht 0.67 million, respectively in the consolidated and separate financial statements.

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JUNE 30, 2020

20. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	As at June 30, 2020	As at December 31, 2019
Long-term loans from financial institutions	1,199,750,383.80	1,020,874,590.17
<u>Less</u> Current portion due within one year	<u>(260,106,132.88)</u>	<u>(257,534,391.01)</u>
Net	<u>939,644,250.92</u>	<u>763,340,199.16</u>

As at June 30, 2020, the Company has 3 credit lines of long-term loans with two local financial institutions. Each credit line has been withdrawn to several loans and the details are as follows:

Credit line No.	Credit line using (Million Baht)	Withdraw loan (Million Baht)	Interest rate (per annum)	Monthly installment (Million Baht)	The first installment date of 1 st loan and the final installment date of final loan	Guaranteed The right of car's registers of the company
1	630	630	Fixed Rate	5.11	Aug. 16 - Jul. 21	1,033
2	1,000	812.57	Fixed Rate	17.35	Sep. 17 - Apr. 24	1,281
3	300	100	Fixed Rate+1.65	1.60	Mar. 20 - Mar. 24	131
	<u>1,930</u>	<u>1,542.57</u>		<u>24.06</u>		<u>2,445</u>

As at December 31, 2019, the Company has 4 credit lines of long-term loans with two local financial institutions. Each credit line has been withdrawn to several loans and the details are as follows:

Credit line No.	Credit line using (Million Baht)	Withdraw loan (Million Baht)	Interest rate (per annum)	Monthly installment (Million Baht)	The first installment date of 1 st loan and the final installment date of final loan	Guaranteed The right of car's registers of the company
1	630	546.83	Fixed Rate	5.96	Aug. 16 - Jul. 21	1,091
2	150	150	Fixed Rate	3.00	Sep. 16 - Dec. 19	23
3	200	200	Fixed Rate	4.00	Jan. 17 - Feb. 20	269
4	1,000	797.95	Fixed Rate	12.94	Sep. 17 - Feb. 23	956
	<u>1,980</u>	<u>1,694.78</u>		<u>25.90</u>		<u>2,339</u>

Under the long - term loan agreements, the Company shall have to comply with certain conditions and restrictions as specified in the agreement. The Company has to maintain a proper financial ratio at the agreed rate (3.5 : 1 times).

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JUNE 30, 2020

As at June 30, 2020 and December 31, 2019, the movement in long-term loans from financial institutions are as follows:-

	Baht	
	Consolidated/Separate financial statements	
	As at June 30, 2020	As at December 31, 2019
Balance beginning of the period	1,020,874,590.17	1,087,021,431.56
<u>Add</u> Loan increase during the period	370,951,856.50	350,570,845.00
<u>Less</u> Repayment during the period	(192,076,062.87)	(416,717,686.39)
Balance ending of the period	<u>1,199,750,383.80</u>	<u>1,020,874,590.17</u>

21. LEASE LIABILITIES

Movements of the lease liabilities account for the six-month period ended June 30, 2020 are summarized as follows.

	Baht	
	Consolidated financial statements	Separate financial statements
Balance as at December 31, 2019	51,613,997.56	51,613,997.56
Effects of the adoption of TFRS16	98,150,277.97	12,698,741.80
Balance as at January 1, 2020	<u>149,764,275.53</u>	<u>64,312,739.36</u>
Addition	118,734,511.19	118,734,511.19
Accretion of interest	(7,691,460.08)	(7,691,460.08)
Difference from rental reduction	(242,520.05)	-
Payments in the period	<u>(32,777,147.59)</u>	<u>(27,448,478.52)</u>
Balance as at June 30, 2020	227,787,659.00	147,907,311.95
<u>Less</u> current portion	<u>(60,678,598.97)</u>	<u>(50,061,367.86)</u>
Lease liabilities - net of current portion	<u>167,109,060.03</u>	<u>97,845,944.09</u>

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KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
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As at June 30, 2020, the Company and subsidiary have lease liabilities to be paid as follows:

	Baht					
	Consolidated financial statements			Separate financial statements		
	Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts
Payment due within 1 year	60,678,598.97	7,206,168.02	67,884,766.99	50,061,367.86	3,700,188.61	53,761,556.47
Payment due over 1 year to 5 years	125,105,244.95	16,005,476.47	141,110,721.42	93,099,550.29	6,342,161.31	99,441,711.60
Payment due over 5 years	42,003,815.08	6,329,525.91	48,333,340.99	4,746,393.80	267,106.19	5,013,499.99
Total	<u>227,787,659.00</u>	<u>29,541,170.40</u>	<u>257,328,829.40</u>	<u>147,907,311.95</u>	<u>10,309,456.11</u>	<u>158,216,768.06</u>

22. DEBENTURES

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	As at June 30, 2020	As at December 31, 2019
Unsecured debentures - at face value	1,550,000,000.00	1,850,000,000.00
<u>Less</u> Deferred expenses on debentures issuance	<u>(1,623,241.25)</u>	<u>(2,114,088.71)</u>
	1,548,376,758.75	1,847,885,911.29
<u>Less</u> Current portion due within one year	<u>(249,988,194.44)</u>	<u>(549,836,002.86)</u>
Net	<u>1,298,388,564.31</u>	<u>1,298,049,908.43</u>

As at June 30, 2020, the Company has the name-registered of unsubordinated, unsecured and non-holder's representative debentures. The debentures are available to institutional investors and major shareholders in the Notification of Securities and Exchange Commission. The details of issuance of debentures were as below:

Issued No. 2

Debenture issued on	: July 31, 2017
Debentures value	: Baht 250 million (250,000 units of par value of Baht 1,000 each)
Period and maturity date	: 3 years 4 days will mature on August 4, 2020
Interest rate	: Fixed rate of 3.22% per annum
Interest payment due	: Every January 31, April 30, July 31 and October 31 of each year

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

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Issued No. 3

Debenture issued on	:	March 28, 2018
Debentures value	:	Baht 600 million (600,000 units of par value of Baht 1,000 each)
Period and maturity date	:	4 years will mature on March 28, 2022
Interest rate	:	Fixed rate of 2.46% per annum
Interest payment due	:	Every March 28 and September 28 of each year

Issued No. 4

Debenture issued on	:	July 25, 2019
Debentures value	:	Baht 700 million (700,000 units of par value of Baht 1,000 each)
Period and maturity date	:	4 years will mature on July 25, 2023
Interest rate	:	Fixed rate of 2.96% per annum
Interest payment due	:	Every July 25 and January 25 of each year

Debenture issuing costs are recorded as deferred financial fees and amortized to be interest expense using the effective interest rate method over the term of the debentures. Deferred debenture issuing costs are presented as a deduction against the debenture amounts in the statement of financial position.

23. PROVISION FOR EMPLOYEE BENEFIT

Provision for employee benefit are as follows

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	At as December	As at June	At as December
	30, 2020	31, 2019	30, 2020	31, 2019
Provision for employee benefits at beginning of period	16,308,992.31	12,255,423.31	14,491,151.31	10,364,561.31
Actuarial loss	7,474,987.07	3,530,233.00	6,884,378.27	3,051,310.00
Benefits paid by the plan	(77,490.00)	(4,887,399.00)	-	(3,637,500.00)
Past service costs and interest				
- change a considered a post employment plan amendment	-	3,277,686.00	-	3,072,470.00

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Current service costs and interest	1,274,460.98	2,133,049.00	1,029,751.42	1,640,310.00
Provision for employee benefits at ending of period	24,980,950.36	16,308,992.31	22,405,281.00	14,491,151.31

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

The statements of comprehensive income

	Consolidated financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Past service costs and interest	-	3,277,686.00	-	3,277,686.00
Current service costs and interest				
Service costs	539,925.81	459,630.00	1,082,130.77	778,697.50
Interest expenses	96,118.00	173,938.25	192,330.21	287,827.00
	636,043.81	633,568.25	1,274,460.98	1,066,524.50
Total	636,043.81	3,911,254.25	1,274,460.98	4,344,210.50

	Separate financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Past service costs and interest	-	3,072,470.00	-	3,072,470.00
Current service costs and interest				
Service costs	428,839.20	349,285.75	857,678.39	573,679.00
Interest expenses	86,036.52	151,311.00	172,073.03	246,476.00
	514,875.72	500,596.75	1,029,751.42	820,155.00
Total	514,875.72	3,573,066.75	1,029,751.42	3,892,625.00

Principal actuarial assumptions in the estimates based on the actuarial principles

For the six-month periods ended June 30, 2020 and 2019

	Percentage			
	Consolidated financial statements		Separate financial statement	
	2020	2019	2020	2019
Discount rate	1.61 - 1.69	3.30 - 3.38	1.61	3.38
Salary increase rate	6.00	6.94	6.00	6.94
Employee turnover rate				
Less than 30 years	25.79 - 34.38	28.00 - 38.00	25.79 - 34.38	28.00 - 38.00
Age 30 - 39 years	11.46 - 17.19	18.00	11.46 - 17.19	18.00
Age 40 - 49 years	5.73 - 8.60	9.00	5.73 - 8.60	9.00
Age 50 - 60 years	5.73	5.00	5.73	5.00
Disability rate	Included of mortality rate	10 of mortality rate	Included of mortality rate	10 of mortality rate

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Mortality rate	105.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017	105.00 of Thai mortality table 2017	100.00 of Thai mortality table 2017
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

24. OTHER INCOME

This account consisted of:-

	Consolidated financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Interest income	125,825.70	182,158.73	256,123.80	511,451.05
Penalty of cancelled contracts	2,878,465.72	2,829,573.53	4,903,768.69	4,616,179.00
Repairing service income	1,124,178.50	1,325,108.50	2,431,755.50	2,602,021.00
Commission income	2,903,695.27	2,980,296.44	5,249,546.95	5,432,943.37
Sale promotion income	432,448.58	1,517,252.53	6,378,365.30	2,701,984.29
Others	6,175,691.41	5,700,094.59	12,662,214.01	13,129,382.27
Total	<u>13,640,305.18</u>	<u>14,534,484.32</u>	<u>31,881,774.25</u>	<u>28,993,960.98</u>

	Separate financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Interest income	125,754.01	214,964.12	256,052.11	634,727.67
Penalty of cancelled contracts	2,878,465.72	2,829,573.53	4,903,768.69	4,616,179.00
Repairing service income	1,124,178.50	1,325,108.50	2,431,755.50	2,602,021.00
Sale promotion income	383,840.00	1,484,000.00	6,099,840.00	2,580,000.00
Others	3,955,708.05	2,850,818.62	7,929,174.34	7,231,080.98
Total	<u>8,467,946.28</u>	<u>8,704,464.77</u>	<u>21,620,590.64</u>	<u>17,664,008.65</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
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26. DIVIDEND

At the ordinary shareholders' meeting for the year 2020 held on April 24, 2020, the shareholders unanimously approved to pay dividend from the Company operation year 2019 to the shareholders with Baht 0.70 per share, in the amount of Baht 175 million. The dividend paid in the amount of Baht 90 million, appropriated for 250,000,000 shares of Baht 0.36 each was paid on September 10, 2019, and the remaining in the amount of Baht 85 million, appropriated for 250,000,000 shares of Baht 0.34 each was paid on May 22, 2020.

27. BASIC EARNINGS PER SHARE

Basic earnings per share is computed by dividing profit for the period attributable to shareholders of the Company (excluded other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Profit for the period attributable to ordinary shareholders (Baht)	51,896,264.17	55,272,688.40	112,033,911.86	114,565,150.43
Weighted average number of ordinary shares (Shares)	250,000,000	250,000,000	250,000,000	250,000,000
Basic earnings per share (Baht per share)	0.21	0.22	0.45	0.46

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Profit for the period attributable to ordinary shareholders (Baht)	51,766,607.86	52,963,001.63	110,208,468.04	111,951,939.60
Weighted average number of ordinary shares (Shares)	250,000,000	250,000,000	250,000,000	250,000,000
Basic earnings per share (Baht per share)	0.21	0.21	0.44	0.45

28. COMMITMENTS AND CONTINGENT LIABILITIES

28.1 Commitments of services contracts

As at June 30, 2020, the Company has 3 services contracts for the periods 1-2 years, the total rate of service charge of Baht 0.84 million per year.

28.2 Commitments of capital expenditure

As at June 30, 2020, the Company has the commitment about installation and software development system agreement, which the Company will be to pay under the both agreement in the amount of Baht 4.49 million (included VAT).

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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And the subsidiary company has the commitment about website design agreement, which the Company will be to pay in the amount of Baht 0.08 million (included VAT).

28.3 Guarantee

As at June 30, 2020, the Company has letters of guarantee issued by three local commercial bank for rental bidding guarantee in the amount of Baht 104.65 million and using electricity in the amount of Baht 0.19 million. (total guarantee of Baht 265 million).

And the subsidiary company has 3 letters of guarantee issued by a local commercial bank for using electricity, guarantee by fixed deposit of directors in the amount of Baht 0.19 million.

29. SEGMENT INFORMATION

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.

The Company and its subsidiary, business operations involve 2 principal segments: (1) Car rental and (2) Used car distribution and its operations are mainly carried in the same geographic area in Thailand. The financial information by segments are classified by business activities as follows.

Business activities are classified by product segments for the for the three-month and six-month periods ended June 30, 2020 and 2019 as follows :-

	Consolidated financial statements (Thousand Baht)					
	For the three-month periods ended June 30,					
	Car rent of operating		Used car distribution		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Income on car leases	321,748	315,075	-	-	321,748	315,075
Income on sale of cars	186,002	123,609	29,590	52,634	215,592	176,243
Total	507,750	438,684	29,590	52,634	537,340	491,318
Cost						
Cost of car leases	282,008	267,665	-	-	282,008	267,665
Cost of sales of cars	130,260	77,170	28,568	46,157	158,828	123,327
Total	412,268	344,835	28,568	46,157	440,836	390,992
Gross profit	95,482	93,849	1,022	6,477	96,504	100,326

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	For the six-month periods ended June 30,					
	Car rent of operating		Used car distribution		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Income on car leases	649,972	619,723	-	-	649,972	619,723
Income on sale of cars	343,167	255,597	73,474	105,774	416,641	361,371
Total	993,139	875,320	73,474	105,774	1,066,613	981,094
Cost						
Cost of car leases	569,855	524,853	-	-	569,855	524,853
Cost of sales of cars	233,625	160,031	67,711	94,045	301,336	254,076
Total	803,480	684,884	67,711	94,045	871,191	778,929
Gross profit	189,659	190,436	5,763	11,729	195,422	202,165
<u>Total assets as at June 30,</u>						
Assets for leases	4,181,710	4,143,310	-	-	4,181,710	4,143,310
Fixed assets	4,007	10,558	170,862	177,649	174,869	188,207
Right of use assets	16,740	-	83,058	-	99,798	-
Intangible assets	10,253	5,592	1,311	769	11,564	6,361
Other assets	919,669	815,123	14,297	118,555	933,966	933,678
Total	5,132,379	4,974,583	269,528	296,973	5,401,907	5,271,556

Major customers

The Company and its subsidiary have no major customer (with revenue of 10 percent or more of an entity's revenue).

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company and its subsidiary use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

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As at June 30, 2020, the Company and its subsidiary had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht			
	Consolidated/ Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
-Unit trust	-	2,599.78	-	2,599.78

During the current period, there were no transfers within the fair value hierarchy.

Valuation techniques and inputs for Level 2 valuations

The fair value of investments in investment units which are not listed on the Stock Exchange of Thailand, is determined by using the net assets value per unit as announced by the fund managers.

31. EVENTS AFTER THE REPORTING PERIOD

At the Board of Director' meeting No.3/2020 held on August 10, 2020, the Board of Directors unanimously approved to pay interim dividend from the Company operation for the period ended June 30, 2020 in the amount of Baht 55 million, (appropriated for 250,000,000 shares of Baht 0.22 each) will be pay within September 9, 2020.

32. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company and its subsidiaries, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

33. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors of the Company on August 10, 2020.