

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. GENERAL INFORMATION

1.1 Corporate 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:-

No. 455/1, Rama 3 Road, Kwang Bangklo, Khet Bangkorlaem, Bangkok 10120, 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 the 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.

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

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

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

2.3 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiary have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2022. 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.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

2.4 Revised Financial Reporting Standards that will become effective for the financial statements with the accounting period beginning on or after January 1, 2023

The Federation of Accounting Professions has announced to apply several revised financial reporting standards in the Royal Gazette. This will become effective for the financial statements with the accounting period beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards adopted before 2023.

The management of the Company and its subsidiary believe that this revision of the standards will not significantly affect the financial statements.

2.5 New Financial Reporting Standards

The Federation of Accounting Professions has announced to apply the Financial Reporting Standard No.17 on “Insurance Contract” in the Royal Gazette. This standard requires to comply with the defined criteria of the international reporting standards including various related improvements. The effective date is to apply on the financial statements for the accounting period beginning on or after January 1, 2025.

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3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of revenues and expenses

The revenues from car leases are recognized as revenue by the straight-line method over the period of contracts but will not be recognized if its customers have not paid the lease 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 under finance lease contracts on an accrual basis, using the effective interest rate method over the term of the agreement.

Other interest income is recognized as revenue on a time proportion basis the effective yield.

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 Trade Receivables and Receivables under finance lease contracts

Trade receivables are stated at their invoice value less allowance for expected credit losses unless they contain significant financing components, when they are recognized at present value.

Receivables under finance lease contracts-net are presented net, of unearned interest income plus value added tax paid by the company and allowance for expected credit losses.

The allowance for expected credit losses is disclosed in Note 3.4.

3.4 Financial instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Company and its subsidiary's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

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Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognized as expense in profit or loss.

Subsequent measurement of debt instruments by 3 methods depend on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.
- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

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Classification and valuation of financial liabilities

The Company and its subsidiary are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

Derecognition of financial instruments

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

Impairment of financial assets

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company and its subsidiary use the general approach in considering the allowance for loss on impairment. For trade receivables, the Company and its subsidiary apply a simplified approach in calculating ECLs. The Company and its subsidiary recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

In addition, the management sets aside an additional allowance for expected credit losses to account for the uncertainties around future events that have not yet been reflected in the model (Management overlay), based on the assessment and judgement of the management.

Increase (decrease) in an allowance for expected credit losses is recognized as expenses during the period in profit or loss in the statements of comprehensive income.

The Company has a policy to write-off receivables when there is no realistic prospect of recovery.

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Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Company and its subsidiary intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

3.5 Derivatives and hedging activities

The Company and its subsidiary initially recognized derivatives at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The subsequent changes are recognized in profit or loss.

Derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Company and its subsidiary designate certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges.

At the inception of a hedging relationship, the Company and its subsidiary designate formally designate and document the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Furthermore, at the inception of the hedge and on an ongoing basis, the Company and its subsidiary documents whether the hedging instrument is effective in offsetting changes in or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements;

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationships ; and
- The hedged ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company and its subsidiary actually hedges and the quantity of the hedging instrument that the Company and its subsidiary actually uses to hedge that quantity of hedged item.

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The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income. The gain or loss relating to the ineffective portion is recognized in profit or loss.

3.6 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.

3.7 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).

3.8 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.

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3.9 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost after deducted accumulated depreciation and allowance for impairment (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

The Company and its subsidiary have reviewed the residual value and useful lives 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 are carried at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated by straight-line method over the estimated useful lives of the assets

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

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3.11 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.

3.12 Impairment of non-financial assets

As at the statement of financial position date, the Company and its subsidiary assess 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.

3.13 Deferred debenture issuing costs

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.

3.14 Lease

3.14.1 As a lessee

At inception of a contract, the Company and its subsidiary assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiary assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

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Right-of-use assets-as a lessee

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

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

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

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiary and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiary exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiary use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

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3.14.2 As a lessor

Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognized as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognized over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease income.

3.15 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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3.16 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, subsidiary and fellow subsidiary 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.

3.17 Provisions

Provisions are recognized when the Company and its subsidiary have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company and its subsidiary expect a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

3.18 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.

3.19 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.

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:

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Expected credit losses of trade receivables and receivables under finance lease contracts

In determining an allowance for expected credit losses, 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.

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 and 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.

Determining the lease term of contracts with renewal and termination options

The Company and its subsidiary determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiary reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate

The Company and its subsidiary cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Company and its subsidiary are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company and its subsidiary would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

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Depreciation of property plant and equipment and right-of-use assets and amortization of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible assets, the management is required to make estimates of the useful lives and residual values of the plant and equipment and right-of-use assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment and right-of-use assets and intangible assets for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements 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.

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.

Fair value of financial instruments

In determining the fair value of financial instruments recognized in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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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
Car Loft Import Co., Ltd.	Selling car import	Shareholder/Co-Director
Mitsu Impression Co., Ltd.	Selling car and repair service	Shareholder/Co-Director
Go Automobile Co., Ltd	Selling car and repair service	Shareholder/Co-Director
Metro Mobile Co., Ltd	Selling car and repair service	Shareholder/Co-Director

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

Pricing Policy	Baht				
	Consolidated financial statements		Separate financial statements		
	2022	2021	2022	2021	
<u>Transaction in the statements of comprehensive income</u>					
<u>Subsidiary company</u>					
Revenue :					
Income on sale of cars	At cost	-	-	-	345,948.00
Dividend income	175 Baht per share	-	-	69,998,950.00	-
Expenses :					
Commission expenses	Agreed price	-	-	14,333,770.37	17,331,775.66
Sales promotion expenses	Agreed price	-	-	-	13,432,000.00
Interest expenses	Interest rate financial institutions	-	-	76,514.07	53,812.78
Purchase of assets :					
Cars for leases	Market price for major buyer	-	-	9,519,201.79	604,714.02
<u>Related companies</u>					
Revenue :					
Income on sale of cars					
Car Loft Import Co., Ltd.	At cost after deduct special discount	13,825,001.00	7,836,698.14	-	-
Commission income					
Toyota Krungthai Co., Ltd.	Agreed price	-	8,426,000.00	-	8,426,000.00
Show room for rent					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 350 sqm., rental charge at 83,000 Baht/Month	830,000.00	996,000.00	830,000.00	996,000.00
Metro Mobile Co., Ltd	Agreed price by area 350 sqm., rental charge at 425,000 Baht/Month	850,000.00	-	850,000.00	-
Total		<u>1,680,000.00</u>	<u>996,000.00</u>	<u>1,680,000.00</u>	<u>996,000.00</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

		Baht			
		Consolidated financial statements		Separate financial statements	
Pricing Policy		2022	2021	2022	2021
Service center income					
Siam Nissan Krungthai Co., Ltd.	Agreed price	3,532,073.05	4,538,766.40	3,532,073.05	4,538,766.40
Metro Mobile Co., Ltd.	Agreed price	1,044,592.24	-	1,044,592.24	-
Total		<u>4,576,665.29</u>	<u>4,538,766.40</u>	<u>4,576,665.29</u>	<u>4,538,766.40</u>
Rental fee					
Car Loft Import Co., Ltd.	Rental charge at 225,000 Baht/Month	2,700,000.00	2,700,000.00	-	-
Metro Mobile Co., Ltd.	Rental charge at 270,000 Baht/Month	270,000.00	-	-	-
Total		<u>2,970,000.00</u>	<u>2,700,000.00</u>	<u>-</u>	<u>-</u>
Expenses :					
Commission expense					
Car Loft Import Co., Ltd.	Agreed price	377,730.86	168,224.30	377,730.86	168,224.30
Repair expense					
Siam Nissan Krungthai Co., Ltd.	Market price	604,958.22	855,405.64	493,340.03	738,873.00
Toyota Krungthai Co., Ltd.	Market price	13,335,418.71	9,117,818.36	10,309,382.49	7,673,415.68
Car Loft Import Co., Ltd.	Market price	327,838.55	239,533.88	248,370.00	185,750.50
Mitsu Impression Co., Ltd.	Market price	655,097.66	316,976.54	655,097.66	316,976.54
Go Automobile Co., Ltd.	Market price	68,079.60	-	68,079.60	-
Total		<u>14,991,392.74</u>	<u>10,529,734.42</u>	<u>11,774,269.78</u>	<u>8,915,015.72</u>
Purchase of assets :					
Car for leases					
Siam Nissan Krungthai Co., Ltd.	Market price net of special fleet discount	5,466,355.14	-	5,466,355.14	-
Toyota Krungthai Co., Ltd.	Market price net of special fleet discount	479,645,131.74	547,658,346.54	479,645,131.74	547,658,346.54
Car Loft Import Co., Ltd.	Market price for major buyer	32,033,644.86	103,601,761.68	32,033,644.86	103,601,761.68
Mitsu Impression Co., Ltd.	Market price net of special fleet discount	49,134,440.99	22,754,511.21	49,134,440.99	22,754,511.21
Go Automobile Co., Ltd.	Market price net of special fleet discount	2,360,747.66	1,447,663.55	2,360,747.66	1,447,663.55
Total		<u>568,640,320.39</u>	<u>675,462,282.98</u>	<u>568,640,320.39</u>	<u>675,462,282.98</u>

The outstanding between the Company, subsidiary and related companies as at December 31, 2022 and 2021 are as follows:-

		Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<u>Outstanding balances at the statements of financial position</u>					
<u>Subsidiary company</u>					
Receivable - down payment	-	-	-	603,632.00	664,846.00
Subsidiary payable	-	-	-	46,485,160.71	50,945,377.37
Accrued expenses - commission	-	-	-	1,290,000.00	5,889,000.00
Accrued interest expenses	-	-	-	14,952.08	5,224.03

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Related companies</u>				
Other current receivables				
Siam Nissan Krungthai Co., Ltd.	-	988,078.13	-	988,078.13
Right-of-use assets				
Siam Nissan Krungthai Co., Ltd.	12,134,737.16	6,287,364.32	12,134,737.16	6,287,364.32
Lease liabilities				
Siam Nissan Krungthai Co., Ltd.	12,441,648.72	6,535,082.40	12,441,648.72	6,535,082.40
Trade and other current payables				
Siam Nissan Krungthai Co., Ltd.	123,014.59	166,187.84	36,258.81	75,619.84
Toyota Krungthai Co., Ltd.	2,614,864.34	1,857,432.19	2,356,399.63	1,718,836.34
Car Loft Import Co., Ltd.	11,450.40	28,681.41	11,450.40	28,681.41
Mitsu Impresstion Co., Ltd.	304,223.28	49,330.46	304,223.28	49,330.46
Metro Mobile Co., Ltd.	8,488.31	-	8,488.31	-
Total	<u>3,062,040.92</u>	<u>2,101,631.90</u>	<u>2,716,820.43</u>	<u>1,872,468.05</u>
Payables - purchase assets for leases				
Siam Nissan Krungthai Co., Ltd.	525,000.00	-	525,000.00	-
Toyota Krungthai Co., Ltd.	63,555,359.36	27,207,506.00	63,555,359.36	27,207,506.00
Car Loft Import Co., Ltd.	6,480,000.00	6,770,000.00	6,480,000.00	6,770,000.00
Go Automobile Co., Ltd.	-	1,549,000.00	-	1,549,000.00
Total	<u>70,560,359.36</u>	<u>35,526,506.00</u>	<u>70,560,359.36</u>	<u>35,526,506.00</u>
Accrued expenses - commission				
Car Loft Import Co., Ltd.	80,000.00	-	80,000.00	-
Siam Nissan Krungthai Co., Ltd.	403,700.00	1,041,173.83	403,700.00	1,041,173.83
Total	<u>483,700.00</u>	<u>1,041,173.83</u>	<u>483,700.00</u>	<u>1,041,173.83</u>

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.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

Directors and executive remuneration for the years ended December 31, 2022 and 2021 consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2022	2021
Directors	1,812,286.30	1,725,987.13
Executive directors	10,349,142.42	9,899,526.04
Executives	9,716,532.57	10,387,446.24
Total	21,877,961.29	22,012,959.41

5. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash on hand	214,353.19	369,390.85	68,322.49	210,263.14
Cash at banks - current accounts	176,927.91	886,056.51	29,665.41	738,791.44
Cash at banks - savings accounts	73,579,698.76	30,036,829.77	73,579,698.76	30,036,829.77
Cash at banks - fixed 3 months	21,097.85	21,076.96	21,097.85	21,076.96
Total	73,992,077.71	31,313,354.09	73,698,784.51	31,006,961.31

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, 2022 and 2021, the Company has cash at banks - savings and fixed 3 months accounts has interest rate of 0.05% - 0.30% per annum and 0.05% - 0.80% per annum, respectively.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

6. TRADE AND OTHER CURRENT RECEIVABLES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables classified by aging				
Undue	182,293,561.13	129,896,836.59	179,463,974.13	116,342,851.23
Over 0 months to 3 months	19,700,753.67	43,432,224.92	19,700,753.67	43,432,224.92
Over 3 months to 6 months	6,563,156.20	893,301.82	6,563,156.20	893,301.82
Over 6 months to 12 months	1,956,214.55	611,674.92	1,956,214.55	611,674.92
Over 12 months	3,934,863.65	4,231,834.08	3,934,863.65	4,231,834.08
Total	214,448,549.20	179,065,872.33	211,618,962.20	165,511,886.97
Less Allowance for expected credit losses	(15,070,583.11)	(7,163,244.45)	(15,067,419.12)	(7,117,997.86)
Trade receivables - net	<u>199,377,966.09</u>	<u>171,902,627.88</u>	<u>196,551,543.08</u>	<u>158,393,889.11</u>
Other current receivables				
Accrued incomes	13,970,578.71	8,519,720.36	13,488,150.25	7,229,108.28
Prepaid expenses	25,255,743.72	26,949,758.43	24,949,179.34	26,882,680.90
Insurance receivables	1,546,501.68	3,026,891.78	1,546,501.68	3,026,891.78
Other	3,836,855.44	5,282,360.36	2,458,787.92	3,035,997.20
Total other current receivables	<u>44,609,679.55</u>	<u>43,778,730.93</u>	<u>42,442,619.19</u>	<u>40,174,678.16</u>
Total trade and other current receivables	<u>243,987,645.64</u>	<u>215,681,358.81</u>	<u>238,994,162.27</u>	<u>198,568,567.27</u>
Trade receivables-net consisted of:				
Trade receivables of car leases	159,403,612.20	112,903,314.30	159,403,612.20	112,903,314.30
Trade receivables of sale of cars	39,974,353.89	58,999,313.58	37,147,930.88	45,490,574.81
Total	<u>199,377,966.09</u>	<u>171,902,627.88</u>	<u>196,551,543.08</u>	<u>158,393,889.11</u>

Allowance for expected credit losses is changed during the year as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	7,163,244.45	6,364,469.82	7,117,997.86	6,343,116.25
Increase during the year	14,081,282.54	798,774.63	14,123,365.14	774,881.61
Written off during the year	(6,173,943.88)	-	(6,173,943.88)	-
Ending balance	<u>15,070,583.11</u>	<u>7,163,244.45</u>	<u>15,067,419.12</u>	<u>7,117,997.86</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

7. RECEIVABLES UNDER FINANCE LEASE CONTRACTS

This account consisted of:

	Baht
	Consolidated/Separate financial statements
	2022
Receivables under finance lease contracts	31,367,009.72
<u>Less</u> Unearned interest income from receivables under finance lease contracts	(10,111,073.13)
Total	21,255,936.59
Current portion of receivables under finance lease contracts - net	(1,438,082.05)
Receivables under finance lease contracts - net	19,817,854.54

As at December 31, 2022, Receivables under finance lease contracts and the details were as below:

	Baht			
	Consolidated/Separate financial statements			
	2022			
	Current portion of receivables under finance lease contracts - net	Receivables under finance lease contracts - net of current portion and not exceed 5 years	Receivables under finance lease contracts due over 5 years	Total
Receivables under finance lease contracts	3,210,146.02	12,745,749.60	15,411,114.10	31,367,009.72
<u>Less</u> Unearned interest income from receivables under finance lease contracts	(1,772,063.97)	(5,552,662.67)	(2,786,346.49)	(10,111,073.13)
Receivables under finance lease contracts - net	1,438,082.05	7,193,086.93	12,624,767.61	21,255,936.59

8. INVENTORIES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Car	165,695,390.25	156,756,346.31	142,571,619.84	94,974,871.26
Spare parts of car	1,058,883.91	1,336,390.98	1,058,883.91	1,336,390.98
Total	166,754,274.16	158,092,737.29	143,630,503.75	96,311,262.24

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

9. OTHER CURRENT FINANCIAL ASSETS

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2022	2021
Financial assets designated to measure at fair value through profit or loss		
Unit trust - Mutual fund	116,026,859.95	227,014,800.51
<u>Add Unrealized gain on measurement</u>	34,975.80	59,214.03
Other current financial assets	116,061,835.75	227,074,014.54

10. CASH AT BANK USING FOR GUARANTEE

As at December 31, 2022 and 2021, the Company has fixed deposit accounts with a local commercial banks was guaranteed as follows:-

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

As at December 31, 2022 and 2021, the fixed deposit accounts has interest rate of 0.15% per annum and 0.15% - 0.35% per annum, respectively.

11. INVESTMENT IN SUBSIDIARY COMPANY

This account consisted of:

	Baht									
	Number of shares		Percentage of holding		Value of investment under the equity method		Separate financial statements			
	2022	2021	2022	2021	2022	2021	At cost		Dividend	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<u>Subsidiary company</u>										
Krungthai Automobile Co., Ltd.	400,000	400,000	100	100	307,114,509.64	299,530,254.74	48,812,300.00	48,812,300.00	69,998,950.00	-
					307,114,509.64	299,530,254.74	48,812,300.00	48,812,300.00	69,998,950.00	-

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

12. ASSETS FOR LEASES

This account consisted of:

	Baht			
	Consolidated/Separate financial statements			
	Balance per book Dec. 31, 2021	Additions	Transferred in (Transferred out)	Balance per book Dec. 31, 2022
<u>At cost</u>				
Car	6,709,577,093.12	1,229,180,446.44	(976,658,757.12)	6,962,098,782.44
Car accessories	162,586,254.69	19,930,603.17	(17,964,743.47)	164,552,114.39
Total	<u>6,872,163,347.81</u>	<u>1,249,111,049.61</u>	<u>(994,623,500.59)</u>	<u>7,126,650,896.83</u>
<u>Less</u> Accumulated depreciation				
Car	2,467,972,200.05	848,048,459.25	(604,641,657.55)	2,711,379,001.75
Car accessories	115,009,485.28	16,960,005.37	(15,949,481.21)	116,020,009.44
Total	<u>2,582,981,685.33</u>	<u>865,008,464.62</u>	<u>(620,591,138.76)</u>	<u>2,827,399,011.19</u>
Assets for leases - net	<u>4,289,181,662.48</u>			<u>4,299,251,885.64</u>

	Baht			
	Consolidated/Separate financial statements			
	Balance per book Dec. 31, 2020	Additions	Transferred in (Transferred out)	Balance per book Dec. 31, 2021
<u>At cost</u>				
Car	6,424,212,768.31	1,248,379,197.68	(963,014,872.87)	6,709,577,093.12
Car accessories	174,984,305.48	18,032,903.21	(30,430,954.00)	162,586,254.69
Total	<u>6,599,197,073.79</u>	<u>1,266,412,100.89</u>	<u>(993,445,826.87)</u>	<u>6,872,163,347.81</u>
<u>Less</u> Accumulated depreciation				
Car	2,219,655,096.93	844,944,718.08	(596,627,614.96)	2,467,972,200.05
Car accessories	116,150,855.59	26,561,442.75	(27,702,813.06)	115,009,485.28
Total	<u>2,335,805,952.52</u>	<u>871,506,160.83</u>	<u>(624,330,428.02)</u>	<u>2,582,981,685.33</u>
Assets for leases - net	<u>4,263,391,121.27</u>			<u>4,289,181,662.48</u>

As at December 31, 2022 and 2021, the Company has cars for leases liabilities as follow:-

	Amount (Cars)		Net Value (Baht)	
	2022	2021	2022	2021
Cars	1,538	1,225	924,670,720.55	839,700,363.33

As at December 31, 2022 and 2021, the Company has transferred the right of 1,412 and 1,643 cars' registers, respectively as collateral for long-term loans from 3 and 2 local financial institutions, respectively. (see Note 19).

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

As at December 31, 2022 and 2021, the Company has minimum amounts on car leases under uncanceled operating lease agreements, presented by amounting in contracts as follow :-

	Baht	
	2022	2021
Under 1 year	1,103,613,027.36	1,129,865,620.58
Over 1 year to 5 years	1,634,892,453.77	1,651,904,047.84
Total	2,738,505,481.13	2,781,769,668.42

As at December 31, 2022 and 2021, the Company has been fully depreciated cars for leases but they are still in used at total amounting cost of Baht 1,147.78 million and Baht 802.53 million, respectively.

13. PROPERTY, PLANT AND EQUIPMENT

This account consisted of:

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2021	Transaction during the year		Balance per book Dec. 31, 2022
	Additions	Deductions		
<u>At cost</u>				
Land	143,650,000.00	-	-	143,650,000.00
Building	27,591,810.02	-	-	27,591,810.02
Equipment	10,151,361.16	84,212.84	-	10,235,574.00
Furniture & fixture and office equipment	32,244,190.73	1,231,635.40	(2,954,694.64)	30,521,131.49
Vehicles	221,404.73	-	(73,831.78)	147,572.95
Total	213,858,766.64	1,315,848.24	(3,028,526.42)	212,146,088.46
<u>Less</u> Accumulated depreciation				
Building	5,496,922.11	1,379,590.50	-	6,876,512.61
Equipment	9,232,365.16	596,254.30	-	9,828,619.46
Furniture & fixture and office equipment	27,930,341.99	1,934,787.24	(2,954,524.64)	26,910,604.59
Vehicles	221,397.76	-	(73,829.78)	147,567.98
Total	42,881,027.02	3,910,632.04	(3,028,354.42)	43,763,304.64
Property, plant and equipment - net	170,977,739.62			168,382,783.82

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

DECEMBER 31, 2022

	Baht				
	Consolidated financial statements				
	Balance per book	Transaction during the year			Balance per book
	Dec. 31, 2020	Additions	Deductions		Dec. 31, 2021
<u>At cost</u>					
Land	143,650,000.00	-	-	143,650,000.00	
Building	27,591,810.02	-	-	27,591,810.02	
Equipment	10,073,765.13	77,596.03	-	10,151,361.16	
Furniture & fixture and office equipment	34,019,179.42	1,132,052.01	(2,907,040.70)	32,244,190.73	
Vehicles	221,404.73	-	-	221,404.73	
Total	<u>215,556,159.30</u>	<u>1,209,648.04</u>	<u>(2,907,040.70)</u>	<u>213,858,766.64</u>	
<u>Less Accumulated depreciation</u>					
Building	4,117,331.61	1,379,590.50	-	5,496,922.11	
Equipment	8,578,873.90	653,491.26	-	9,232,365.16	
Furniture & fixture and office equipment	28,949,939.98	1,887,386.71	(2,906,984.70)	27,930,341.99	
Vehicles	221,397.76	-	-	221,397.76	
Total	<u>41,867,543.25</u>	<u>3,920,468.47</u>	<u>(2,906,984.70)</u>	<u>42,881,027.02</u>	
Property, plant and equipment - net	<u><u>173,688,616.05</u></u>			<u><u>170,977,739.62</u></u>	

	Baht				
	Separate financial statements				
	Balance per book	Transaction during the year			Balance per book
	Dec. 31, 2021	Additions	Deductions		Dec. 31, 2022
<u>At cost</u>					
Equipment	8,714,242.26	46,618.00	-	8,760,860.26	
Furniture & fixture and office equipment	19,677,359.90	747,472.32	(2,954,694.64)	17,470,137.58	
Vehicles	221,403.76	-	(73,831.78)	147,571.98	
Total	<u>28,613,005.92</u>	<u>794,090.32</u>	<u>(3,028,526.42)</u>	<u>26,378,569.82</u>	
<u>Less Accumulated depreciation</u>					
Equipment	7,901,994.04	536,217.85	-	8,438,211.89	
Furniture & fixture and office equipment	17,553,899.92	920,535.86	(2,954,524.64)	15,519,911.14	
Vehicles	221,397.76	-	(73,829.78)	147,567.98	
Total	<u>25,677,291.72</u>	<u>1,456,753.71</u>	<u>(3,028,354.42)</u>	<u>24,105,691.01</u>	
Property, plant and equipment - net	<u><u>2,935,714.20</u></u>			<u><u>2,272,878.81</u></u>	

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

DECEMBER 31, 2022

	Baht			
	Separate financial statements			
	Balance per book	Transaction during the year		Balance per book
	Dec. 31, 2020	Additions	Deductions	Dec. 31, 2021
<u>At cost</u>				
Equipment	8,652,671.23	61,571.03	-	8,714,242.26
Furniture & fixture and office equipment	22,069,834.36	514,566.24	(2,907,040.70)	19,677,359.90
Vehicles	221,403.76	-	-	221,403.76
Total	<u>30,943,909.35</u>	<u>576,137.27</u>	<u>(2,907,040.70)</u>	<u>28,613,005.92</u>
<u>Less</u> Accumulated depreciation				
Equipment	7,306,661.46	595,332.58	-	7,901,994.04
Furniture & fixture and office equipment	19,500,949.64	959,934.98	(2,906,984.70)	17,553,899.92
Vehicles	221,397.76	-	-	221,397.76
Total	<u>27,029,008.86</u>	<u>1,555,267.56</u>	<u>(2,906,984.70)</u>	<u>25,677,291.72</u>
Property, plant and equipment - net	<u>3,914,900.49</u>			<u>2,935,714.20</u>

As at December 31, 2022 and 2021, equipment are fully depreciated but still in use are presented in the consolidated financial statements at cost of Baht 30.47 million and Baht 29.93 million, respectively and in the separate financial statements at the cost of Baht 21.04 million and Baht 21.07 million, respectively.

14. RIGHT-OF-USE ASSETS

14.1 Right-of-use assets consists of:

	Baht			
	Consolidated financial statements			
	Balance per book	Transactions during the year		Balance per book
	Dec. 31, 2021	Addition	Change in conditions/ written-off	Dec. 31, 2022
<u>At cost</u>				
Land and land improvements	103,655,393.84	15,766,332.07	-	119,421,725.91
Buildings on leasehold right	95,564,254.49	2,176,362.57	-	97,740,617.06
Land improvement on leasehold	546,200.00	-	-	546,200.00
Total	<u>199,765,848.33</u>	<u>17,942,694.64</u>	<u>-</u>	<u>217,708,542.97</u>
<u>Less</u> Accumulated depreciation				
Land and land improvements	38,620,913.97	13,243,787.78	-	51,864,701.75
Buildings on leasehold right	86,074,566.08	3,288,030.46	-	89,362,596.54
Land improvement on leasehold	546,199.00	-	-	546,199.00
Total	<u>125,241,679.05</u>	<u>16,531,818.24</u>	<u>-</u>	<u>141,773,497.29</u>
Right-of-use assets - net	<u>74,524,169.28</u>			<u>75,935,045.68</u>

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

DECEMBER 31, 2022

	Baht				
	Consolidated financial statements				
	Balance per book	Transactions during the year			Balance per book
	Dec. 31, 2020	Addition	Change in conditions/ written-off		Dec. 31, 2021
<u>At cost</u>					
Land and land improvements	101,839,098.74	3,574,174.68	(1,757,879.58)	103,655,393.84	
Buildings on leasehold right	95,471,376.49	92,878.00	-	95,564,254.49	
Land improvement on leasehold	546,200.00	-	-	546,200.00	
Total	<u>197,856,675.23</u>	<u>3,667,052.68</u>	<u>(1,757,879.58)</u>	<u>199,765,848.33</u>	
<u>Less Accumulated depreciation</u>					
Land and land improvements	27,256,741.59	13,122,051.96	(1,757,879.58)	38,620,913.97	
Buildings on leasehold right	82,483,003.46	3,591,562.62	-	86,074,566.08	
Land improvement on leasehold	546,199.00	-	-	546,199.00	
Total	<u>110,285,944.05</u>	<u>16,713,614.58</u>	<u>(1,757,879.58)</u>	<u>125,241,679.05</u>	
Right-of-use assets - net	<u>87,570,731.18</u>			<u>74,524,169.28</u>	

	Baht				
	Separate Financial Statements				
	Balance per book	Transactions during the year			Balance per book
	Dec. 31, 2021	Addition	Change in conditions/ written-off		Dec. 31, 2022
<u>At cost</u>					
Land and land improvements	12,872,232.29	15,766,332.07	-	28,638,564.36	
Buildings on leasehold right	32,464,967.20	2,176,362.57	-	34,641,329.77	
Land improvement on leasehold	546,200.00	-	-	546,200.00	
Total	<u>45,883,399.49</u>	<u>17,942,694.64</u>	<u>-</u>	<u>63,826,094.13</u>	
<u>Less Accumulated depreciation</u>					
Land and land improvements	8,809,050.06	1,048,994.17	-	9,858,044.23	
Buildings on leasehold right	24,523,345.77	1,949,692.44	-	26,473,038.21	
Land improvement on leasehold	546,199.00	-	-	546,199.00	
Total	<u>33,878,594.83</u>	<u>2,998,686.61</u>	<u>-</u>	<u>36,877,281.44</u>	
Right-of-use assets - net	<u>12,004,804.66</u>			<u>26,948,812.69</u>	

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

	Baht				
	Separate Financial Statements				
	Balance per book	Transactions during the year			Balance per book
	Dec. 31, 2020	Addition	Change in conditions/ written-off		Dec. 31, 2021
<u>At cost</u>					
Land and land improvements	12,872,232.29	-	-	12,872,232.29	
Buildings on leasehold right	32,464,967.20	-	-	32,464,967.20	
Land improvement on leasehold	546,200.00	-	-	546,200.00	
Total	<u>45,883,399.49</u>	<u>-</u>	<u>-</u>	<u>45,883,399.49</u>	
<u>Less</u> Accumulated depreciation					
Land and land improvements	7,881,791.70	927,258.36	-	8,809,050.06	
Buildings on leasehold right	22,296,857.96	2,226,487.81	-	24,523,345.77	
Land improvement on leasehold	546,199.00	-	-	546,199.00	
Total	<u>30,724,848.66</u>	<u>3,153,746.17</u>	<u>-</u>	<u>33,878,594.83</u>	
Right-of-use assets - net	<u>15,158,550.83</u>			<u>12,004,804.66</u>	

The Company and its subsidiary lease several assets including land of which lease term 5 - 15 years, land improvements and buildings on leasehold right of which average lease term during 3 - 15 years.

14.2 Amounts recognized in the statement of comprehensive income for the years ended December 31, 2022 and 2021 are comprise;

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Depreciation - right-of-use assets	16,531,818.24	16,713,614.58	2,998,686.61	3,153,746.17
Interest expenses	20,866,870.83	14,439,777.31	18,117,295.75	11,183,489.18
Expense relating to short-term leases	1,879,868.50	1,705,857.90	255,552.00	255,552.00
	<u>39,278,557.57</u>	<u>32,859,249.79</u>	<u>21,371,534.36</u>	<u>14,592,787.35</u>

For the years ended December 31, 2022 and 2021, the total cash outflow for leases on consolidated financial statements amount to Baht 240.59 million and Baht 143.62 million, respectively separated financial statements amount to Baht 228.11 million and Baht 131.82 million, respectively.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

15. INTANGIBLE ASSETS

This account consisted of:

	Baht					
	Consolidated financial statements					
	Balance per book	Transactions during the year				Balance per book
	Dec. 31, 2021	Additions	Deductions	Transfer in (Transfer out)		Dec. 31, 2022
<u>At cost</u>						
Computer software	9,036,420.23	42,560.00	-	-	9,078,980.23	
Computer software in progress	13,003,790.00	43,500.00	-	-	13,047,290.00	
Copyright	504,672.90	-	-	-	504,672.90	
Total	<u>22,544,883.13</u>	<u>86,060.00</u>	<u>-</u>	<u>-</u>	<u>22,630,943.13</u>	
<u>Less</u> Accumulated amortization	<u>7,454,794.21</u>	<u>455,670.62</u>	<u>-</u>	<u>-</u>	<u>7,910,464.83</u>	
Intangible assets - net	<u>15,090,088.92</u>				<u>14,720,478.30</u>	

	Baht					
	Consolidated financial statements					
	Balance per book	Transactions during the year				Balance per book
	Dec. 31, 2020	Additions	Deductions	Transfer in (Transfer out)		Dec. 31, 2021
<u>At cost</u>						
Computer software	8,420,240.23	86,180.00	-	530,000.00	9,036,420.23	
Computer software in progress	10,626,612.00	2,907,178.00	-	(530,000.00)	13,003,790.00	
Copyright	504,672.90	-	-	-	504,672.90	
Total	<u>19,551,525.13</u>	<u>2,993,358.00</u>	<u>-</u>	<u>-</u>	<u>22,544,883.13</u>	
<u>Less</u> Accumulated amortization	<u>7,067,908.21</u>	<u>386,886.00</u>	<u>-</u>	<u>-</u>	<u>7,454,794.21</u>	
Intangible assets - net	<u>12,483,616.92</u>				<u>15,090,088.92</u>	

	Baht				
	Separate financial statements				
	Balance per book	Transactions during the year		Balance per book	
	Dec. 31, 2021	Additions	Deductions	Dec. 31, 2022	
<u>At cost</u>					
Computer software	6,527,910.69	-	-	6,527,910.69	
Computer software in progress	13,003,790.00	36,000.00	-	13,039,790.00	
Total	<u>19,531,700.69</u>	<u>36,000.00</u>	<u>-</u>	<u>19,567,700.69</u>	
<u>Less</u> Accumulated amortization	<u>5,967,914.59</u>	<u>99,209.44</u>	<u>-</u>	<u>6,067,124.03</u>	
Intangible assets - net	<u>13,563,786.10</u>			<u>13,500,576.66</u>	

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

DECEMBER 31, 2022

	Baht			
	Separate financial statements			
	Balance per book	Transactions during the year		Balance per book
	Dec. 31, 2020	Additions	Deductions	Dec. 31, 2021
<i>At cost</i>				
Computer software	6,501,730.69	26,180.00	-	6,527,910.69
Computer software in progress	10,626,612.00	2,377,178.00	-	13,003,790.00
Total	17,128,342.69	2,403,358.00	-	19,531,700.69
<i>Less</i> Accumulated amortization	5,851,374.03	116,540.56	-	5,967,914.59
Intangible assets - net	<u>11,276,968.66</u>			<u>13,563,786.10</u>

As at December 31, 2022 and 2021, intangible assets are fully amortization but still in use are presented in the consolidated financial statements at cost of Baht 6.30 million and in the separate financial statements at the cost of Baht 5.54 million.

16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	79,152,219.04	126,797,717.94	88,937,642.06	140,730,795.81
Deferred tax liabilities	-	-	(11,379,594.19)	(15,320,301.10)
	<u>79,152,219.04</u>	<u>126,797,717.94</u>	<u>77,558,047.87</u>	<u>125,410,494.71</u>

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2022 and 2021, are summarized as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 2021	In profit or loss	In other comprehensive income	Dec. 31, 2022
Deferred tax assets:				
Loss from remeasuring of derivative instruments	21,903.19	-	(21,903.19)	-
Leases liabilities	899,505.89	322,445.98	-	1,221,951.87
Provision for employee benefit	5,714,033.80	114,229.19	(306,286.36)	5,521,976.63
Tax losses carry forward	135,482,576.16	(51,694,691.43)	-	83,787,884.73
Total	<u>142,118,019.04</u>	<u>(51,258,016.26)</u>	<u>(328,189.55)</u>	<u>90,531,813.23</u>
Deferred tax liabilities:				
Inventories	1,852,027.56	1,041,318.28	-	810,709.28
Assets for leases	13,468,273.54	2,899,388.63	-	10,568,884.91
Total	<u>15,320,301.10</u>	<u>3,940,706.91</u>	<u>-</u>	<u>11,379,594.19</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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DECEMBER 31, 2022

	Baht				
	Consolidated financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	Dec. 31, 2020	In profit or loss	In other comprehensive income		Dec. 31, 2021
Deferred tax assets:					
Loss from remeasuring of derivative instruments	222,722.64	-	(200,819.45)	21,903.19	
Leases liabilities	491,295.26	408,210.63	-	899,505.89	
Provision for employee benefit	5,220,377.08	493,656.72	-	5,714,033.80	
Tax losses carry forward	167,329,386.29	(31,846,810.13)	-	135,482,576.16	
Total	<u>173,263,781.27</u>	<u>(30,944,942.78)</u>	<u>(200,819.45)</u>	<u>142,118,019.04</u>	
Deferred tax liabilities:					
Inventories	2,138,381.06	286,353.50	-	1,852,027.56	
Assets for leases	19,426,260.85	5,957,987.31	-	13,468,273.54	
Total	<u>21,564,641.91</u>	<u>6,244,340.81</u>	<u>-</u>	<u>15,320,301.10</u>	
	Baht				
	Separate financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at	
	Dec. 31, 2021	In profit or loss	In other comprehensive income	Dec. 31, 2022	
Deferred tax assets:					
Loss from remeasuring of derivative instruments	21,903.19	-	(21,903.19)	-	
Leases liabilities	115,254.37	82,329.23	-	197,583.60	
Provision for employee benefit	5,111,062.09	20,424.38	(179,312.74)	4,952,173.73	
Tax loss carry forward	135,482,576.16	(51,694,691.43)	-	83,787,884.73	
Total	<u>140,730,795.81</u>	<u>(51,591,937.82)</u>	<u>(201,215.93)</u>	<u>88,937,642.06</u>	
Deferred tax liabilities:					
Inventories	1,852,027.56	1,041,318.28	-	810,709.28	
Assets for leases	13,468,273.54	2,899,388.63	-	10,568,884.91	
Total	<u>15,320,301.10</u>	<u>3,940,706.91</u>	<u>-</u>	<u>11,379,594.19</u>	

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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	Baht			Balance as at Dec. 31, 2021
	Separate financial statements			
	Balance as at Dec. 31, 2020	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Loss from remeasuring of derivative instruments	222,722.64	-	(200,819.45)	21,903.19
Leases liabilities	62,793.42	52,460.95	-	115,254.37
Provision for employee benefit	4,687,006.46	424,055.63	-	5,111,062.09
Tax loss carry forward	167,329,386.29	(31,846,810.13)	-	135,482,576.16
Total	<u>172,301,908.81</u>	<u>(31,370,293.55)</u>	<u>(200,819.45)</u>	<u>140,730,795.81</u>
Deferred tax liabilities:				
Inventories	2,138,381.06	286,353.50	-	1,852,027.56
Assets for leases	19,426,260.85	5,957,987.31	-	13,468,273.54
Total	<u>21,564,641.91</u>	<u>6,244,340.81</u>	<u>-</u>	<u>15,320,301.10</u>

Details of expiry date of the above tax losses carried forward are summarised as below:

	Baht	
	Consolidated/Separate financial statements	
	2022	2021
December 31, 2023	-	219,289,746.25
December 31, 2024	248,452,752.75	287,636,463.70
December 31, 2025	170,486,670.89	170,486,670.89
Total	<u>418,939,423.64</u>	<u>677,412,880.84</u>

17. OTHER NON - CURRENT ASSETS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deposit	4,003,847.09	3,887,424.73	129,143.17	85,975.20
Withholding tax deducted at source	175,193,688.32	179,027,846.28	175,193,688.32	178,874,736.38
Less Allowance for the refund	<u>(29,270,301.48)</u>	<u>(29,270,301.48)</u>	<u>(29,270,301.48)</u>	<u>(29,270,301.48)</u>
Withholding tax deducted at source - net	145,923,386.84	149,757,544.80	145,923,386.84	149,604,434.90
Total	<u>149,927,233.93</u>	<u>153,644,969.53</u>	<u>146,052,530.01</u>	<u>149,690,410.10</u>

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On February 3, 2023, the Company received a refund of withholding tax for the years 2021, totaling Baht 61.80 million. The Company therefore reclassified such the refund of withholding tax as current assets in the statement of financial position as at December 31, 2022.

On January 20 and 26, 2022, the Company received a refund of withholding tax for the years 2021 and 2017, totaling Baht 114.14 million. The Company therefore reclassified such the refund of withholding tax as current assets in the statement of financial position as at December 31, 2021.

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

As at December 31, 2022 and 2021, 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, 2022 and 2021, the Company has short-term loans in promissory notes with five local commercial banks and the details are as follows:

Credit line No.	Credit amount (Million Baht)		Interest Rate	Guaranteed
	2022	2021		
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	30	MMR	- No guaranteed
7	100	-	MMR	- No guaranteed
	<u>380</u>	<u>280</u>		

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19. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2022	2021
Long-term loan from financial institutions	684,706,645.34	837,321,971.17
<u>Less</u> Current portion due within one year	(251,025,381.30)	(314,888,146.24)
Long-term loan from financial institutions - net	433,681,264.04	522,433,824.93

As at December 31, 2022, the Company has long-term loans with three local financial institutions. Each credit line has been withdrawn to several loans and the details are as follows:

Credit line No.	Credit line using (Million Baht)	Withdraw loan (Million Baht)	Interest rate (per annum)	Monthly installment (Million Baht)	The first installment date of 1 st loan and the final installment date of final loan	Guaranteed The right of car's registers of the company
1	1,000	216.44	Fixed Rate	6.94	May. 19 - Apr. 24	556
2	300	300.00	MLR - 2.705%	4.79	Mar. 20 - Nov. 24	351
3	50	50.00	Fixed Rate	1.04	May. 21 - May. 25	54
4	200	200.00	MLR - 2.805%	3.19	Sep. 21 - May. 26	286
5	160	110.00	MLR - 2.705%	1.76	May. 22 - Dec. 26	165
	1,710	876.44		17.72		1,412

As at December 31, 2021, the Company has long-term loans with two local financial institutions. Each credit line has been withdrawn to several loans and the details are as follows:

Credit line No.	Credit line using (Million Baht)	Withdraw loan (Million Baht)	Interest rate (per annum)	Monthly installment (Million Baht)	The first installment date of 1 st loan and the final installment date of final loan	Guaranteed The right of car's registers of the company
1	1,000	504.48	Fixed Rate	14.32	Jan. 18 - Apr. 24	1,137
2	300	300.00	THBFIX 6M + 1.65%	4.79	Mar. 20 - Nov. 24	351
3	50	50.00	Fixed Rate	1.04	May. 21 - Nov. 25	54
4	200	70.00	MLR - 2.805%	1.12	Sep. 21 - Sep. 25	101
	1,550	924.48		21.27		1,643

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 (not over 3.0-3.5 : 1 time)

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As at December 31, 2022 and 2021, the movements of long-term loans from financial institutions are as follows:-

	Baht	
	Consolidated/Separate financial statements	
	2022	2021
Balance beginning of the year	837,321,971.17	1,079,947,749.32
<u>Add</u> Loan increase during the year	240,000,000.00	120,000,000.00
<u>Less</u> Repayment during the year	(392,615,325.83)	(362,625,778.15)
Balance ending of the year	<u>684,706,645.34</u>	<u>837,321,971.17</u>

The Company entered into interest rate swap agreements with financial institutions to partially swap interest of the above long-term loan. As at December 31, 2022, the Company entered into interest rate swap agreements with financial institutions, to swap interest of the debentures issued, totaling in notional amount of Baht 172.02 million to swap floating Baht interest rates plus margins as specified in agreements for fixed Baht interest rates. The purpose of the certain interest rate swap agreements is to hedge the cashflow of long-term (only the interest portion), which the Company and subsidiary elected to apply hedge accounting for these transactions (See Note 33.3)

On July 21, 2022, the Bank announced the termination of the contract with the Company due to the London Interbank Offered Rate (LIBOR) will be terminated as referenced by the bank in calculating the contractual interest rate of THBFIX. However, the bank has paid a terminated fee of Baht 1 million to the Company.

20. LEASE LIABILITIES

Movements of the lease liabilities account for the years ended December 31, 2022 and 2021 are summarized as follows.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
As at January 1,	862,680,637.74	353,530,096.29	798,503,082.52	282,584,003.88
Additions during the year	267,081,324.88	651,055,929.14	267,081,324.88	647,481,754.46
Accretion of interest	20,866,870.83	14,453,535.43	18,117,295.75	11,197,247.30
Payments during the year	(259,574,095.65)	(156,358,923.12)	(245,966,252.65)	(142,759,923.12)
Difference from rental reduction	(62,608.66)	-	-	-
As at December 31,	890,992,129.14	862,680,637.74	837,735,450.50	798,503,082.52
<u>Less:</u> Current portion due within one year	(278,845,737.17)	(230,986,015.07)	(269,283,474.97)	(220,065,138.48)
Lease liabilities - net	<u>612,146,391.97</u>	<u>631,694,622.67</u>	<u>568,451,975.53</u>	<u>578,437,944.04</u>

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As at December 31, 2022 and 2021, the Company and subsidiary have lease liabilities to be paid as follows:

	Baht					
	Consolidated financial statements					
	2022			2021		
	Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts
Payment due within 1 year	278,845,737.17	21,071,627.52	299,917,364.69	230,986,015.07	20,243,993.04	251,230,008.11
Payment due over 1 year to 5 years	574,418,736.44	29,451,074.10	603,869,810.54	599,846,551.84	31,485,725.35	631,332,277.19
Payment due over 5 years	37,727,655.53	3,342,456.03	41,070,111.56	31,848,070.83	3,686,682.17	35,534,753.00
Total	<u>890,992,129.14</u>	<u>53,865,157.65</u>	<u>944,857,286.79</u>	<u>862,680,637.74</u>	<u>55,416,400.56</u>	<u>918,097,038.30</u>

	Baht					
	Separate financial statements					
	2022			2021		
	Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts
Payment due within 1 year	269,283,474.97	18,777,517.72	288,060,992.69	220,065,138.48	17,457,026.63	237,522,165.11
Payment due over 1 year to 5 years	555,063,091.40	22,792,177.14	577,855,268.54	576,330,148.01	23,839,611.18	600,169,759.19
Payment due over 5 years	13,388,884.13	1,015,370.42	14,404,254.55	2,107,796.03	52,703.96	2,160,499.99
Total	<u>837,735,450.50</u>	<u>42,585,065.28</u>	<u>880,320,515.78</u>	<u>798,503,082.52</u>	<u>41,349,341.77</u>	<u>839,852,424.29</u>

21. DEBENTURES

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2022	2021
Unsecured debentures - at face value	1,250,000,000.00	1,400,000,000.00
<u>Less</u> Deferred expenses on debentures issuance	<u>(838,845.44)</u>	<u>(685,986.28)</u>
	1,249,161,154.56	1,399,314,013.72
<u>Less</u> Current portion due within one year	<u>(799,778,496.72)</u>	<u>(599,916,356.16)</u>
Debentures - net	<u>449,382,657.84</u>	<u>799,397,657.56</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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As at December 31, 2022, 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. 3

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

Issued No. 4

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

Issued No. 5

Debenture issued on	:	September 11, 2021
Debentures value	:	Baht 100 million (100,000 units of par value of Baht 1,000 each)
Period and maturity date	:	3 years will mature on September 11, 2023
Interest rate	:	Fixed rate of 3.10% per annum
Interest payment due	:	Every March 11 and September 11 of each year

Issued No. 6

Debenture issued on	:	February 10, 2022
Debentures value	:	Baht 450 million (450,000 units of par value of Baht 1,000 each)
Period and maturity date	:	3 years will mature on February 10, 2025
Interest rate	:	Fixed rate of 2.32% per annum
Interest payment due	:	Every February 11, and October 11, 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.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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22. PROVISION FOR EMPLOYEE BENEFIT

Provision for employee benefits are as follows

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Provision for employee benefit beginning of the year	28,570,168.99	26,101,885.48	25,555,310.43	23,435,032.39
Actuarial gain	(1,531,431.81)	-	(896,563.71)	-
Benefits paid by the plan	(2,030,713.33)	(108,640.00)	(2,030,713.33)	-
Current service costs and interest	2,601,859.27	2,576,923.51	2,132,835.24	2,120,278.04
Provision for employee benefit ending of the year	<u>27,609,883.12</u>	<u>28,570,168.99</u>	<u>24,760,868.63</u>	<u>25,555,310.43</u>

The statements of comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current service costs and interest				
Service costs	2,148,577.46	2,155,960.12	1,730,617.68	1,742,974.02
Interest expenses	453,281.81	420,963.39	402,217.56	377,304.02
Total	<u>2,601,859.27</u>	<u>2,576,923.51</u>	<u>2,132,835.24</u>	<u>2,120,278.04</u>

Expense recognized in other comprehensive income:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Actuarial gain - net income tax	1,225,145.45	-	717,250.97	-

Principal actuarial assumptions in the estimates based on the actuarial principles

	Percentage			
	Consolidated financial statements		Separate financial statement	
	2022	2021	2022	2021
Discount rate	2.52 - 2.96	1.61 - 1.69	2.52	1.61
Salary increase rate	6.00	6.00	6.00	6.00
Employee turnover rate	3.58 - 34.38	5.73 - 34.38	3.58 - 34.38	5.73 - 34.38

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

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, 2022 and 2021 are summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate				
0.50% increase	(922,026.08)	(1,054,354.85)	(786,511.83)	(923,760.17)
0.50% decrease	971,605.28	1,114,175.49	826,252.33	975,186.57
Salary increase rate				
1% increase	1,859,732.33	2,699,523.51	1,597,933.64	2,375,633.51
1% decrease	(1,713,901.56)	(2,440,718.81)	(1,480,475.91)	(2,152,016.90)
Turnover rate				
20% increase	(1,849,524.43)	(3,488,428.01)	(1,550,913.64)	(3,054,105.12)
20% decrease	2,103,034.79	4,146,672.58	1,737,779.80	3,605,614.02

23. OTHER INCOME

This account consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest income	126,540.89	138,247.37	126,540.89	138,247.37
Penalty of cancelled contract	5,630,098.26	3,999,413.36	5,630,098.26	3,999,413.36
Repair service income	4,576,665.29	4,538,766.40	4,576,665.29	4,538,766.40
Commission income	10,148,659.34	8,806,073.64	-	-
Sale promotion income	5,777,716.05	14,351,863.40	5,777,716.05	13,192,140.00
Others	33,351,235.40	43,263,619.50	20,825,595.33	29,741,323.27
Total	<u>59,610,915.23</u>	<u>75,097,983.67</u>	<u>36,936,615.82</u>	<u>51,609,890.40</u>

24. EXPENSES BY NATURE

Expenses by nature are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Change in inventories	8,939,043.94	12,296,432.47	47,596,748.58	(6,472,352.09)
Cost of sale of cars from assets-for-leases	342,396,678.45	387,978,316.18	342,396,678.45	387,978,316.18
Purchase of used cars	238,774,146.93	202,860,072.85	-	-
Employee benefit costs	85,728,094.56	78,204,691.88	58,715,888.08	54,523,252.58
Depreciation and amortization	885,827,968.61	892,527,129.88	869,563,114.38	876,331,715.12
Others	245,871,091.47	220,321,322.59	245,871,091.47	220,321,322.59

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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25. TAX EXPENSES

25.1 Major components of tax expenses for the years ended December 31, 2022 and 2021 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Tax expenses shown in profit or loss :				
Current tax expenses:				
Income tax expenses for the year	1,932,680.27	3,932,757.00	-	-
Deferred tax expenses:				
Changes in temporary differences relating to the original recognition and reversal	47,317,309.36	24,700,601.97	47,651,230.92	25,125,952.74
Total	<u>49,249,989.63</u>	<u>28,633,358.97</u>	<u>47,651,230.92</u>	<u>25,125,952.74</u>
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Gain from remeasuring of derivative instruments	21,903.19	200,819.45	21,903.19	200,819.45
Actuarial gain	306,286.36	-	179,312.74	-
Total	<u>328,189.55</u>	<u>200,819.45</u>	<u>201,215.93</u>	<u>200,819.45</u>

25.2 A numerical reconciliation between tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2022 and 2021 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit for the year	232,476,472.67	254,746,695.15	293,801,353.55	237,022,040.74
The applicable tax rate (%)	20	20	20	20
Tax expense at the applicable tax rate	46,495,294.53	50,949,339.03	58,760,270.71	47,404,408.15
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	2,893,032.07	1,197,474.59	2,860,684.43	962,883.83
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	-	-	(13,999,790.00)	-
- Expenses as expenses in determining tax	(425,263.60)	(23,360,047.99)	(256,860.85)	(23,087,932.58)
Other	286,926.63	(153,406.66)	286,926.63	(153,406.66)
Total reconciliation items	<u>2,754,695.10</u>	<u>(22,315,980.06)</u>	<u>(11,109,039.79)</u>	<u>(22,278,455.41)</u>
Total tax expenses	<u>49,249,989.63</u>	<u>28,633,358.97</u>	<u>47,651,230.92</u>	<u>25,125,952.74</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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DECEMBER 31, 2022

25.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2022 and 2021 are summarized as follows:

	Consolidated financial statements			
	2022		2021	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	232,476,472.67		254,746,695.15	
Tax expense at the applicable tax rate	46,495,294.53	20.00	50,949,339.03	20.00
Reconciliation items	2,754,695.10	1.18	(22,315,980.06)	(8.76)
Tax expenses at the average effective tax rate	49,249,989.63	21.18	28,633,358.97	11.24

	Separate financial statements			
	2022		2021	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	293,801,353.55		237,022,040.74	
Tax expense at the applicable tax rate	58,760,270.71	20.00	47,404,408.15	20.00
Reconciliation items	(11,109,039.79)	(3.78)	(22,278,455.41)	(9.40)
Tax expenses at the average effective tax rate	47,651,230.92	16.22	25,125,952.74	10.60

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		Separate financial statements	
	2022	2021	2022	2021
Profit for the year attributable to ordinary shareholders (Baht)	183,226,483.04	226,113,336.18	246,150,122.63	211,896,088.00
Weighted average number of ordinary shares (Shares)	250,000,000	250,000,000	250,000,000	250,000,000
Basic earnings per share (Baht per share)	0.73	0.90	0.98	0.85

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.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

The subsidiary

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

The Company

Year 2022

At the ordinary shareholders' meeting for the year 2022 held on April 27, 2022, the shareholders unanimously approved to pay dividend from the Company operation year 2021 with Baht 0.43 per share to only shareholders who entitled to receive dividends, in the amount of Baht 107.50 million, was paid on September 10, 2021, in the amount of Baht 42.50 million and on May 24, 2022, in the amount of Baht 65 million.

And at the Board of Director' meeting No. 3/2022 held on August 13, 2022, the Board of Directors unanimously approved to pay interim dividend from the Company operation for the period ended June 30, 2022 with Baht 0.19 per share to only shareholders who entitled to receive dividends, in the amount of Baht 47.50 million, was paid on September 13, 2022.

Total dividend for the year 2022 in the amount of Baht 112.50 million.

Year 2021

At the ordinary shareholders' meeting for the year 2021 held on April 27, 2021, the shareholders unanimously approved to pay dividend from the Company operation year 2020 with Baht 0.44 per share to only shareholders who entitled to receive dividends, in the amount of Baht 110 million, was paid on September 9, 2020, in the amount of Baht 55 million and on May 24, 2021, in the amount of Baht 55 million.

And at the Board of Director' meeting No. 3/2021 held on August 13, 2021, the Board of Directors unanimously approved to pay interim dividend from the Company operation for the period ended June 30, 2021 with Baht 0.17 per share to only shareholders who entitled to receive dividends, in the amount of Baht 42.50 million, was paid on September 10, 2021.

Total dividend for the year 2021 in the amount of Baht 97.50 million.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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The subsidiary

Year 2022

At the Extraordinary Shareholders' meeting No. 1/2022 held on December 2, 2022, it was approved to pay dividends from retained earnings as at December 31, 2021 to the shareholders at the rate of Baht 175 per share, totaling 400,000 shares, representing Baht 70 million and had paid dividends on December 9, 2022 and allocated profit as a legal reserve amounted Baht 2.04 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, 2022 and 2021 in the amount of Baht 1.55 million and Baht 1.57 million, respectively (The separate amount of Baht 1.38 million and Baht 1.45 million, respectively).

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2022 and 2021 are as follows:

	Baht			
	Consolidated financial statements			
	Balance as at Dec. 31, 2021	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at Dec. 31, 2022
Long-term loan unsecured debenture	837,431,487.07	(152,615,325.83)	(109,515.90)	684,706,645.34
Lease liabilities	862,680,637.74	(238,707,224.82)	267,018,716.22	890,992,129.14
Debentures	1,399,314,013.72	(150,000,000.00)	(152,859.16)	1,249,161,154.56
Total	3,099,426,138.53	(541,322,550.65)	266,756,341.16	2,824,859,929.04

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DECEMBER 31, 2022

Baht				
Consolidated financial statements				
	Balance as at Dec. 31, 2020	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at Dec. 31, 2021
Short-term loan from financial institutions	120,000,000.00	(120,000,000.00)	-	-
Long-term loan unsecured debenture	1,081,061,362.52	(243,739,391.35)	109,515.90	837,431,487.07
Lease liabilities	353,530,096.29	(141,905,387.69)	651,055,929.14	862,680,637.74
Debentures	1,398,578,174.55	-	735,839.17	1,399,314,013.72
Total	<u>2,953,169,633.36</u>	<u>(505,644,779.04)</u>	<u>651,901,284.21</u>	<u>3,099,426,138.53</u>

Baht				
Separate financial statements				
	Balance as at Dec. 31, 2021	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at Dec. 31, 2022
Long-term loan unsecured debenture	837,431,487.07	(152,615,325.83)	(109,515.90)	684,706,645.34
Lease liabilities	798,503,082.52	(227,848,956.90)	267,081,324.88	837,735,450.50
Debentures	1,399,314,013.72	(150,000,000.00)	(152,859.16)	1,249,161,154.56
Total	<u>3,035,248,583.31</u>	<u>(530,464,282.73)</u>	<u>266,818,949.82</u>	<u>2,771,603,250.40</u>

Baht				
Separate financial statements				
	Balance as at Dec. 31, 2020	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at Dec. 31, 2021
Short-term loan from financial institutions	120,000,000.00	(120,000,000.00)	-	-
Long-term loan unsecured debenture	1,081,061,362.52	(243,739,391.35)	109,515.90	837,431,487.07
Lease liabilities	282,584,003.88	(131,562,675.82)	647,481,754.46	798,503,082.52
Debentures	1,398,578,174.55	-	735,839.17	1,399,314,013.72
Total	<u>2,882,223,540.95</u>	<u>(495,302,067.17)</u>	<u>648,327,109.53</u>	<u>3,035,248,583.31</u>

31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Commitments of services contracts

As at December 31, 2022, the Company has 2 services contracts for the periods 1-2 years, the total rate of service charge of Baht 0.83 million per year.

31.2 Commitments of capital expenditure

As at December 31, 2022, the Company and subsidiary has the commitment about installation and software development system agreement and website design agreement, which the Company will be to pay under the both agreement in the consolidated financial statements and the separate financial statements in the amount of Baht 1.22 million (included VAT).

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31.3 Guarantee

As at December 31, 2022, the Company has letters of guarantee issued by three local commercial bank for rental bidding guarantee in the amount of Baht 105.81 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, 2022 and 2021 as follows:-

	Consolidated financial statements (Thousand Baht)					
	Car rent of operating		Used car distribution		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Income on car leases	1,347,056	1,311,351	-	-	1,347,056	1,311,351
Income on sale of cars	554,777	607,208	318,743	212,023	873,520	819,231
Total	1,901,833	1,918,559	318,743	212,023	2,220,576	2,130,582
Cost						
Cost of car leases	1,162,920	1,135,829	-	-	1,162,920	1,135,829
Cost of sales of cars	342,397	387,978	286,377	191,094	628,774	579,072
Total	1,505,317	1,523,807	286,377	191,094	1,791,694	1,714,901
Gross profit	396,516	394,752	32,366	20,929	428,882	415,681
<u>Segment revenues from service</u>						
Over time	1,347,056	1,311,351	-	-	1,347,056	1,311,351
Point in time	554,777	607,208	318,743	212,023	873,520	819,231
Total	1,901,833	1,918,559	318,743	212,023	2,220,576	2,130,582
<u>Total assets as of December 31,</u>						
Assets for leases - net	4,299,252	4,289,182	-	-	4,299,252	4,289,182
Fixed assets - net	2,273	2,936	166,110	168,042	168,383	170,978
Right-of-use asset - net	26,949	12,005	48,986	62,519	75,935	74,524
Intangible assets - net	13,500	13,564	1,220	1,526	14,720	15,090
Other assets	1,002,553	1,115,972	34,920	37,638	1,037,473	1,153,610
Total	5,344,527	5,433,659	251,236	269,725	5,595,763	5,703,384

Major customers

In 2022 and 2021, the Company and its subsidiary have no major customer (with revenue of 10 percent or more of an entity's revenue).

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33. DISCLOSURE OF FINANCIAL INSTRUMENTS

33.1 Risk management

The Company and its subsidiary manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system. The management continually monitors the Company's and its subsidiary's risk management process to ensure that an appropriate balance between risk and control is achieved.

33.2 Credit risk

The Company and its subsidiary are exposed to credit risk primarily relating to trade and other receivable, cash at bank and other financial instruments. 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, leases liabilities 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.

As at December 31, 2022 and 2021, the significant financial assets and financial liabilities (part of these are under derivative instruments as described in Note 19) classified by types of interest rates were as follows:

	2022 (Baht)				Effective Interest rate (% per annum)
	Consolidated financial statements				
	Floating interest rate	Fixed interest rate	No interest	Total	
<u>Financial assets</u>					
Cash and cash equivalents	73,579,698.76	21,097.85	391,281.10	73,992,077.71	0.05 - 0.30
Trade and other current receivables	-	-	243,987,645.64	243,987,645.64	-
Receivables under finance lease contracts	-	21,255,936.59	-	21,255,936.59	7.37
Other current financial assets	-	-	116,061,835.75	116,061,835.75	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.15
<u>Financial liabilities</u>					
Trade and other current payables	-	-	92,873,701.13	92,873,701.13	-
Long-term loans from financial institutions	437,021,276.58	247,685,368.76	-	684,706,645.34	MLR, Fixed
Lease liabilities	-	890,992,129.14	-	890,992,129.14	2.31 - 4.79
Debenture	-	1,249,161,154.56	-	1,249,161,154.56	2.32 - 3.10

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DECEMBER 31, 2022

	2021 (Baht)				Effective Interest rate (% per annum)
	Consolidated financial statements				
	Floating interest rate	Fixed interest rate	No interest	Total	
<u>Financial assets</u>					
Cash and cash equivalents	30,036,829.77	21,076.96	1,255,447.36	31,313,354.09	0.05 - 0.80
Trade and other current receivables	-	-	215,681,358.81	215,681,358.81	-
Other current financial assets	-	-	227,074,014.54	227,074,014.54	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.15 - 0.35
<u>Financial liabilities</u>					
Trade and other current payables	-	-	80,451,159.71	80,451,159.71	-
Long-term loans from financial institutions	66,648,936.16	770,673,035.01	-	837,321,971.17	MLR, Fixed
Lease liabilities	-	862,680,637.74	-	862,680,637.74	2.66 - 4.79
Debenture	-	1,399,314,013.72	-	1,399,314,013.72	2.46 - 3.10
	2022 (Baht)				Effective Interest rate (% per annum)
	Separate financial statements				
	Floating interest rate	Fixed interest rate	No interest	Total	
<u>Financial assets</u>					
Cash and cash equivalents	73,579,698.76	21,097.85	97,987.90	73,698,784.51	0.05 - 0.30
Trade and other current receivables	-	-	238,994,162.27	238,994,162.27	-
Receivables under finance lease contracts	-	21,255,936.59	-	21,255,936.59	7.37
Other current financial assets	-	-	116,061,835.75	116,061,835.75	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.15
<u>Financial liabilities</u>					
Trade and other current payables	-	-	135,717,282.00	135,717,282.00	-
Long-term loans from financial institutions	437,021,276.58	247,685,368.76	-	684,706,645.34	MLR, Fixed
Lease liabilities	-	837,735,450.50	-	837,735,450.50	2.31 - 3.90
Debenture	-	1,249,161,154.56	-	1,249,161,154.56	2.32 - 3.10
	2021 (Baht)				Effective Interest rate (% per annum)
	Separate financial statements				
	Floating interest rate	Fixed interest rate	No interest	Total	
<u>Financial assets</u>					
Cash and cash equivalents	30,036,829.77	21,076.96	949,054.58	31,006,961.31	0.05 - 0.80
Trade and other current receivables	-	-	198,568,567.27	198,568,567.27	-
Other current financial assets	-	-	227,074,014.54	227,074,014.54	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.15 - 0.35
<u>Financial liabilities</u>					
Trade and other current payables	-	-	131,843,807.06	131,843,807.06	-
Long-term loans from financial institutions	66,648,936.16	770,673,035.01	-	837,321,971.17	MLR, Fixed
Lease liabilities	-	798,503,082.52	-	798,503,082.52	2.66 - 4.25
Debenture	-	1,399,314,013.72	-	1,399,314,013.72	2.46 - 3.10

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Interest rate swap contracts

As at December 31, 2021, the Company had the interest rate swap agreements designated as hedging instruments with a notional amount of Baht 172.02 million whereby the Company receives a variable rate equal to THBFIX plus margin of interest as per disclosed in Note 19 to the consolidated financial statements and pays interest at a fixed rate.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate debentures (i.e., notional amount, maturity, payment and reset dates). The Company tested the hedge effectiveness by comparing the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Company own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

As at December 31, 2021, the nominal and carrying amounts of the derivative financial instruments designated in existing hedging relationships in the consolidated and separate financial statements are follow:

	Type of hedge	Hedging instruments		Carrying amount of hedging instruments Liabilities (Baht)	Maturity date	Interest swap rate received (percent)	Interest swap rate paid (percent)
		Derivative	Contractual amount (Baht)				
2021	Cash flow hedge	Interest rate swap transaction agreement	172,021,276.60	127,340,425.62	March 2024 September 2024	THBFIX 6M+1.65	FIXED 2.45

The following amount related to hedged items separately by risk category for the types of hedge for the years ended December 31, 2021, in the consolidated and separate financial statements are as follow:

	Type of hedge	Change in the fair value of the hedge items	Presentation of the hedged items
		for determining ineffectiveness (Baht)	in the statement of financial position
2021	Cash flow hedge	(109,515.90)	Financial liabilities

33.4 Fair values of financial instruments

Since the majority of the Company and its subsidiary financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position. The estimated fair value of debentures, in comparison with the related amount carried in the statement of financial position, is as follows:

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	2022 (Baht)		
	Consolidated financial statements		
	FVPL	Amortized cost	Total
<u>Financial assets</u>			
Cash and cash equivalents	-	73,992,077.71	73,992,077.71
Trade and other current receivables	-	243,987,645.64	243,987,645.64
Receivables under finance lease contracts	-	21,255,936.59	21,255,936.59
Other current financial assets	116,061,835.75	-	116,061,835.75
Fixed deposit using for guarantee	-	50,000,000.00	50,000,000.00
	<u>116,061,835.75</u>	<u>389,235,659.94</u>	<u>505,297,495.69</u>
<u>Financial liabilities</u>			
Trade and other current payables	-	92,873,701.13	92,873,701.13
Accounts payable-purchase assets for leases	-	145,536,281.81	145,536,281.81
Long-term loans from financial institutions	-	684,706,645.34	684,706,645.34
Lease liabilities	-	890,992,129.14	890,992,129.14
Debentures	-	1,249,161,154.56	1,249,161,154.56
Deposits for car lease from clients	-	160,877,202.62	160,877,202.62
	<u>-</u>	<u>3,224,147,114.60</u>	<u>3,224,147,114.60</u>
2021 (Baht)			
Consolidated financial statements			
	FVPL	Amortized cost	Total
<u>Financial assets</u>			
Cash and cash equivalents	-	31,313,354.09	31,313,354.09
Trade and other current receivables	-	215,681,358.81	215,681,358.81
Other current financial assets	227,074,014.54	-	227,074,014.54
Fixed deposit using for guarantee	-	50,000,000.00	50,000,000.00
	<u>227,074,014.54</u>	<u>296,994,712.90</u>	<u>524,068,727.44</u>
<u>Financial liabilities</u>			
Trade and other current payables	-	80,451,159.71	80,451,159.71
Accounts payable-purchase assets for leases	-	67,558,313.26	67,558,313.26
Long-term loans from financial institutions	-	837,431,487.07	837,431,487.07
Lease liabilities	-	862,680,637.74	862,680,637.74
Debentures	-	1,399,314,013.72	1,399,314,013.72
Derivative liabilities	109,515.90	-	109,515.90
Deposits for car lease from clients	-	157,858,345.19	157,858,345.19
	<u>109,515.90</u>	<u>3,405,293,956.69</u>	<u>3,405,403,472.59</u>

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	2022 (Baht)		
	Separate financial statements		
	FVPL	Amortized cost	Total
<u>Financial assets</u>			
Cash and cash equivalents	-	73,698,784.51	73,698,784.51
Trade and other current receivables	-	238,994,162.27	238,994,162.27
Receivables under finance lease contracts	-	21,255,936.59	21,255,936.59
Other current financial assets	116,061,835.75	-	116,061,835.75
Fixed deposit using for guarantee	-	50,000,000.00	50,000,000.00
	<u>116,061,835.75</u>	<u>383,948,883.37</u>	<u>500,010,719.12</u>
<u>Financial liabilities</u>			
Trade and other current payables	-	135,717,282.00	135,717,282.00
Accounts payable-purchase assets for leases	-	145,536,281.81	145,536,281.81
Long-term loans from financial institutions	-	684,706,645.34	684,706,645.34
Lease liabilities	-	837,735,450.50	837,735,450.50
Debentures	-	1,249,161,154.56	1,249,161,154.56
Deposits for car lease from clients	-	160,877,202.62	160,877,202.62
	<u>-</u>	<u>3,213,734,016.83</u>	<u>3,213,734,016.83</u>
	2021 (Baht)		
	Separate financial statements		
	FVPL	Amortized cost	Total
<u>Financial assets</u>			
Cash and cash equivalents	-	31,006,961.31	31,006,961.31
Trade and other current receivables	-	198,568,567.27	198,568,567.27
Other current financial assets	227,074,014.54	-	227,074,014.54
Fixed deposit using for guarantee	-	50,000,000.00	50,000,000.00
	<u>227,074,014.54</u>	<u>279,575,528.58</u>	<u>506,649,543.12</u>
<u>Financial liabilities</u>			
Trade and other current payables	-	131,843,807.06	131,843,807.06
Accounts payable-purchase assets for leases	-	67,558,313.26	67,558,313.26
Long-term loans from financial institutions	-	837,431,487.07	837,431,487.07
Lease liabilities	-	798,503,082.52	798,503,082.52
Debentures	-	1,399,314,013.72	1,399,314,013.72
Derivative liabilities	109,515.90	-	109,515.90
Deposits for car lease from clients	-	157,858,345.19	157,858,345.19
	<u>109,515.90</u>	<u>3,392,509,048.82</u>	<u>3,392,618,564.72</u>

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Financial assets mandatorily measured at FVPL include the following:

	Baht	
	Consolidated/Separate financial statements	
	2022	2021
<u>Other current financial assets</u>		
Mutual funds	116,061,835.75	227,074,014.54
Total Other current financial assets	116,061,835.75	227,074,014.54

33.5 Fair value hierarchy

As at December 31, 2022 and 2021, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	2022			
	Consolidated/Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current financial assets				
- Mutual funds	-	116,061,835.75	-	116,061,835.75
	2021			
	Consolidated/Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current financial assets				
- Mutual funds	-	227,074,014.54	-	227,074,014.54
Financial liabilities measured at fair value				
Other non-current financial liabilities				
- Derivative liabilities	-	109,515.90	-	109,515.90

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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The fair value of interest rate swap contracts were calculated using the rates quoted by the Company and its subsidiary's and bankers which were based on market conditions existing at the statement of financial position date.

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 statement of financial position as at December 31, 2022, the Company and its subsidiary debt-to-equity ratio was 1.40:1 (December 31, 2021 : 1.53:1) and the Company's was 1.52:1 (December 31, 2021 : 1.72:1).

35. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting of the Company held on February 27, 2023, the directors approved to pay dividends for Baht 0.49 per share in the amount of Baht 122.50 million, from 2022 operations. The interim dividends were paid on June 2022 for Baht 0.19 per share, amount of Baht 47.50 million. And the remaining is Baht 0.30 per share, in the amount of Baht 75 million, will be pay within May 2023 subject to approval by the Annual General Meeting of Shareholders of the Company.

36. RECLASSIFICATION

Certain accounts in the 2021 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		
	Before Reclassification	Reclassification	After Reclassification
<u>Statement of financial position</u>			
Revenue department account receivable	692,314.76	(692,314.76)	-
Other current assets	14,975,685.72	692,314.76	15,668,000.48
<u>Statement of cash flows</u>			
Revenue department account receivable	13,217,013.48	(13,217,013.48)	-
Other current assets	7,691,079.66	13,217,013.48	20,908,093.14

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	Baht		
	Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification
<u>Statement of financial position</u>			
Revenue department account receivable	692,314.76	(692,314.76)	-
Other current assets	13,067,365.36	692,314.76	13,759,680.12
<u>Statement of cash flows</u>			
Revenue department account receivable	13,217,013.48	(13,217,013.48)	-
Other current assets	8,614,070.77	13,217,013.48	21,831,084.25

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 27, 2023.