

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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 Bangkokapi,  
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 the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with Thai financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re: the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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

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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:-

<u>Subsidiary company</u>	<u>Main business</u>	<u>Percentage of holding</u>
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 The financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

2.4 The financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a number of 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.

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**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.

**TFRS 16 Leases**

These TFRSs 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 TFRS 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 management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Recognition of revenues and expenses**

The revenues from car leases are recognized revenue by the straight-line method over the period of contracts but will not recognized if its customers has not paid the leases charges over 3 months.

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Interest income is recognized revenue on a time proportion basis that takes into account the effective yield on the asset.

Dividend incomes are recognized when the right to receive the dividends is established.

Other incomes and expenses are recognized on the accrual basis.

**3.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash and deposits at financial institutions with an original maturity of 3 months or less and excluded cash at banks which are used for guarantee.

**3.3 Current investment**

Investment in available-for-sale securities are determined at fair value. Gains or losses arising from changes in the fair value of securities are recorded separate in shareholder's equity and recorded as gains or losses in statement of comprehensive income when sale of those securities.

The fair value of unit trusts is calculated from their net asset value of the fund.

**3.4 Allowance for doubtful accounts**

The Company and its subsidiary provide allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience and a review of the current status of existing receivables.

**3.5 Inventories**

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

The Company determines the cost of spare part by the weighted average method.

The subsidiary company determines the cost of car by the specific method.

The net realizable value of inventory is estimated from selling price in the ordinary course of business, less the estimated costs to complete the sale.

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3.6 Investment in subsidiary company

Subsidiary is entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiary is consolidated from the date the Company exercises control over the subsidiary until the date that control power ceases.

Investments in subsidiary company in the separate financial statements are recorded under the cost method net by the allowance for the impairment of investments (if any).

3.7 Assets for disposal

Assets for disposal are stated at cost after deducted accumulated depreciation and allowance for the impairment (if any).

3.8 Assets for leases

Assets for leases (car) are stated at cost after deducted accumulated depreciation and allowance for impairment (if any). Depreciation of assets for leases is calculated by cost less residual value on the straight-line method over the estimated useful lives of 5 years.

The Company has reviewed the residual value and useful life of the assets for lease regularly.

3.9 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost after deducted accumulated depreciation and allowance on decline in value (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation of equipment is calculated by cost less residual value on the straight-line method over the following estimated useful lives:

	<u>Useful lives (years)</u>
Building	20
Equipment	5
Furniture & fixture and office equipment	5
Vehicles	5

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The Company and its subsidiary have reviewed the residual value and useful life of the assets regularly.

No depreciation is provided on land, construction in progress and equipment under installation.

The depreciation for each assets component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

Property, Plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

**3.10 Intangible assets**

Intangible assets limited useful life are consisted of computer software that stated at cost after deducted accumulated amortization and net by the allowance for impairment of assets (if any).

Amortization is recorded as expenses in statements of comprehensive income and calculated by the straight -line method over the estimated economic useful live :

	<u>Useful lives (years)</u>
Computer software	10
Copyright	10

**3.11 Leasehold right**

Leasehold right, utilization right of buildings on leasehold right and utilization right of land improvement on leasehold are stated at cost after deducted accumulated amortization. Amortization is calculated by the straight-line method follow the rental contract areas follow:-

The leasehold right land is amortized over the period of 22 years.

The utilization right of building on leasehold right is amortized following the rental contract remaining over the estimated useful live of 20 years.

Utilization right of land improvement on leasehold is amortized over the estimated useful live of 5 years and 10 years.

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3.12 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.13 Operating leases

Leases where most of the substantial risks and rewards of ownership of assets still remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

3.14 Finance lease

Leases which transfer to the Company and subsidiary most of substantial risks and rewards of ownership others than legal title, are accounted for as financial leases. At the inception of the lease, the fair value of assets is recorded together with the obligation, excluding interest element, to pay future rentals (if any). Interest or financial charges are recognized as expenses in the statement of comprehensive income in proportion to the principal balance.

3.15 Impairment of assets

As at the statement of financial position date, the Company and subsidiary assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

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When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in the statement of comprehensive income even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in the statement of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in the statement of comprehensive income.

3.16 Employee benefits

Short - term employment benefits

The Company and its subsidiary recognize salary, overtime, bonus, social securities and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its subsidiary have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiary have obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in statement of comprehensive income.



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3.17 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.18 Using of accounting estimation

Preparation of financial statements in accordance with the financial reporting standards requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

3.19 Income tax expenses

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiary record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

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The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiary will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiary expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiary will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income tax levied by the same tax authority on the same taxable entity.

3.20 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

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Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

Assets for leases/depreciation

In determining depreciation of Assets for leases, the management is required to make estimates of the useful lives and residual values of Assets for leases and to review the estimated useful lives and residual values when there are any changes.

Property, plant and equipment/depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

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

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

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Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

**4. TRANSACTIONS WITH RELATED PARTIES**

Transactions 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
Mitsu Impression Co., Ltd.	Selling car and repair service	Shareholder/Co-Director
Car Loft Import Co., Ltd.	Selling car import	Shareholder/Co-Director
<u>Related person</u>		
Mrs. Wipaporn Chantarasereekul		Shareholder/the mother of director

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

		Baht			
		Consolidated financial statements		Separate financial statements	
Pricing Policy		2019	2018	2019	2018
<u>Transaction in the statements of comprehensive income</u>					
<u>Subsidiary company</u>					
Revenue :					
Interest received	Interest rate of 2.50% - 3.10% per annum	-	-	141,005.48	946,709.59
Expenses :					
Commission expenses	Agreed price	-	-	11,985,981.14	15,042,056.07
Sales promotion expenses	Agreed price	-	-	13,146,000.00	-
Purchase of assets :					
Cars for leases	Market price for major buyer	-	-	364,485.98	677,570.09

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Pricing Policy	Baht				
	Consolidated financial statements		Separate financial statements		
	2019	2018	2019	2018	
<u>Related company</u>					
Revenue :					
Show room for rent					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 350 sqm., rental charge at 83,000 Baht/Month	996,000.00	996,000.00	996,000.00	996,000.00
Service center income					
Siam Nissan Krungthai Co., Ltd.	Agreed price	5,250,870.00	4,806,657.00	5,250,870.00	4,806,657.00
Rental fee					
Car Loft Import Co., Ltd.	Rental charge at 86,290 Baht/Month	-	1,035,480.00	-	1,035,480.00
Interest received					
Siam Nissan Krungthai Co., Ltd.	Interest rate of 3.15% per annum	210,575.34	-	210,575.34	-
Car Loft Import Co., Ltd.	Interest rate of 2.75% - 2.80% per annum	-	155,582.19	-	155,582.19
		<u>210,575.34</u>	<u>155,582.19</u>	<u>210,575.34</u>	<u>155,582.19</u>
Expenses :					
Purchase of inventories					
Toyota Krungthai Co., Ltd.	Market price net of special fleet discount	-	14,729,906.54	-	-
Service centre and carpark rental					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 1,490 sqm. And 3,000 sqm., charge 100,000 Baht/Month	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00
Land rental fee					
Toyota Krungthai Co., Ltd.	Rental charge at 150,000 Baht/Month	1,800,000.00	1,800,000.00	-	-
Thanapat Property Co., Ltd.	Rental charge at 70,000 Baht/Month	840,000.00	840,000.00	-	-
		<u>2,640,000.00</u>	<u>2,640,000.00</u>	<u>-</u>	<u>-</u>
Commission expense					
Car Loft Import Co., Ltd.	Agreed price	490,654.20	336,448.00	490,654.20	336,448.00
Repair expense					
Siam Nissan Krungthai Co., Ltd.	Market price for major buyer	1,617,700.36	1,904,640.14	1,613,450.36	1,804,296.16
Toyota Krungthai Co., Ltd.	Market price for major buyer	10,045,696.26	9,946,109.78	8,436,109.91	4,970,080.59
Car Loft Import Co., Ltd.	Market price for major buyer	695,752.00	239,926.41	695,752.00	239,926.41
		<u>12,359,148.62</u>	<u>12,090,676.33</u>	<u>10,745,312.27</u>	<u>7,014,303.16</u>
Purchase of assets :					
Car for leases					
Siam Nissan Krungthai Co., Ltd.	Market price net of special fleet discount	4,458,790.65	10,989,717.77	4,458,790.65	10,989,717.77
Toyota Krungthai Co., Ltd.	Market price net of special fleet discount	886,103,505.23	453,395,932.71	886,103,505.23	453,395,932.71
Mitsu Impression Co., Ltd.	Market price net of special fleet discount	71,369,114.02	-	71,369,114.02	-
Car Loft Import Co., Ltd.	Market price for major buyer	73,601,869.16	22,943,925.24	73,601,869.16	22,943,925.24
		<u>1,035,533,279.06</u>	<u>487,329,575.72</u>	<u>1,035,533,279.06</u>	<u>487,329,575.72</u>
<u>Related person</u>					
Interest expenses	Interest rate of 3.22% per annum	3,220,000.00	3,220,000.00	3,220,000.00	3,220,000.00

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The outstanding between the Company, subsidiary and related companies as at December 31, 2019 and 2018 are as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b><u>Outstanding balances at the statements of financial position</u></b>				
<b><u>Subsidiary company</u></b>				
Receivable - down payment	-	-	808,444.00	1,747,614.00
Accrued interest income	-	-	-	17,326.03
Accrued interest expenses	-	-	4,188.74	-
Subsidiary payable	-	-	17,962,038.05	-
Accrued expenses - commission	-	-	5,230,000.00	1,815,000.00
Short-term loans to :				
Balance beginning	-	-	15,000,000.00	33,000,000.00
Additional loans	-	-	7,000,000.00	34,000,000.00
Return loans	-	-	(22,000,000.00)	(52,000,000.00)
Balance forward	-	-	-	15,000,000.00
<b><u>Related company</u></b>				
Other receivables				
Siam Nissan Krungthai Co., Ltd.	938,513.06	885,117.38	938,513.06	885,117.38
Trade and other payables				
Siam Nissan Krungthai Co., Ltd.	86,066.21	182,564.54	86,066.21	113,683.29
Toyota Krungthai Co., Ltd.	1,263,836.38	1,852,066.13	1,263,836.38	1,420,069.69
Car Loft Import Co., Ltd.	148,222.84	36,448.66	125,658.67	36,448.66
Total	1,498,125.43	2,071,079.33	1,475,561.26	1,570,201.64
Payables - purchase assets for leases				
Toyota Krungthai Co., Ltd.	57,744,894.60	130,402,465.07	57,744,894.60	130,402,465.07
Accrued expenses - commission				
Car Loft Import Co., Ltd.	56,074.77	84,112.15	56,074.77	84,112.15
Short-term loans to :				
Car Loft Import Co., Ltd.				
Balance beginning	-	-	-	-
Additional loan	-	35,000,000.00	-	35,000,000.00
Return loan	-	(35,000,000.00)	-	(35,000,000.00)
Balance forward	-	-	-	-
Siam Nissan Krungthai Co., Ltd.				
Balance beginning	-	-	-	-
Additional loan	40,000,000.00	-	40,000,000.00	-
Return loan	(40,000,000.00)	-	(40,000,000.00)	-
Balance forward	-	-	-	-
<b><u>Related person</u></b>				
Debentures	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00
Accrued interest expenses	79,397.26	79,397.26	79,397.26	79,397.26

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Directors and executive remuneration

Management benefit expenses represents the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the securities and Exchange Act. The management comprises board of directors, president, executive director, assistant managing directors and manager.

Directors and executive remuneration for the years ended December 31, 2019 and 2018 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Directors	1,555,903.10	1,348,202.06	1,555,903.10	1,348,202.06
Executive directors	8,993,944.38	8,293,729.65	8,993,944.38	8,293,729.65
Executives	11,144,210.91	12,421,865.64	10,973,381.77	10,177,026.80
Total	21,694,058.39	22,063,797.35	21,523,229.25	19,818,958.51

**5. CASH AND CASH EQUIVALENTS**

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	288,515.34	818,337.68	111,569.31	200,168.98
Cash at banks - current accounts	5,645,031.20	23,078,223.71	5,645,031.20	23,078,223.71
Cash at banks - savings accounts	80,437,170.58	65,966,938.19	80,179,106.59	52,332,606.43
Total	86,370,717.12	89,863,499.58	85,935,707.10	75,610,999.12

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 December 31, 2019 and 2018, the Company has cash at banks-savings accounts has interest rate of 0.10% - 0.375% per annum.

**6. INVESTMENT IN AVAILABLE - FOR - SALE SECURITIES**

This account consisted of:

	Consolidated financial statements			
	2019		2018	
	Units	Baht	Units	Baht
Investment in available-for-sale securities - at cost	4,279,954.2398	59,055,223.50	1,547,492.3493	21,072,313.34
<u>Add Unrealized gain from valuation of investment</u>		31,880.50		12,536.18
Total investment in available-for-sale securities - at fair value		59,087,104.00		21,084,849.52

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

**DECEMBER 31, 2019**

	Separate financial statements			
	2019		2018	
	Units	Baht	Units	Baht
Investment in available-for-sale securities - at cost	4,279,520.5608	59,049,380.68	1,547,058.6703	21,066,470.52
<u>Add</u> Unrealized gain from valuation of investment		31,736.21		12,468.78
Total investment in available-for-sale securities - at fair value		<u>59,081,116.89</u>		<u>21,078,939.30</u>

**7. TRADE AND OTHER RECEIVABLES**

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Undue	111,640,627.38	128,709,986.35	103,376,810.88	111,989,341.80
Over 0 months to 3 months	12,466,489.42	19,599,628.79	11,736,107.42	16,744,132.79
Over 3 months to 6 months	2,495,695.04	2,848,043.25	1,620,975.39	2,113,609.25
Over 6 months to 12 months	1,569,823.82	2,891,375.72	1,569,823.82	2,891,375.72
Over 12 months	1,345,224.00	1,627,652.61	1,345,224.00	1,627,652.61
Total	<u>129,517,859.66</u>	<u>155,676,686.72</u>	<u>119,648,941.51</u>	<u>135,366,112.17</u>
<u>Less</u> Allowance for doubtful accounts	<u>(3,677,091.67)</u>	<u>(5,259,690.68)</u>	<u>(3,677,091.67)</u>	<u>(5,259,690.68)</u>
Trade receivables - net	<u>125,840,767.99</u>	<u>150,416,996.04</u>	<u>115,971,849.84</u>	<u>130,106,421.49</u>
Other receivables				
Accrued incomes	9,684,856.04	5,957,716.05	9,486,241.63	5,012,616.05
Prepaid expenses	23,464,726.68	17,927,135.98	23,302,990.49	17,763,161.58
Insurance receivables	3,067,084.14	3,439,989.21	3,067,084.14	3,439,989.21
Other	5,730,571.88	4,256,681.79	3,577,580.35	3,092,124.21
Total other receivables	<u>41,947,238.74</u>	<u>31,581,523.03</u>	<u>39,433,896.61</u>	<u>29,307,891.05</u>
Total trade and other receivables	<u>167,788,006.73</u>	<u>181,998,519.07</u>	<u>155,405,746.45</u>	<u>159,414,312.54</u>
Trade receivables-net consisted of:				
Trade receivables of car leases	94,542,099.08	87,986,201.36	94,542,099.08	87,986,201.36
Trade receivables of sale of cars	<u>31,298,668.91</u>	<u>62,430,794.68</u>	<u>21,429,750.76</u>	<u>42,120,220.13</u>
Total	<u>125,840,767.99</u>	<u>150,416,996.04</u>	<u>115,971,849.84</u>	<u>130,106,421.49</u>

Allowance for doubtful debts is changed during the year as follows:-

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Beginning balance	5,259,690.68	6,684,722.54
Increase (decrease) during the year	(61,656.30)	2,264,271.36
Bad debt during the year	<u>(1,520,942.71)</u>	<u>(3,689,303.22)</u>
Ending balance	<u>3,677,091.67</u>	<u>5,259,690.68</u>



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

**DECEMBER 31, 2019**

**8. INVENTORIES**

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Car	233,357,717.69	163,512,430.05	161,184,752.08	80,070,253.65
Spare parts of car	1,662,559.05	1,894,448.75	1,662,559.05	1,894,448.75
Total	<u>235,020,276.74</u>	<u>165,406,878.80</u>	<u>162,847,311.13</u>	<u>81,964,702.40</u>

**9. CASH AT BANK USING FOR GUARANTEE**

As at December 31, 2019 and 2018, the Company has fixed deposit accounts with a local commercial banks 3 credit lines and two local commercial banks 3 credit lines, respectively.

Fixed deposit accounts was guaranteed as follows:-

Credit line No.	Credit amount (Million Baht)		Guaranteed
	2019	2018	
1	20	20	- The letter of guarantee issued by the bank for rental, bidding and using electricity of the Company in credit line of Baht 100 million.
2	20	20	- Short - term loans in promissory note in credit line of Baht 80 million (see Note 16).
	10	10	- Bank overdrafts credit line of Baht 20 million (see Note 16).
3	-	7	- The credit line of car purchasing with a local leasing company at 10% of the credit that car purchasing.
	<u>50</u>	<u>57</u>	

During the year 2019 and 2018, the fixed deposit accounts has interest rate of 0.90% - 0.95% per annum.

**10. INVESTMENT IN SUBSIDIARY COMPANY**

This account consisted of:

	Baht							
					Value of investment under the equity method		Separate financial statements At cost	
					2019	2018	2019	2018
	Number of shares		Percentage of holding					
	2019	2018	2019	2018				
<u>Subsidiary company</u>								
Krungthai Automobile Co., Ltd.	400,000	400,000	100	100	283,010,405.46	280,561,159.02	48,812,300.00	48,812,300.00
					<u>283,010,405.46</u>	<u>280,561,159.02</u>	<u>48,812,300.00</u>	<u>48,812,300.00</u>

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

**11. ASSETS FOR LEASES**

This account consisted of:

	Baht			
	Consolidated/Separate financial statements			
	Balance per book Dec. 31, 2018	Additions	Transferred in (Transferred out)	Balance per book Dec. 31, 2019
<u>At cost</u>				
Car	5,489,530,551.78	1,647,291,595.55	(916,107,483.46)	6,220,714,663.87
Car accessories	166,870,334.94	24,542,817.48	(8,698,243.83)	182,714,908.59
Total	<u>5,656,400,886.72</u>	<u>1,671,834,413.03</u>	<u>(924,805,727.29)</u>	<u>6,403,429,572.46</u>
<u>Less Accumulated depreciation</u>				
Car	1,787,137,031.95	788,115,590.14	(564,189,266.22)	2,011,063,355.87
Car accessories	74,885,216.84	33,719,516.51	(7,931,835.52)	100,672,897.83
Total	<u>1,862,022,248.79</u>	<u>821,835,106.65</u>	<u>(572,121,101.74)</u>	<u>2,111,736,253.70</u>
Assets for leases - net	<u>3,794,378,637.93</u>			<u>4,291,693,318.76</u>

	Baht			
	Consolidated/Separate financial statements			
	Balance per book Dec. 31, 2017	Additions	Transferred in (Transferred out)	Balance per book Dec. 31, 2018
<u>At cost</u>				
Car	5,261,663,595.97	972,979,666.99	(745,112,711.18)	5,489,530,551.78
Car accessories	174,054,542.46	21,207,959.32	(28,392,166.84)	166,870,334.94
Total	<u>5,435,718,138.43</u>	<u>994,187,626.31</u>	<u>(773,504,878.02)</u>	<u>5,656,400,886.72</u>
<u>Less Accumulated depreciation</u>				
Car	1,523,554,537.71	708,711,241.23	(445,128,746.99)	1,787,137,031.95
Car accessories	69,272,418.03	31,901,504.87	(26,288,706.06)	74,885,216.84
Total	<u>1,592,826,955.74</u>	<u>740,612,746.10</u>	<u>(471,417,453.05)</u>	<u>1,862,022,248.79</u>
Assets for leases - net	<u>3,842,891,182.69</u>			<u>3,794,378,637.93</u>

As at December 31, 2019 and 2018, the Company has cars for leases under hire - purchase agreements as follow:-

	Baht			
	Amount Cars		Net Value	
	2019	2018	2019	2018
Cars	253	507	77,795,910.68	185,026,793.22

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

As at December 31, 2019 and 2018, the Company has transferred the right of 2,339 and 2,550 cars' registers, respectively as collateral for long-term loans from 2 local financial institutions. (see Note 20).

As at December 31, 2019 and 2018, the Company has minimum amounts on car leases under uncanceled operating lease agreements, presented by amounting in contracts as follow :-

	Baht	
	2019	2018
Under 1 year	1,169,065,323.50	1,060,576,892.25
Over 1 year to 5 years	1,788,656,580.95	1,623,999,783.20
Total	2,957,721,904.45	2,684,576,675.45

As at December 31, 2019 and 2018, the Company has been fully depreciated cars for leases but they are still in used at total amounting cost of Baht 255.53 million and Baht 175.77 million, respectively.

**12. PROPERTY, PLANT AND EQUIPMENT**

This account consisted of:

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2018	Additions	Deductions	Balance per book Dec. 31, 2019
<u>At cost</u>				
Land	143,650,000.00	-	-	143,650,000.00
Building	27,591,810.02	-	-	27,591,810.02
Equipment	9,494,343.57	386,889.64	-	9,881,233.21
Furniture & fixture and office equipment	33,937,258.58	1,185,179.09	(1,230,800.94)	33,891,636.73
Vehicles	260,003.74	-	-	260,003.74
Work in progress	-	947,657.00	-	947,657.00
Total	214,933,415.91	2,519,725.73	(1,230,800.94)	216,222,340.70
<u>Less Accumulated depreciation</u>				
Building	1,358,150.61	1,379,590.50	-	2,737,741.11
Equipment	7,218,011.55	700,421.14	-	7,918,432.69
Furniture & fixture and office equipment	28,868,912.00	1,571,422.01	(1,230,795.94)	29,209,538.07
Vehicles	259,996.77	-	-	259,996.77
Total	37,705,070.93	3,651,433.65	(1,230,795.94)	40,125,708.64
Property, plant and equipment - net	177,228,344.98			176,096,632.06

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

	Baht			
	Consolidated financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2017			Dec. 31, 2018
<u>At cost</u>				
Land	143,650,000.00	-	-	143,650,000.00
Building	26,340,000.02	1,251,810.00	-	27,591,810.02
Equipment	9,989,789.48	570,169.59	(1,065,615.50)	9,494,343.57
Furniture & fixture and office equipment	30,658,555.67	3,452,300.11	(173,597.20)	33,937,258.58
Vehicles	260,003.74	-	-	260,003.74
Total	<u>210,898,348.91</u>	<u>5,274,279.70</u>	<u>(1,239,212.70)</u>	<u>214,933,415.91</u>
<u>Less Accumulated depreciation</u>				
Equipment	10,684.93	1,347,465.68	-	1,358,150.61
Building	7,632,580.59	651,042.46	(1,065,611.50)	7,218,011.55
Furniture & fixture and office equipment	27,670,393.14	1,372,111.06	(173,592.20)	28,868,912.00
Vehicles	259,996.77	-	-	259,996.77
Total	<u>35,573,655.43</u>	<u>3,370,619.20</u>	<u>(1,239,203.70)</u>	<u>37,705,070.93</u>
Property, plant and equipment - net	<u>175,324,693.48</u>			<u>177,228,344.98</u>

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2018			Dec. 31, 2019
<u>At cost</u>				
Equipment	8,175,329.63	287,555.30	-	8,462,884.93
Furniture & fixture and office equipment	23,382,553.05	875,682.11	(1,217,000.94)	23,041,234.22
Vehicles	260,003.74	-	-	260,003.74
Total	<u>31,817,886.42</u>	<u>1,163,237.41</u>	<u>(1,217,000.94)</u>	<u>31,764,122.89</u>
<u>Less Accumulated depreciation</u>				
Equipment	6,053,157.50	652,217.08	-	6,705,374.58
Furniture & fixture and office equipment	21,120,024.26	785,645.64	(1,216,996.94)	20,688,672.96
Vehicles	259,996.77	-	-	259,996.77
Total	<u>27,433,178.53</u>	<u>1,437,862.72</u>	<u>(1,216,996.94)</u>	<u>27,654,044.31</u>
Property, plant and equipment - net	<u>4,384,707.89</u>			<u>4,110,078.58</u>

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

**DECEMBER 31, 2019**

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2017			Dec. 31, 2018
<u>At cost</u>				
Equipment	8,807,391.54	433,553.59	(1,065,615.50)	8,175,329.63
Furniture & fixture and office equipment	22,494,322.22	1,061,828.03	(173,597.20)	23,382,553.05
Vehicles	260,003.74	-	-	260,003.74
Total	<u>31,561,717.50</u>	<u>1,495,381.62</u>	<u>(1,239,212.70)</u>	<u>31,817,886.42</u>
<u>Less Accumulated depreciation</u>				
Equipment	6,514,779.02	603,989.98	(1,065,611.50)	6,053,157.50
Furniture & fixture and office equipment	20,513,385.87	780,230.59	(173,592.20)	21,120,024.26
Vehicles	259,996.77	-	-	259,996.77
Total	<u>27,288,161.66</u>	<u>1,384,220.57</u>	<u>(1,239,203.70)</u>	<u>27,433,178.53</u>
Property, plant and equipment - net	<u>4,273,555.84</u>			<u>4,384,707.89</u>

As at December 31, 2019 and 2018, equipment are fully depreciated but still in use are presented in the consolidated financial statements at cost of Baht 32.34 million and Baht 32.18 million, respectively and in the separate financial statements at the cost of Baht 24.25 million and Baht 24.70 million, respectively.

**13. INTANGIBLE ASSETS**

This account consisted of:

	Baht				
	Consolidate financial statements				
	Balance per book	Additions	Deductions	Transfer in	Balance per book
	Dec. 31, 2018			(Transfer out)	Dec. 31, 2019
<u>At cost</u>					
Computer software	7,438,420.23	686,300.00	-	-	8,124,720.23
Computer software in progress	5,015,000.00	1,789,375.00	-	-	6,804,375.00
Copyright	504,672.90	-	-	-	504,672.90
Total	<u>12,958,093.13</u>	<u>2,475,675.00</u>	<u>-</u>	<u>-</u>	<u>15,433,768.13</u>
<u>Less Accumulated amortization</u>	6,480,787.46	254,237.29	-	-	6,735,024.75
Intangible assets - net	<u>6,477,305.67</u>				<u>8,698,743.38</u>

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

**DECEMBER 31, 2019**

	Baht				
	Consolidate financial statements				
	Balance per book Dec. 31, 2017	Additions	Deductions	Transfer in (Transfer out)	Balance per book Dec. 31, 2018
<i>At cost</i>					
Computer software	7,217,479.62	58,140.61	(110,200.00)	273,000.00	7,438,420.23
Computer software in progress	3,446,100.00	1,841,900.00	-	(273,000.00)	5,015,000.00
Copyright	504,672.90	-	-	-	504,672.90
Total	11,168,252.52	1,900,040.61	(110,200.00)	-	12,958,093.13
<u>Less</u> Accumulated amortization	6,301,518.25	233,140.15	(53,870.94)	-	6,480,787.46
Intangible assets - net	4,866,734.27				6,477,305.67

	Baht				
	Separate financial statements				
	Balance per book Dec. 31, 2018	Additions	Deductions	Transfer in (Transfer out)	Balance per book Dec. 31, 2019
<i>At cost</i>					
Computer software	6,231,820.69	239,500.00	-	-	6,471,320.69
Computer software in progress	5,015,000.00	1,789,375.00	-	-	6,804,375.00
Total	11,246,820.69	2,028,875.00	-	-	13,275,695.69
<u>Less</u> Accumulated amortization	5,585,615.18	143,227.51	-	-	5,728,842.69
Intangible assets - net	5,661,205.51				7,546,853.00

	Baht				
	Separate financial statements				
	Balance per book Dec. 31, 2017	Additions	Deductions	Transfer in (Transfer out)	Balance per book Dec. 31, 2018
<i>At cost</i>					
Computer software	6,015,880.08	53,140.61	(110,200.00)	273,000.00	6,231,820.69
Computer software in progress	3,446,100.00	1,841,900.00	-	(273,000.00)	5,015,000.00
Total	9,461,980.08	1,895,040.61	(110,200.00)	-	11,246,820.69
<u>Less</u> Accumulated amortization	5,510,880.32	128,605.80	(53,870.94)	-	5,585,615.18
Intangible assets - net	3,951,099.76				5,661,205.51

As at December 31, 2019 and 2018, intangible assets are fully amortization but still in use are presented in the consolidated financial statements at cost of Baht 5.73 million and Baht 5.60 million respectively and in the separate financial statements at the cost of Baht 4.97 million and Baht 4.84 million, respectively.

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

**14. LEASEHOLD RIGHT**

This account consisted of:

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2018	Additions	Deductions	Balance per book Dec. 31, 2018
<u>At cost</u>				
Leasehold right land	15,975,335.00	-	-	15,975,335.00
Utilization right of buildings on leasehold right	87,049,866.98	60,000.00	-	87,109,866.98
Utilization right of land improvement on leasehold	5,974,161.96	-	-	5,974,161.96
Total	<u>108,999,363.94</u>	<u>60,000.00</u>	<u>-</u>	<u>109,059,363.94</u>
<u>Less Accumulated amortization</u>				
Leasehold right land	13,108,504.71	459,696.96	-	13,568,201.67
Utilization right of buildings on leasehold right	76,247,865.66	2,611,842.59	-	78,859,708.25
Utilization right of land improvement on leasehold	5,725,479.83	248,028.04	-	5,973,507.87
Total	<u>95,081,850.20</u>	<u>3,319,567.59</u>	<u>-</u>	<u>98,401,417.79</u>
Leasehold right - net	<u>13,917,513.74</u>			<u>10,657,946.15</u>

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2017	Additions	Deductions	Balance per book Dec. 31, 2018
<u>At cost</u>				
Leasehold right land	15,975,335.00	-	-	15,975,335.00
Utilization right of buildings on leasehold right	86,983,216.98	66,650.00	-	87,049,866.98
Utilization right of land improvement on leasehold	5,974,161.96	-	-	5,974,161.96
Total	<u>108,932,713.94</u>	<u>66,650.00</u>	<u>-</u>	<u>108,999,363.94</u>
<u>Less Accumulated amortization</u>				
Leasehold right land	12,648,807.74	459,696.97	-	13,108,504.71
Utilization right of buildings on leasehold right	73,630,172.33	2,617,693.33	-	76,247,865.66
Utilization right of land improvement on leasehold	4,586,230.70	1,139,249.13	-	5,725,479.83
Total	<u>90,865,210.77</u>	<u>4,216,639.43</u>	<u>-</u>	<u>95,081,850.20</u>
Leasehold right - net	<u>18,067,503.17</u>			<u>13,917,513.74</u>

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

	Baht			
	Separate financial statements			
	Balance per book Dec. 31, 2018	Additions	Deductions	Balance per book Dec. 31, 2018
<u>At cost</u>				
Leasehold right land	8,500,000.00	-	-	8,500,000.00
Utilization right of buildings on leasehold right	24,138,457.69	-	-	24,138,457.69
Utilization right of land improvement on leasehold	5,974,161.96	-	-	5,974,161.96
Total	38,612,619.65	-	-	38,612,619.65
<u>Less Accumulated amortization</u>				
Leasehold right land	6,568,169.72	386,363.64	-	6,954,533.36
Utilization right of building on leasehold right	18,860,144.47	1,206,915.26	-	20,067,059.73
Utilization right of land improvement on leasehold	5,725,479.83	248,028.04	-	5,973,507.87
Total	31,153,794.02	1,841,306.94	-	32,995,100.96
Leasehold right - net	7,458,825.63			5,617,518.69

	Baht			
	Separate financial statements			
	Balance per book Dec. 31, 2017	Additions	Deductions	Balance per book Dec. 31, 2018
<u>At cost</u>				
Leasehold right land	8,500,000.00	-	-	8,500,000.00
Utilization right of buildings on leasehold right	24,138,457.69	-	-	24,138,457.69
Utilization right of land improvement on leasehold	5,974,161.96	-	-	5,974,161.96
Total	38,612,619.65	-	-	38,612,619.65
<u>Less Accumulated amortization</u>				
Leasehold right land	6,181,806.08	386,363.64	-	6,568,169.72
Utilization right of building on leasehold right	17,653,229.22	1,206,915.25	-	18,860,144.47
Utilization right of land improvement on leasehold	4,586,230.70	1,139,249.13	-	5,725,479.83
Total	28,421,266.00	2,732,528.02	-	31,153,794.02
Leasehold right - net	10,191,353.65			7,458,825.63

The Company together with Siam Nissan Krungthai Co., Ltd. have jointly signed a land lease agreement for a period of 22 years, expiring in January 2023 that the leasehold right is divided equally. The Company shall pay a monthly rent in accordance to the contract, the land is constructed for the office building and the car show room where as Siam Nissan Krungthai Company Limited, used for operating of the services center and the car park.



**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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Building of the Company and its subsidiary are located at leasehold land, as disclosed in Note 31.1.

Under the land lease agreement, the Company and its subsidiary are obligated to transfer the title deeds of the building on the leased land to the land owner, when the term of the contract is completed.

As at December 31, 2019 and 2018, leasehold right are fully amortization but still in use are presented in the consolidated financial statement of cost of Baht 55.31 million and Baht 49.25 million, respectively and in the separate financial statement of Baht 5.97 million and Baht 0.55 million, respectively.

**15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES**

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	110,654,623.92	56,271,000.78	136,159,924.47	77,785,082.15
Deferred tax liabilities	-	-	(25,868,839.89)	(21,892,240.29)
	<u>110,654,623.92</u>	<u>56,271,000.78</u>	<u>110,291,084.58</u>	<u>55,892,841.86</u>

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2019 and 2018 are summarized as follows:

	Baht			
	Consolidated financial statements			Balance as at Dec. 31, 2019
	Balance as at Dec. 31, 2018	Revenue (expenses) during the year		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Accrued expense - rental	7,410.53	22,231.58	-	29,642.11
Employee benefit obligations	2,451,084.66	104,667.20	706,046.60	3,261,798.46
Tax losses carry forward	75,704,759.36	57,527,292.74	-	133,232,052.10
Total	<u>78,163,254.55</u>	<u>57,654,191.52</u>	<u>706,046.60</u>	<u>136,523,492.67</u>
Deferred tax liabilities:				
Investment in available-for-sale securities	2,507.24	-	(3,868.86)	6,376.10
Inventories	852,122.94	(1,532,267.99)	-	2,384,390.93
Asset for leases	21,018,658.10	(2,452,788.72)	-	23,471,446.82
Equipment	18,965.49	12,310.59	-	6,654.90
Total	<u>21,892,253.77</u>	<u>(3,972,746.12)</u>	<u>(3,868.86)</u>	<u>25,868,868.75</u>

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

**DECEMBER 31, 2019**

	Baht			Balance as at Dec. 31, 2018
	Consolidated financial statements			
	Balance as at Dec. 31, 2017	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Accrued expense - rental	69,120.00	(61,709.47)	-	7,410.53
Employee benefit obligations	1,498,650.26	197,721.20	754,713.20	2,451,084.66
Tax losses carry forward	24,373,795.36	51,330,964.00	-	75,704,759.36
Total	<u>25,941,565.62</u>	<u>51,466,975.73</u>	<u>754,713.20</u>	<u>78,163,254.55</u>
Deferred tax liabilities:				
Investment in available-for-sale securities	484.58	-	(2,022.66)	2,507.24
Inventories	1,423,449.97	571,327.03	-	852,122.94
Asset for leases	14,145,157.49	(6,873,500.61)	-	21,018,658.10
Equipment	30,531.12	11,565.63	-	18,965.49
Total	<u>15,599,623.16</u>	<u>(6,290,607.95)</u>	<u>(2,022.66)</u>	<u>21,892,253.77</u>

	Baht			Balance as at Dec. 31, 2019
	Separate financial statements			
	Balance as at Dec. 31, 2018	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Accrued Expense - rental	7,410.53	22,231.58	-	29,642.11
Employee benefit obligations	2,072,912.26	215,056.00	610,262.00	2,898,230.26
Tax loss carry forward	75,704,759.36	57,527,292.74	-	133,232,052.10
Total	<u>77,785,082.15</u>	<u>57,764,580.32</u>	<u>610,262.00</u>	<u>136,159,924.47</u>
Deferred tax liabilities:				
Investment in available-for-sale securities	2,493.76	-	(3,853.48)	6,347.24
Inventories	852,122.94	(1,532,267.99)	-	2,384,390.93
Asset for leases	21,018,658.10	(2,452,788.72)	-	23,471,446.82
Equipment	18,965.49	12,310.59	-	6,654.90
Total	<u>21,892,240.29</u>	<u>(3,972,746.12)</u>	<u>(3,853.48)</u>	<u>25,868,839.89</u>

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

**DECEMBER 31, 2019**

	Baht			Balance as at Dec. 31, 2018
	Separate financial statements			
	Balance as at Dec. 31, 2017	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Accrued Expense - rental	69,120.00	(61,709.47)	-	7,410.53
Employee benefit obligations	1,264,600.86	151,014.00	657,297.40	2,072,912.26
Tax loss carry forward	24,373,795.36	51,330,964.00	-	75,704,759.36
Total	<u>25,707,516.22</u>	<u>51,420,268.53</u>	<u>657,297.40</u>	<u>77,785,082.15</u>
Deferred tax liabilities:				
Investment in available-for-sale securities	482.15	-	(2,011.61)	2,493.76
Inventories	1,423,449.97	571,327.03	-	852,122.94
Asset for leases	14,145,157.49	(6,873,500.61)	-	21,018,658.10
Equipment	30,531.12	11,565.63	-	18,965.49
Total	<u>15,599,620.73</u>	<u>(6,290,607.95)</u>	<u>(2,011.61)</u>	<u>21,892,240.29</u>

**16. OTHER NON - CURRENT ASSETS**

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deposit	5,169,533.20	5,091,555.20	1,368,083.67	1,290,105.67
Withholding tax deducted at source	224,976,174.64	166,348,068.44	224,771,022.46	166,129,157.39
<u>Less allowance for the refund</u>	<u>(41,273,886.63)</u>	<u>(26,921,359.15)</u>	<u>(41,273,886.63)</u>	<u>(26,921,359.15)</u>
Withholding tax deducted at source - net	183,702,288.01	139,426,709.29	183,497,135.83	139,207,798.24
Total	<u>188,871,821.21</u>	<u>144,518,264.49</u>	<u>184,865,219.50</u>	<u>140,497,903.91</u>

**17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	1,880,056.54	1,682,078.13	1,880,056.54	279,169.37
Promissory notes	40,000,000.00	70,000,000.00	40,000,000.00	70,000,000.00
Total	<u>41,880,056.54</u>	<u>71,682,078.13</u>	<u>41,880,056.54</u>	<u>70,279,169.37</u>

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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As at December 31, 2019 and 2018, the Company has the bank overdrafts with the two local commercial banks, with a credit line 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 December 31, 2019 and 2018, the Company has short-term loans in promissory notes with five local commercial banks total of 6 credit lines and 5 credit lines, respectively as follows :-

Credit line No.	Credit amount (Million Baht)		Interest Rate	Guaranteed
	2019	2018		
1	80	80	MMR	- The Company's fixed deposit amount of Baht 20 million
2	50	50	MMR	- Directors of the company
3	30	30	MMR	- No guaranteed
4	50	50	MMR	- No guaranteed
5	40	40	MMR	- No guaranteed
6	30	-	MMR	- No guaranteed
	<u>280</u>	<u>250</u>		

As at December 31, 2019 and 2018, the subsidiary company has bank overdraft from a local commercial bank with a credit line of Baht 20 million, carrying interest MOR per annum. This loan is guaranteed by fixed deposit of directors of the company.

During the year 2019, the subsidiary company had cancelled such bank overdraft agreement above.

**18. BILL OF EXCHANGE**

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Bill of exchange-face value	200,000,000.00	40,000,000.00
<u>Less Discount</u>	<u>(330,269.82)</u>	<u>(119,225.36)</u>
Bill of exchange-amortized value	<u>199,669,730.18</u>	<u>39,880,774.64</u>

As at December 31, 2019 and 2018, the Company has 2 bills of exchange in the amount of Baht 200 million and 1 bills of exchange in the amount of Baht 40 million, respectively. 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 years ended December 31, 2019 and 2018 in the amount of Baht 3.06 million and Baht 2.39 million, respectively in the consolidated and separate financial statements.

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

**19. DEBENTURES**

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Unsecured debentures - at face value	1,850,000,000.00	1,150,000,000.00
<u>Less</u> Deferred expenses on debentures issuance	(2,114,088.71)	(1,624,970.30)
Net	1,847,885,911.29	1,148,375,029.70
<u>Less</u> Current portion due within one year	(549,836,002.86)	-
Net	1,298,049,908.43	1,148,375,029.70

As at December 31, 2019, 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. 1

Debenture issued on : June 22, 2017  
 Debentures value : Baht 300 million (300,000 units of par value of Baht 1,000 each)  
 Period and maturity date : 3 years 2 days will mature on June 24, 2020  
 Interest rate : Fixed rate of 3.22% per annum  
 Interest payment due : Every March 22, June 22, September 22 and December 22 of each year

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 31, July 31 and October 31 of each year

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

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Issued No. 4

Debenture issued on	:	July 25, 2018
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 March 28, 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.

**20. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS**

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Long-term loan from financial institutions	1,020,874,590.17	1,087,021,431.56
<u>Less current portion due within one year</u>	<u>(257,534,391.01)</u>	<u>(384,178,042.52)</u>
Net	<u>763,340,199.16</u>	<u>702,843,389.04</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	Credit line using (Million Baht)	Withdrawal loan (Million Baht)	Interest Rate per annum	Monthly installment (Million Baht)	The first installment date of 1 <sup>th</sup> loan to 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>

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

As at December 31, 2018, the Company has 6 credit lines of long-term loans with four local financial institutions. Each credit line has been withdrawn to several loans and the details are as follows:

Credit line	Credit line using (Million Baht)	Withdrawal loan (Million Baht)	Interest Rate per annum	Monthly installment (Million Baht)	The first installment date of 1 <sup>th</sup> loan to The final installment date of final loan	Guaranteed The right of car's registers of the company
1	150	150	MLR - 2.5%	2.92	May. 16 - Aug. 19	203
2	630	546.83	Fixed Rate	5.96	Aug. 16 - Jul. 21	1,192
3	100	100	MLR-2.7625%	1.94	Aug. 16 - Sep. 19	129
4	150	150	Fixed Rate	3.00	Sep. 16 - Dec. 19	203
5	200	200	Fixed Rate	4.00	Jan. 17 - Feb. 20	270
6	1,000	447.38	Fixed Rate	7.28	Sep. 17 - Feb. 23	553
	<u>2,230</u>	<u>1,594.21</u>		<u>25.10</u>		<u>2,550</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 time)

As at December 31, 2019 and 2018 movements in long-term loans from financial institutions are as follows:-

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Balance beginning of the year	1,087,021,431.56	1,140,395,457.80
<u>Add</u> Loan increase during the year	350,570,845.00	350,821,823.00
<u>Less</u> Repayment during the year	<u>(416,717,686.39)</u>	<u>(404,195,849.24)</u>
Balance ending of the year	<u>1,020,874,590.17</u>	<u>1,087,021,431.56</u>

**21. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS**

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Liabilities under financial lease agreements - car	53,103,065.83	118,505,417.47
<u>Less</u> Deferred interest	<u>(1,489,068.27)</u>	<u>(4,557,370.69)</u>
	51,613,997.56	113,948,046.78
<u>Less</u> Current portion due within one year	<u>(48,685,489.69)</u>	<u>(62,315,758.41)</u>
Net	<u>2,928,507.87</u>	<u>51,632,288.37</u>

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

As at December 31, 2019 and 2018 the Company has liabilities under financial lease agreements represent the financial lease agreements of cars with 6 local leasing companies, total 255 contracts and total 507 contracts, respectively. The payment of these contracts are as follows:

	Baht					
	2019			2018		
	Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts
Payment due within 1 year	48,685,489.69	1,140,008.27	49,825,497.96	62,315,758.41	3,093,870.03	65,409,628.44
Payment due over 1 year to 5 years	2,928,507.87	349,060.00	3,277,567.87	51,632,288.37	1,463,500.66	53,095,789.03
Total	51,613,997.56	1,489,068.27	53,103,065.83	113,948,046.78	4,557,370.69	118,505,417.47

Under the terms of financial lease agreements referred to above, the Company has to comply with certain conditions and restrictions as specified in the contracts.

The right of assets under financial lease agreements will be transferred to the Company when final payment is made.

**22. EMPLOYEE BENEFIT OBLIGATIONS**

Employee benefits obligation are as follows

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Defined benefit obligations at January 1,	12,255,423.31	7,493,251.31	10,364,561.31	6,323,004.31
Actuarial loss	3,530,233.00	3,773,566.00	3,051,310.00	3,286,487.00
Benefits paid by the plan	(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	-
Current service costs and interest	2,133,049.00	988,606.00	1,640,310.00	755,070.00
Defined benefit obligations at December 31,	16,308,992.31	12,255,423.31	14,491,151.31	10,364,561.31



**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

The statements of comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Past service costs and interest	3,277,686.00	-	3,072,470.00	-
Current service costs and interest				
Service costs	1,557,395.00	708,594.97	1,147,358.00	519,654.97
Interest expenses	575,654.00	280,011.03	492,952.00	235,415.03
	2,133,049.00	988,606.00	1,640,310.00	755,070.00
Total	5,410,735.00	988,606.00	4,712,780.00	755,070.00

Expense recognized in other comprehensive income:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Actuarial loss - net income tax	2,824,186.40	3,018,852.80	2,441,048.00	2,629,189.60

Principal actuarial assumptions at the reporting data

	Percentage	
	Consolidated	Separate
	financial statements	financial statements
Discount rate	3.30 - 3.38	3.38
Salary increase rate	6.94	6.94
Employee turnover rate	0 - 40	0 - 40
Disability rate	10 of Mortality rate	10 of Mortality rate
Mortality rate	From Thai Mortality Ordinary Tables of 2017	From Thai Mortality Ordinary Tables of 2017

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 and 2018 are summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate				
0.50% increase	(950,324.00)	(655,920.00)	(822,182.00)	(594,953.00)
0.50% decrease	1,024,913.00	708,732.00	886,764.00	643,523.00
Salary increase rate				
0.50% increase	1,054,329.00	685,877.00	911,928.00	611,888.00
0.50% decrease	(985,329.00)	(641,962.00)	(852,134.00)	(572,465.00)
Turnover rate				
0.50% increase	(1,140,248.00)	(742,167.00)	(984,994.00)	(659,146.00)
0.50% decrease	1,233,182.00	801,511.00	1,065,344.00	712,060.00

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

During the year 2019, long-term interest rate has significantly reduced that affected the discount rate assumed by the actuarial would be 3.30 - 3.38%. to 1.71 - 1.80 %. The Company and its subsidiary have considered to record the increase of employee benefit obligations in the amount of Baht 3.53 million (the Company : Baht 3.05 million) and to recognize the past service costs in other comprehensive income at the amount of Baht 2.82 million (the Company : Baht 2.44 million). For the sensitivity analysis data above, it may have some changes as stated. However, the Company and its subsidiary are in the process of reassessing the employee benefits by the actuarial.

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

**23. OTHER INCOME**

This account consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Interest income	844,055.75	887,196.88	948,873.32	1,797,081.83
Penalty of cancelled contract	6,619,887.22	6,263,277.99	6,619,887.22	6,263,277.99
Repair service income	5,250,870.00	4,806,657.00	5,250,870.00	4,806,657.00
Commission income	17,248,093.43	12,075,301.51	-	-
Others	25,741,291.95	33,282,240.24	21,571,050.35	17,834,814.03
Total	<u>55,704,198.35</u>	<u>57,314,673.62</u>	<u>34,390,680.89</u>	<u>30,701,830.85</u>

**24. EXPENSES BY NATURE**

Expenses by nature are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Change in inventories	(69,613,397.94)	64,707,841.63	(80,882,608.73)	43,218,851.02
Cost of sale of cars from assets-for-leases	276,729,884.31	349,674,391.73	276,729,884.31	349,674,391.73
Purchase of used cars	148,627,180.19	205,644,409.12	-	-
Employee benefit costs	97,783,854.27	87,537,357.52	68,644,470.02	65,496,147.53
Depreciation and amortization	829,060,345.18	748,200,004.73	825,257,503.82	744,858,100.49
Others	201,057,355.78	212,884,748.98	201,057,355.78	212,884,748.98

**25. INCOME TAX EXPENSES**

25.1 Major components of tax expense (income) for the years ended December 31, 2019 and 2018 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Income tax expenses (income) shown in profit or loss :				
Current tax expenses:				
Income tax expenses for the year	849,668.35	1,251,835.06	-	-
Adjustments tax expenses of previous year	1,029,230.88	-	1,029,230.88	-
Deferred tax expenses:				
Changes in temporary differences relating to the original recognition and reversal	(53,681,445.40)	(45,176,367.78)	(53,791,834.20)	(45,129,660.58)
Total	<u>(51,802,546.17)</u>	<u>(43,924,532.72)</u>	<u>(52,762,603.32)</u>	<u>(45,129,660.58)</u>
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Remeasuring available-for-sale investments	3,868.86	2,022.66	3,853.48	2,011.61
Actuarial loss	(706,046.60)	(754,713.20)	(610,262.00)	(657,297.40)
Total	<u>(702,177.74)</u>	<u>(752,690.54)</u>	<u>(606,408.52)</u>	<u>(655,285.79)</u>

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25.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2019 and 2018 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit for the year	169,019,239.63	210,034,538.06	165,226,859.15	205,631,252.31
The applicable tax rate (%)	20	20	20	20
Tax expense at the applicable tax rate	33,803,847.93	42,006,907.61	33,045,371.83	41,126,250.46
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,195,125.10	5,475,688.94	1,040,750.94	5,362,564.04
Tax effect of income or profit that are not required in determining taxable profit:				
- Expenses as expenses in determining tax	(88,301,170.37)	(90,370,817.24)	(88,159,218.38)	(90,228,865.26)
Other	1,499,651.17	(1,036,312.03)	1,310,492.29	(1,389,609.82)
Total reconciliation items	(85,606,394.10)	(85,931,440.33)	(85,807,975.15)	(86,255,911.04)
Total tax expense (income)	(51,802,546.17)	(43,924,532.72)	(52,762,603.32)	(45,129,660.58)

25.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2019 and 2018 are summarized as follows:

	Consolidated financial statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	169,019,239.63		210,034,538.06	
Tax expense at the applicable tax rate	33,803,847.93	20.00	42,006,907.61	20.00
Reconciliation items	(85,606,394.10)	(50.65)	(85,931,440.33)	(40.91)
Tax expense at the average effective tax rate	(51,802,546.17)	(30.65)	(43,924,532.72)	(20.91)
	Separate financial statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	165,226,859.15		205,631,252.31	
Tax expense at the applicable tax rate	33,045,371.83	20.00	41,126,250.46	20.00
Reconciliation items	(85,807,975.15)	(51.93)	(86,255,911.04)	(41.95)
Tax expense (income) at the average effective tax rate	(52,762,603.32)	(31.93)	(45,129,660.58)	(21.95)

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**26. BASIC EARNINGS PER SHARE**

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

	Consolidated financial statements	
	2019	2018
Profit for the year attributable to ordinary shareholders (Baht)	220,821,785.80	253,959,070.78
Weighted average number of ordinary shares (Shares)	250,000,000	250,000,000
Basic earnings per share (Baht per share)	0.88	1.02

  

	Separate financial statements	
	2019	2018
Profit for the year attributable to ordinary shareholders (Baht)	217,989,462.47	250,760,912.89
Weighted average number of ordinary shares (Shares)	250,000,000	250,000,000
Basic earnings per share (Baht per share)	0.87	1.00

**27. LEGAL RESERVE**

The Company

Under the provision of the Public Limited Companies, the Company is required to set aside as statutory reserve at least 5% of its annual net income until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

A subsidiary company

Under the provision of the civil and commercial code, the Company is required to set aside as statutory reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

**28. APPROPRIATED OF RETAINED EARNINGS**

For the year 2019

At the ordinary shareholders' meeting for the year 2019 held on April 25, 2019, the shareholders unanimously approved to pay dividend from the Company operation year 2018 to the shareholders with Baht 0.40 per share, in the amount of Baht 200.00 million. The dividend paid in the amount of Baht 100.00 million, appropriated for 250,000,000 shares of Baht 0.40 each was paid on September 7, 2018, and the remaining in the amount of Baht 100 million, appropriated for 250,000,000 shares of Baht 0.40 each was paid on May 24, 2018.

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And at the committees' meeting No 3/2019 held on August 13, 2019, the Committees unanimously approved to pay interim dividend from the Company operation for the period ended June 30, 2019 in the amount of Baht 90.00 million, appropriated for 250,000,000 shares of Baht 0.36 each was paid on September 10, 2019.

Total dividend for the year 2019 in the amount of Baht 190.00 million.

For the year 2018

At the ordinary shareholders' meeting for the year 2018 held on April 26, 2018, the shareholders unanimously approved to pay dividend from the Company operation year 2017 to the shareholders with Baht 1.06 per share, in the amount of Baht 265 million. The dividend paid in the amount of Baht 127.50 million, appropriated for 250,000,000 shares of Baht 0.51 each was paid on September 1, 2017, and the remaining in the amount of Baht 137.50 million, appropriated for 250,000,000 shares of Baht 0.55 each was paid on May 22, 2018.

And at the committees' meeting No 3/2018 held on August 9, 2018, the Committees unanimously approved to pay interim dividend from the Company operation for the period ended June 30, 2018 in the amount of Baht 100.00 million, appropriated for 250,000,000 shares of Baht 0.40 each was paid on September 7, 2018.

Total dividend for the year 2018 in the amount of Baht 237.50 million.

**29. PROVIDENT FUND**

The Company and its subsidiary established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E. 2530 by joining into a pool of provident fund named TiscoRuamtun 2 Registered Provident Fund.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries based on the length of employment. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company.

The Company and its subsidiary have contributed to the fund for the years ended December 31, 2019 and 2018 in the amount of Baht 1.76 million and Baht 1.77 million, respectively (The separate amount of Baht 1.63 million and Baht 1.51 million, respectively).

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**30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2018	Cash flows Increase (decrease)	Non-cash transaction Increase	Balance as at December 31, 2019
Bank overdrafts	1,682,078.13	197,978.41	-	1,880,056.54
Short-term loan from financial institutions	70,000,000.00	(30,000,000.00)	-	40,000,000.00
Bill of exchange	39,880,774.64	156,725,462.35	3,063,493.19	199,669,730.18
Debentures	1,150,000,000.00	700,000,000.00	-	1,850,000,000.00
Long-term loan unsecured debenture	1,087,021,431.56	(66,146,841.39)	-	1,020,874,590.17
Liabilities under financial lease agreements	113,948,046.78	(62,334,049.22)	-	51,613,997.56
Total	<u>2,462,532,331.11</u>	<u>698,442,550.15</u>	<u>3,063,493.19</u>	<u>3,164,038,374.45</u>

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2017	Cash flows Increase (decrease)	Non-cash transaction Increase	Balance as at December 31, 2018
Bank overdrafts	(4,382,816.58)	6,064,894.71	-	1,682,078.13
Short-term loan from financial institutions	70,000,000.00	-	-	70,000,000.00
Bill of exchange	498,650,330.94	(461,161,889.57)	2,392,333.27	39,880,774.64
Debentures	550,000,000.00	600,000,000.00	-	1,150,000,000.00
Long-term loan unsecured debenture	1,140,395,457.80	(53,374,026.24)	-	1,087,021,431.56
Liabilities under financial lease agreements	346,078,558.44	(232,130,511.66)	-	113,948,046.78
Total	<u>2,600,741,530.60</u>	<u>(140,601,532.76)</u>	<u>2,392,333.27</u>	<u>2,462,532,331.11</u>

	Baht			
	Separate financial statements			
	Balance as at December 31, 2018	Cash flows Increase (decrease)	Non-cash transaction Increase	Balance as at December 31, 2019
Bank overdrafts	279,169.37	1,600,887.17	-	1,880,056.54
Short-term loan from financial institutions	70,000,000.00	(30,000,000.00)	-	40,000,000.00
Bill of exchange	39,880,774.64	156,725,462.35	3,063,493.19	199,669,730.18
Debentures	1,150,000,000.00	700,000,000.00	-	1,850,000,000.00
Long-term loan unsecured debenture	1,087,021,431.56	(66,146,841.39)	-	1,020,874,590.17
Liabilities under financial lease agreements	113,948,046.78	(62,334,049.22)	-	51,613,997.56
Total	<u>2,461,129,422.35</u>	<u>699,845,458.91</u>	<u>3,063,493.19</u>	<u>3,164,038,374.45</u>

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	Baht			
	Separate financial statements			
	Balance as at December 31, 2017	Cash flows Increase (decrease)	Non-cash transaction Increase	Balance as at December 31, 2018
Bank overdrafts	(6,059,767.14)	6,338,936.51	-	279,169.37
Short-term loan from financial institutions	70,000,000.00	-	-	70,000,000.00
Bill of exchange	498,650,330.94	(461,161,889.57)	2,392,333.27	39,880,774.64
Debentures	550,000,000.00	600,000,000.00	-	1,150,000,000.00
Long-term loan unsecured debenture	1,140,395,457.80	(53,374,026.24)	-	1,087,021,431.56
Liabilities under financial lease agreements	346,078,558.44	(232,130,511.66)	-	113,948,046.78
Total	2,599,064,580.04	(140,327,490.96)	2,392,333.27	2,461,129,422.35

**31. COMMITMENTS AND CONTINGENT LIABILITIES**

31.1 Commitments of the operating lease

As at December 31, 2019, the Company and its subsidiary have operating leases as follow:

Type of lease	Periods	Remaining rental expenses
<u>The Company</u>		
Land rental contract - building (Head Office)	Jan. 22, 2002 - Jan. 21, 2023	year 1 - No charge years 2-11 - Baht 30,000 per month years 12-22 - Baht 45,000 per month
Land rental contract - building (Asoke)	Sep. 1, 2018 - Aug. 31, 2021	Sep. 2018 - Aug. 2019 - Baht 264,000 per month Sep. 2019 - Aug. 2020 - Baht 264,000 per month Sep. 2020 - Aug. 2021 - Baht 290,400 per month
Service centre and carpark rental contract	Feb. 20, 2018 - Feb. 19, 2021	Baht 100,000 per month
<u>Subsidiary company</u>		
Land rental contract- sale office (Head office)	Sep. 24, 2016 - Sep. 23, 2031	years 1-3 - Baht 450,000 per month years 4-6 - Baht 483,750 per month years 7-9 - Baht 520,031 per month years 10-12 - Baht 559,033 per month years 13-15 - Baht 600,960 per month
Land rental contract- sale office (Ram Intra KM.9)	Jan. 1, 2016 - Dec. 31, 2018 onward (until termination of the contract)	Baht 70,000 per month
Land rental contract - sale office (Srinakarin)	Aug. 1, 2017 - Jul. 31, 2020	Aug. 2017 - Jul. 2020 - Baht 544,500 per month
Land rental contract - sale office (Phaholyothin)	Jan. 1, 2015 - Dec. 31, 2017 onward (until termination of the contract)	Baht 150,000 per month

31.2 Commitments of services contracts

As at December 31, 2019, 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.



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31.3 Commitments of capital expenditure

As at December 31, 2019, the Company has the commitment about installation and software development system agreement, which the Company will pay under the agreement in the amount of Baht 5.69 million (included VAT).

And the subsidiary Company has the commitment about installation LAN Network and CCTV system agreement, which the Company will pay under the agreement in the amount of Baht 0.22 million (included VAT).

31.4 Guarantee

As at December 31, 2019, 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.

**32. 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 of the Company and its subsidiary for the years ended December 31, 2019 and 2018 as follows:-

	Consolidated financial statements (Thousand Baht)					
	Car rent of operating		Used car distribution		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Income on car leases	1,271,549	1,199,371	-	-	1,271,549	1,199,371
Income on sale of cars	446,807	553,635	193,852	271,109	640,659	824,744
Total	1,718,356	1,753,006	193,852	271,109	1,912,208	2,024,115

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	Consolidated financial statements (Thousand Baht)					
	Car rent of operating		Used car distribution		Total	
	2019	2018	2019	2018	2019	2018
Cost						
Cost of car leases	1,068,434	995,092	-	-	1,068,434	995,092
Cost of sales of cars	276,730	349,674	173,891	241,660	450,621	591,334
Total	1,345,164	1,344,766	173,891	241,660	1,519,055	1,586,426
Gross profit	373,192	408,240	19,961	29,449	393,153	437,689
<u>Total assets as of December 31,</u>						
Assets for leases - net	4,291,693	3,794,379	-	-	4,291,693	3,794,379
Fixed assets - net	9,728	11,843	177,027	179,303	186,755	191,146
Intangible assets - net	7,547	5,661	1,152	816	8,699	6,477
Other assets	928,443	709,886	115,110	130,693	1,043,553	840,579
Total	5,237,411	4,521,769	293,289	310,812	5,530,700	4,832,581

Major customers

For the years 2019 and 2018, the Company and its subsidiary have no major customer (with revenue of 10 percent or more of an entity's revenue).

**33. DISCLOSURE OF FINANCIAL INSTRUMENTS**

33.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in Note 3.

33.2 Credit risk

The Company and its subsidiary are exposed to credit risk primarily relating to trade accounts receivable. The management of the Company and its subsidiary manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

33.3 Interest rate risk

The Company and its subsidiary are exposed to interest rate risk that relates primarily to cash and cash equivalents, cash at banks using for guarantee, bank overdrafts and short-term loans from financial institutions, Long-term loans from financial institutions, Hire-purchase contracts payable and Employee benefit obligations. Since most of the Company's financial assets and financial liabilities carry floating interest rates or have fixed interest rates, which are close to the market rates, the interest rate risk is low.

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As at December 31, 2019, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht			
	Consolidated financial statements			
	Floating interest rate	Fixed interest rate	No interest	Total
<u>Financial assets</u>				
Cash and cash equivalents	80,437,170.58	-	5,933,546.54	86,370,717.12
Trade and other receivables	-	-	167,788,006.73	167,788,006.73
Investment	-	-	59,087,104.00	59,087,104.00
Cash at banks using for guarantee	-	50,020,936.88	-	50,020,936.88
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans				
from financial institutions	1,880,056.54	40,000,000.00	-	41,880,056.54
Bill of exchange	-	199,669,730.18	-	199,669,730.18
Trade and other payables	-	-	55,827,189.02	55,827,189.02
Debenture	-	1,847,885,911.29	-	1,847,885,911.29
Long-term loans from financial institutions	-	1,020,874,590.17	-	1,020,874,590.17
Liabilities under financial lease agreements	51,613,997.56	-	-	51,613,997.56

	Baht			
	Separate financial statements			
	Floating interest rate	Fixed interest rate	No interest	Total
<u>Financial assets</u>				
Cash and cash equivalents	80,179,106.59	-	5,756,600.51	85,935,707.10
Trade and other receivables	-	-	155,405,746.45	155,405,746.45
Investment	-	-	59,081,116.89	59,081,116.89
Cash at banks using for guarantee	-	50,020,936.88	-	50,020,936.88
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans				
from financial institutions	1,880,056.54	40,000,000.00	-	41,880,056.54
Bill of exchange	-	199,669,730.18	-	199,669,730.18
Trade and other payables	-	-	72,463,458.36	72,463,458.36
Debenture	-	1,847,885,911.29	-	1,847,885,911.29
Long-term loans from financial institutions	-	1,020,874,590.17	-	1,020,874,590.17
Liabilities under financial lease agreements	51,613,997.56	-	-	51,613,997.56

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33.4 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.

As at December 31, 2019, 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 financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investment in available-for-sale securities				
-Unit trust	-	59,087,104.00	-	59,087,104.00

	Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investment in available-for-sale securities				
-Unit trust	-	59,081,116.89	-	59,081,116.89

During the current year, 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.

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**34. CAPITAL MANAGEMENT**

The primary objective of capital management of the Company and its subsidiary are to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at December 31, 2019, the Company and its subsidiary debt-to-equity ratio was 1.69:1 (December 31, 2018 : 1.38:1) and the Company's was 1.92:1 (December 31, 2018 : 1.56:1).

**35. EVENT AFTER THE REPORTING PERIOD**

At the Board of Directors' meeting of the Company held on 27 February 2020, the directors approved

1) the appropriation of dividends for Baht 0.70 per share in the amount of Baht 175.00 million, from 2019 operations. The interim dividends were paid on September 10, 2019 for Baht 0.36 per share, amount of Baht 90.00 million. And the remaining is Baht 0.34 per share, in the amount of Baht 85.00 million, will be pay within May 2020 subject to approval by the Annual General Meeting of Shareholders of the Company.

2) To approve the issuance and offering of debenture from Baht 2,200 million to Baht 1,000 million is totaled Baht 3,200 million and authorization of the Executive Board to proceed with respect to issuance and offering of debenture.

**36. RECLASSIFICATION**

Certain accounts in the 2018 financial statements have been reclassified to conform to the current year's classification, without any effect to the previously reported profit (loss) or shareholder's equity.

The reclassifications are as follow:

	Baht					
	Consolidated financial statements			Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification	Before Reclassification	Reclassification	After Reclassification
<b>Statement of financial position</b>						
Revenue account receivable	-	43,038,255.59	43,038,255.59	-	43,038,255.59	43,038,255.59
Other current assets	68,422,966.66	(43,038,255.59)	25,384,711.07	66,928,114.93	(43,038,255.59)	23,889,859.34
Bank overdrafts and short-term loans from financial institutions	93,707,274.41	(22,025,196.28)	71,682,078.13	92,304,365.65	(22,025,196.28)	70,279,169.37
Trade and other payables	76,506,976.49	8,470,904.78	84,977,881.27	71,447,361.41	8,470,904.78	79,918,266.19
Payables - purchase assets for leases	168,660,869.88	13,554,291.50	182,215,161.38	168,660,869.88	13,554,291.50	182,215,161.38

**37. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Board of Directors of the Company on February 27, 2020.