

# MOVING FORWARD

ANNUAL REPORT 2021  
FORM 56-1 One Report





# ANNUAL REPORT 2021

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Krungthai Car Rent & Lease PLC.

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Mr. Pithep Chantarasereekul  
The Chairman of the Board of Directors



Mr. Pichit Chantarasereekul  
Managing Director

## Message from Chairman of the Board

In 2021, the long-term rental car market enjoyed demands from corporate clients. Due to the factors of value for money and ability to control cost when compared to the market of car rental for tourism which was directly affected by the CoVid-19 pandemic, resulting in low number of foreign tourist arrivals. Whereas domestic tourism began to show better signs which, in turn, could be considered as replacements for the declining number of foreign tourists. As for the impact caused by CoVid-19 pandemic on long-term clients, the company enjoyed better overall performance. As the answer for the government's economic stimulus policy in the form of remedial measures, the company still continued to enjoy a steady stream of clients for their business operations.

The company's rental car portfolio as of the end of the year 2021 totalled 9,267 vehicles, compared to 9,340 vehicles recorded in the previous year, resulting in the total income of 1,311 million baht or an increase of 1%. The total car sales revenue was 819 million baht, which is considered stable. The company sold 1,471 lease-expired cars in 2021, compared to 1,639 cars in the previous year, signifying a decrease of 10% due to the decrease in lease-expired cars in-stock. Due to the economic slowdown, several clients renewed their lease contracts instead of signing new ones, resulting in less lease fees collected, and fewer cars brought back for sale. As for the sales of lease-expired cars. As for car sales, the average profit from sales has increased by 12% because last year the company's car inventory was at a satisfactory level. Therefore, there is no need to rush to sell the cars through the auction channel at low prices like the previous year. In this regard, the company has purchased used cars through an auction channel to compensate for the decline of lease-expired cars in-stock. The total number of used cars purchased was 363, compared to the previous year's 287 cars or an increase of 26%.

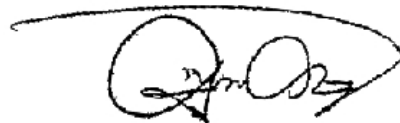
The shortage of electronic parts last year affected the production chain, causing the production capacity of new cars that were injected to the market to be affected. In addition, many organisations constituted policies to control costs and expenses. They, therefore, chose to extend the original contracts instead of signing new ones. The number of lease-expired cars have resulted in the appropriate ratio for the market conditions, which is deemed advantageous for car rental businesses as it produced no pressures of selling lease-expired cars under slowdown market demands and strict credit criteria from financial institutions.

The government policies to promote the electric vehicle industry and the trending environmental issues focusing on pollution cut-downs will encourage electric vehicles to play a bigger role in the automotive industry as a whole. The number of electric vehicle brands and models have sprung up. The company has well studied the market and prepared for the gradual change. If the demand rate for electric vehicles increases, the company will continue to be able to maintain the growth of its rental car portfolio in tandem with the transition during the aforementioned period.



Under fast-changing market situations and technological advancement that affect consumers' behaviour, the company has reengineered its internal standard operating procedures so that they are supportive of many new technologies in the department of marketing, such as the online sales of lease-expired cars with emphasis on team potential, risk management, and maintenance of appropriate liability-per-shareholder proportion. As a result, the company is standing on a good foundation and ability to grow steadily and sustainably.

*The company still adheres to conducting business under the good governance rules, and is implementing social responsibility policy for communities and environment, while giving precedence to all stakeholders, in order to push the company forward under the guidelines of sustainable business growth. On behalf of the Board of Directors, I would like to express gratitude towards the management and all members of staff for their tireless dedication and diligence for the sake of the company throughout these difficult years, to bring about an accelerated rate for the company to adjust their way of thinking and working culture to accommodate the rapid changes. I also pledge that the company will conduct business in a professional manner so as to attain continuous improvement, strengthen the company's foundation, and to always seek opportunities to grow towards the set goal.*



**Pithep Chantarasereekul**  
The Chairman of the Board of Directors

## — — Part 1: Business Operation and Operating Results

### 1. Organizational structure and operation of the group of companies

#### 1.1 Summary of Financial Information

STATEMENT OF COMPREHENSIVE INCOME (Million Baht)	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Income on car leases	1,271.54	64.61	1,297.12	59.14	1,311.35	59.45
Income on sale of cars	640.65	32.56	815.20	37.17	819.23	37.14
Other income	55.70	2.83	81.08	3.69	75.10	3.40
Total expenses	1,714.00	87.10	1,920.15	87.54	1,870.11	84.79
Profit before income tax expenses	253.91	12.90	273.25	12.46	335.57	15.21
Finance cost	84.89	4.31	90.30	4.12	80.82	3.66
Income tax expenses	(51.80)	(2.63)	(38.30)	(1.75)	28.63	1.30
<b>Profit for the year</b>	<b>220.82</b>	<b>11.12</b>	<b>221.25</b>	<b>10.09</b>	<b>226.11</b>	<b>10.25</b>

STATEMENT OF FINANCIAL POSITION (Million Baht)	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	5,530.70	100.00	5,416.02	100.00	5,703.38	100.00
Total liabilities	3,475.32	62.84	3,288.64	60.72	3,446.59	60.43
<b>Total shareholders' equity</b>	<b>2,055.38</b>	<b>37.16</b>	<b>2,127.53</b>	<b>39.28</b>	<b>2,256.79</b>	<b>39.57</b>

KEY FINANCIAL RATIOS	2019	2020	2021
Authorized share capital (Million shares)	250	250	250
Book value per share	8.22	8.51	9.93
Profit (Loss) per share (Baht)	0.88	0.88	0.90
Dividends per share (Baht)	0.70	0.44	0.43
Dividend Payout Ratio	80.28	50.56	50.73
<b>Profitability Ratio</b>			
Gross Profit Margin (Excluding Profit on Sale of Rental Assets)	15.97%	11.69%	13.38%
Gross Profit Margin (Including Profit on Sale of Rental Assets)	20.56%	17.80%	19.51%
Operating Margin	12.90%	12.46%	15.21%
Net Profit Margin	11.22%	10.09%	10.25%
<b>Liquidity Ratios</b>			
Current Ratio	0.53	0.74	0.63
Asset Turnover	0.38	0.42	0.40
<b>Efficiency Ratio</b>			
Return on Assets (ROA)	3.26%	3.49%	6.11%
Return on Equity (ROE)	10.82%	10.58%	10.31%
<b>Leverage Ratio</b>			
Debt/Equity Ratio	1.69	1.55	1.53
Interest Coverage Ratio	2.99	3.03	4.15
Debt service coverage ratio : DSCR	2.04	1.23	3.04
Net interest bearing debt to EBITDA ratio	2.84	2.50	2.50
Interest bearing debt to equity : IBD/E ratio	1.54	1.39	1.37
Current portion of long-term interest bearing debt to interest bearing debt	0.35	0.15	0.37
Loan from investment institutions to interest bearing debt	0.38	0.47	0.47



## 1.2 History and Important Development

**1980**

### **Krungthai Car Rent Part., Ltd.**

located on Asoke-Dindang Road, provides a short-term rental service By Mr. Paitoon And Mrs. Wipaporn Chantarasereeku



**1992**

### **Krungthai Car Rent International Co., Ltd January 29, 1992**

registered as a company with registered capital of Bath 4 million which belonged to Chantarasereeku group for 100%



**2004**

### **Krungthai Car Rent and Lease Public Company Limited August 2004**

the Company became a Public Company namely "Krungthai Car Rent and Lease Public Company Limited" and changed in the par value of Baht 1,000 per share to Baht 1 per share . by head office Located on Rama 3 Road



## 2005

### Toyota Sure June 2005

the Company invested in Krungthai Automobile Co., Ltd., a subsidiary company, whose nature of business is the sales of used cars and leased cars that have exceeded its lease ability period under the front name of "Toyota Sure", in which the Company held 37,999,300 baht (accounted to 95% of total shares). Located on an area of over 7 rai on Kanchanaphisek Road.

For the current moment, the subsidiary company owns four branches of used car outlet

1. Headquarters on Kanchanabhisek road
2. Srinagarindra road branch
3. Kaset branch
4. Kanchanaphisek-Baromarachachonani Branch

### November 2005

the Company sold 50 million common shares to the public so that the new Company paid-up capital is as of Baht 250 million



### December 2005

The Company was listed on the Stock Exchange of Thailand



## 2018

### August 2018

the company was certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC)



## 2020

### August 2020

the company announced the closure of Asoke office due to high operating cost and the lack of value in conducting business activities. And for better rendering of services, the company instead decided to expanded service counters in five locations in Bangkok in the following locations:

1. Rama III office (headquarters)
2. 9th km Ramindra counter (Toyota Kungthai, 9th km Ramindra road branch)
3. Kaset counter (Totoya Krungthai, Kaset branch)
4. Srinagarindra counter (Toyota Sure Krungthai, Srinagarindra branch)
5. Taling Chan counter (Toyota Krungthai, Taling Chan branch)

## 2021

### November 2021

the company was rated "A-" with credit outlook of "stable" by TRIS Rating Co., Ltd.

the company was assessed for rating and corporate governance benchmark as a listed company in the stock exchange in terms of corporate governance. The results indicated that the company was rated at the "Very Good" level by the Thai Institute of Directors Association (IOD).





## 1.3 Overview of Business



Krungthai Car Rent and Lease Public Company Limited operates the rented car as operating lease with the agreement of not more than 5 years and short term rent of not more than 1 year. In addition the Company also sell the expired leasing car via distribution channels which are subsidiary companies that bring the profit of selling expired leasing car as well.

The rented cars are mainly be Japanese brand which has high turnover and can be classified as small car, medium car, big car, van and pickup which are Toyota, Honda, Isuzu, Nissan and etc. Moreover, the Company also provides European rented car to serve all customer need and to create value added for our service. The company provides first class insurance for all cars and the Company responsible for the expense related to the vehicle i.e. expense for registration and vehicle tax, inspection expense, maintenance expense.



**including 24 hour-call center** to support the customer in case of emergency and car replacement in case of accident.



**The Company established service center at Head Office located on Rama III road and Asoke branch** including the contract service centers more than 1,000 centers in order to ensure the good care of customers all times and also protected against risks that may have happened to the assets of the company. In addition, the service center on Rama III also open for any individual who requires the maintenance service for Nissan cars.



**Presently, the other subsidiary company, Krungthai Automobile Co., Ltd., which the Company holds 100% of total shares operates the business of buying, selling and exchange the variety of used cars in any brands and types.** The Company business has been integrated because the Company able to sell the expired leasing car through this channel directly to the customer and gain higher price together with less selling administration cost. Moreover the subsidiary company can also make a return to the Group from selling of used cars that purchased from others. As a result, the company gains higher car sales and higher revenue.

## Vision & Corporate Policy

Vision "Service and Quality Excellence"

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Mission The company recognises the importance of bringing the organisation to sustainable growth. Therefore, it has been defined as the company's policy so that everyone in the organisation can contribute to the organisation so as to be progressive and stable, including realising organisational values.

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Corporate Policy "The Leading Car Rental company focusing on distinguished services, underlining the business growth in sustainability way, emphasizing on the business partners collaboration and customer-value creation philosophy, developing staff skills to progress and professional-like while nourishing them the morality, community, social and environment responsibilities under the good corporate governance practices."

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## Organisational values

Professional : proficiency and responsibility to ensure the excellence of quality

Partnership : service and relationship which bring about customers' top satisfaction

Dynamic : determination, dedication, and continual amelioration to secure the standpoint of car rental business on a sustainable basis

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## Organisation's Long-Term Goal

The company aims to be a car rental company that is with the best service standards in the industry recognized by corporate clients. It also aims to possess at least 15% of the market share and a customer satisfaction level of at least 90%. This makes the company grow continuously and sustainably.

## Strategy and Competitiveness

1. The company is known as a competitive car rent business as the company has been providing car rental service for a considerable period of time. It is known in a broadened scale that the company is a big player in the business types of operating lease and short-term lease.



2. The management has a good relationship with customers. Thanks to a long history of the operations of business, the company enjoys a large base of customers, thus increasing the opportunity of service provision and risk diversification by depending not on one group of customers on an exceedingly large proportion.

3. The company offers a full-scale service with premium quality by focusing on customers' satisfaction on every level of service.

The company purchases the right vehicles according to each customer's requirements. As an added value to the service, the company also purchases first-class car insurance policies from some of the reputable insurance companies in the market and takes responsibility in the maintenance cost, e.g. reparation and annual registration renewal. In addition, the company also provides a full-scale after-sales service e.g. repair service with replacement cars, all by more than 1,000 branches of check-up and repair bays across the country. The company also offers value-added services and other activities to inform customers and keep them educated on benefits from the rental service, e.g. safe driving activity and study visits to car manufacturers.



4. As the company currently has more than 9,000 cars for lease. It enjoys the benefits of the economy of scale, with some of the advantages being the considerably high power of bargaining and reduced cost of procurement of cars, spare parts, and interest rates. In addition, the company also enjoys a reduction of a part of operational costs, one of which is the cost of manpower per car.



5. The company operates its own service center with highly skilled mechanics and technicians to render service to the customers. The company also estimates the cost of maintenance in a more efficient way, which can reduce the company's cost of operations.

6. The company has increased the earmarked marketing budget to focus more on advertisements in various media, including organising of promotional events on the company's web site in a bid to boost and publicise the company's image for the wider audience.

7. The company encourages the learning of knowledge and information on the benefits of car operating lease by providing training session for the employees on a regular basis, for they will successfully educate potential customers about cost management, tax and operational benefits that customers are entitled to, e.g. maintenance control, budget control, and so on.

## Nature of Business

### Structure of Income

The revenue structure of the Company's consolidated financial statements for the year 2019 - 2021 can be summarized as follows:

Source of Income	By	% Shares of the Company	2019		2020		2021	
			Million Bath	%	Million Bath	%	Million Bath	%
1. Rental Cars	Company		1,271.55	64.61	1,297.12	59.14	1,311.35	59.45
2. Sale of Used Cars	Company		446.81	22.70	674.61	30.76	607.21	27.53
3. Sale of Used Cars	subsidiary	100	193.85	9.85	140.59	6.41	212.02	9.61
4. Other sources <sup>1/</sup>	Company /Subsidiary		55.70	2.84	81.08 <sup>2/</sup>	3.69	75.10 <sup>2/</sup>	3.40
<b>Total</b>			<b>1,967.91</b>	<b>100</b>	<b>2,193.40</b>	<b>100</b>	<b>2,205.68</b>	<b>100</b>

Note: <sup>1/</sup> Income from other sources e.g. service centers, received interests, termination fee, and sales promotion.

<sup>2/</sup> Other income from reversal of withholding tax

## Nature of services



### 1 Operating Lease

The operating lease covers a lease term from one year to five years. The target groups include medium and large corporations, multinational corporations, government agencies and state enterprises having demand for vehicle services together with comprehensive supplementary services to reduce their unnecessary expenses relating to vehicle operation and management. The customers can choose the brand name and models of the cars including options and accessories as required.

The Company will be responsible for car checking and making a first class insurance which the Company will be the beneficiaries. Moreover, the customers have many choices for after-sales service such as maintenance and repair program and temporary replacement cars. Ownership over the cars still belongs to the Company after the lease agreement becomes expired.

The Company has a policy to collect a car rental deposit at the average rate about three months of the rental fee. Nonetheless, the deposit can be waived, depending on the financial status and creditability of the customers. If the customers default on leasing fee for more than 3 months consecutive, the Company will confiscate the rented car and call for all payments as indicated in the agreement.



## 2 Short Term Rental

The Company provides a short-term rental service on a daily, weekly and monthly basis, focusing on the existing operating lease customers who additionally require a short-term rental and other individual and corporate customers. The customers are able to choose from various options classified by size of engines and variety of models.

The Company will collect the full rental fee in advance plus deposit. Collection of the said deposit is subject to the qualification of the customers and the model of car to be rent. In case the customers do not want to pay the deposit, they must provide a guarantor and pay the deposit on their behalf.

In addition to providing such services, the company recognizes the value of the customer. The service is another factor which is of particular importance. This is to increase the value of providing comprehensive services and to provide our customers with the best service as following:

### Customer Service

Customer Service Officer provides counseling services and gets feedback from the customers to find the appropriate solution in accordance with the requirements of the customer under cost effectiveness including knowledge providing on financial and tax management that customers can be obtained from Operating Lease. Moreover, the officers also establish the customer satisfaction surveys to improve the service to maximize the customer satisfaction.

### 24 hour-Call Center

The company set up a team that will coordinate and make recommendations together with emergency technicians and vehicle movement which is ready to daily assist at the scene with a car towing service for Bangkok and metropolitan area.

### Service for Maintenance and Inspection Intervals

The Company provides the service for maintenance and inspects the car over the lease with the Preventive Maintenance Program that able to service the customer quickly and accurately so that the customer can use the car with the most effective and safety. The company has a policy to inspect the car prior to customer delivery and after the repair of the car's body.

The Company also establishes the policy on maintenance and inspection of the car according to the manufacturer standard. The service centers for maintenance and inspection intervals spreads around the country i.e. Headquarters on Rama 3 Road, Asoke branch and other spot centers including the contract center with more than 1,000 locations.

### Service of third party insurance and car insurance

The company will undertake to provide third party insurance and deliver to the customer. The Company also provides the first class car insurance with a reputation insurance company for every car.

### Service for Car Replacement

In case of accident and loss, the Company provides car replacement to the customer under the condition specified in leasing agreement.



## Purchase and Sale of Used Cars



The company has 2 main incomes from operations, namely car rental income, and income from the sales of lease-expired cars. The income from car rental will be derived from fixed rental rates throughout the lease term. The determination of the rental rate will be based on the value derived from the sale of cars that are expected to be received in the future for the rental calculation as well.

The company has a policy to sell cars when lease contract expires by retailing to direct car buyers under the sale of a subsidiary which will get a better selling price than wholesale. As for the decision whether or not to sell a car that has expired, the company shall consider various factors together, such as the amount of car remaining of the company, car condition, use life, repair value, and repair time. If the company decides to sell, it will proceed to adjust the condition of the car before selling to get a higher price. By setting the selling price, the company will consider from the used car prices in the market.

The Company conducts its business support services for car leasing is the purchase and sale of used cars operated by a subsidiary company,



KrungThai Automobile Co., Ltd. ("Krungthai Automobile") under the commercial name "Toyota's Krungthai Used Car" which has 4 branches on the Kanchanapisek Road, Khet Bangkhuae, Bangkok, the second branch located on Srinakarindra Road, Khet Pravet, Bangkok , the third branch located on Phahon Yothin Road, Khet Bangkhen Bangkok.,and the fourth branch located on Kanchanaphisek-Baromarachachonani Road.

Krungthai Automobile has joined with Toyota Motor Thailand Co., Ltd ("Toyota Thailand"), a manufacturer and distributor of Toyota in Thailand for the project of Toyota Sure Program, which sold Toyota used cars under the framework and management advice and assistance activities from Toyota Thailand such as the warranty for used cars sold by Toyota Thailand for 1 year or in a distance of 20,000 kilometers, the supply of inventory and sales channels, assisting in the marketing budget and applied for the support systems and technologies. The project was successful in many countries around the world such as USA, Japan and etc. In addition to the car in the Toyota Sure, Krungthai Automobile also able to sell or buy used cars every brand not limited to only Toyota brand.



## Overview of rental car market in 2021

Thailand's overall economic situation in 2021 took an upturn of 1.6% growth after a steep decline of 6.1% in the previous year (2020). The adverse impact of coronavirus pandemic last year caused several companies to delay their investment injections to focus on tighter internal cost management. Therefore, the car rental market among corporate clients became an interesting alternative in terms of cost-effectiveness and cost control thanks to the government's economic stimulus policy whose measures have been released to alleviate the setbacks encountered by many companies. As a result, companies continued to benefit from car rental service in their business operations, while many contract holders decided to extend their lease contracts instead of signing new ones in order to save costs compared to concluding new lease contracts.

However, the company put its focus on a higher level of prudence in selecting corporate clients by focusing on clients with financial potential, plus the possibility of these companies wanting to expand their rental car portfolio. As for steady clients, the company focused on providing high-quality service, value-added services, and customer satisfaction, by implementing more technologies to upgrade the quality of services that meet the clients' needs. Thanks to swift adjustments of the company, clients shifted their focus from low rental fees to quality of services, and were impressed with the improvement of services and continued to use the company's high-quality car rental service.

## Overview of used car market in 2021

Although Thailand's overall economic situation in 2021 took a very slight upturn following less coronavirus-induced restrictions, there is a silver lining which is deemed a positive factor for the used car market in 2021 that put the performance up by 20% in 2021 as compared to the previous year. In 2021, commuters were seen doing more to avoid public transport in order to have safe travel. Clients were also seen being more careful in spending money to save budget, forcing them to look for a more economical alternative to purchasing new cars, which is by looking for used cars instead. In addition, the continued problem of shortage in new car parts, especially the electronic parts, caused the production volume and sales volume of new cars to be small.



## Procurement of products or services

**Source of Funds** The Company has sources of capital for its operations as of December 31, as follows:

Consolidated financial statements	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Shareholders' equity	2,055.38	39.40	2,127.53	41.88	2,256.79	42.13
Liabilities from under financial lease agreements						
Current portion	48.69	0.93	81.05	1.60	230.99	4.31
Over 1 years	2.93	0.06	272.48	5.36	631.69	11.79
Total Liabilities from under financial lease agreements	51.62	0.99	353.53	6.96	862.68	16.11
Loans from financial institutions and Bill of Exchange/Debentures						
Loans from financial institutions and Bill of Exchange	241.55	4.63	120	2.36	-	-
Long-term loans	257.53	4.94	242.71	4.78	314.89	5.88
Debentures	549.84	10.54	-	-	599.92	11.20
Total current portion	1,048.92	20.10	362.71	7.14	914.81	17.08
Debentures	1,298.05	24.88	1,398.58	27.53	799.40	14.92
Long-term loans	763.34	14.63	873.24	16.48	522.43	9.75
Total net - current portion	2,061.39	39.51	2,235.82	44.08	1,321.83	24.68
Total Loans from financial institutions and Bill of Exchange/Debentures	3,110.31	59.62	2,598.53	51.16	3,099.32	41.76
Total	5,217.31	100	5,079.59	100	5,356.11	100

The company's total source of funds consists of 16.11 percent in finance lease loans. As the company has a policy to reduce risks in interest rate fluctuation by providing funding sources in accordance with the nature of the company's income. In managing the working capital and enhancing liquidity, the company turns to secure loans from finance institutions, and issues short- and long-term debt securities with both fixed and floating interest rates, accounting for approximately 41.76 percent of the total source of funds. The remainder of 42.13 percent of the company's total source of funds comes from shareholders' equity.

### **Car acquisition**

The company acquires cars using its source of funds taken from short- and long-term financial institution loans, and borrowings under financial lease agreements. In 2021, the company borrowed money to invest in procuring cars for rent in the proportion of 58% of the investment value of purchasing a car to be rented out as of December 31, 2021.

The company purchased cars under financial lease agreements from two companies, representing 100 percent of the borrowings under the financial lease agreements by taking loans from reputable financial institutions with stable financial performances. The company takes into account the conditions, quality, and interest rates, in managing liquidity to the maximum efficiency.

### **Car rental service**

The company has a policy to rent operational assets, including sedans, vans, pickup trucks of all models and brands that are highly popular with a focus on renting to private companies, government agencies, state enterprises, and the general individuals only for use in the clients' businesses. To conclude rental agreement, clients must pass credit check procedures and the rental terms according to the criteria set by the Credit Analysis Department.

### **Sales of lease-expired cars**

The company has a policy to sell cars at the end of the lease through Krungthai Automobile Co., Ltd., a subsidiary company that sells these cars directly to customers under the brand "Toyota Sure Krungthai Used Car".

Factors to consider when selling cars with expired contracts:

- 1) Condition of cars
- 2) Future benefits, such as being able to continue renting
- 3) Lifetime
- 4) Quantity of cars in stock
- 5) Market price

## Assets used in business operations

### Assets held for lease

Assets held for lease include 8,927 cars and car accessories worth 4,289.18 million baht in book value. Of which, 1,225 cars are under financial lease agreements with financial institutions. The net book value is 839.7 million baht.

The company has made a power of attorney to transfer the vehicle registrations totalling 1,643 cars as registered collateral for long-term loans from three Thai commercial banks, amounting to 4 credit lines, with a total credit line of 1.55 billion baht.

### Assets awaiting sale

The company has 328 lease-expired vehicles awaiting sale, with a total book value of 94.97 million baht.

### Land, Buildings and Use Rights Assets

The company and its subsidiary have entered into land lease agreements from third parties with construction of buildings for use in the company's operations. The lease contracts previously categorised as operating leases are recognised as use rights assets in accordance with Section 16 of the Thai Financial Reporting Standard. Details of buildings and leasehold rights are described as the following:

December 31, 2021	unit: (million baht)
Land and land improvements	208.68
Building on leasehold	31.58
Total	240.26

office building, car showroom, service center building, and parking



## Equipment and Vehicles

December 31, 2021	Obligation and right	unit: (million baht)
Equipment	Proprietor	1.49
Fixtures and office equipment	Proprietor	5.07
programmes	Proprietor	1.35
Computer programmes under development	Proprietor	10.63
Licences	Proprietor	0.50
Total		19.04

## Accounts Receivable

December 31, 2021	unit: (million baht)
Receivable from rental car	98.36
Receivable from selling car	50.92
Total	149.28

Note : Amount before deducted Deposits for car lease from clients

Trade receivables classified by aging

December 31, 2021	unit: (million baht)
Undue	124.37
Not exceed 3 months	24.89
3 – 6 months	1.90
Over than 6 months	4.49
Total	155.65
Less: Allowance for doubtful accounts	(6.36)
Net	149.29

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### **Revenue Recognition Suspension Policy**

Income from car rentals is recognised on a straight-line basis over the term of lease, which will stop recognising the income on the condition that clients do not pay rental fees for the period exceeding 3 months.

Revenue from the sale of automobiles is recognised as income on the condition that the ownership of such cars is transferred to the client or upon delivery of the goods. This signifies that the sales revenue will be stated at the value receivable or expected to be delivered after deducting the estimated returns and discounts, excluding the value-added tax (VAT).

### **Policy to set aside allowance for expected credit losses of debtors**

The company has a policy to keep record of allowance for doubtful accounts by using the Simplified Approach in accordance with Section 9 of the Thai Financial Reporting Standard, which requires the company to consider the expected loss over the life of the debt and recognise the loss since the recognition of trade accounts receivable. In determining the expected credit losses, trade accounts receivable are grouped by due date of payment. The rate of expected loss is based on payment history and credit loss information, which is adjusted to reflect current and forward-looking information about the macroeconomic factors affecting client's ability to pay off debt in order to adjust the historical loss rate based on the anticipated changes in these factors.

The company and its subsidiary have set up an allowance for doubtful accounts at an amount equal to the estimated losses that may be incurred in collection of all receivables. This loss is estimated based on historical collection experience and consideration of the debtor's current financial position.

As of December 31, 2020, the company has set aside allowance for doubtful accounts in the amount of 6.36 million baht. Therefore, the allowance for doubtful accounts is deemed sufficient to cover the estimated loss that the company may incur.

### **Bad debt write-off policy**

The company has set aside a policy to write off bad debts in accordance with the provisions of the Revenue Code regarding writing off bad debts defined as debts arising from business operations or is a debt that has been included as income in the calculation of net profit without expiration, and there is evidence that the company can file a civil lawsuit against the debtor. As for the write-off of bad debts, the business must follow up on demands for payments of debts as deemed appropriate with evidence, and fail to receive the payment, all under these conditions: 1) the debtor deceased, is legally proclaimed missing, missing by evidence, and has no assets deemed being able to pay off the debt; or 2) the debtor has been liquidated with debts of other creditors who have preferential rights over all assets of the former debtor which is more than the debtor's assets. In addition, the business may write off bad debts arising from the action of filing a civil or bankruptcy lawsuit, with court's acceptance.

## Property lease agreements

### Krungthai Car Rent and Lease Public Company Limited has entered into the following lease agreements for key assets:

1. Land lease agreement for the construction of an office building, a service centre, a head office, and parking space, at Deed N° 1811, Land N° 288, Bang Khlo subdistrict, Bang Kho Laem district, Bangkok. The lease agreement has been done in pair with another tenant named Siam Nissan Krungthai Company Limited, on January 22, 2001, with an area of approximately 900 square Wa, with details of the land lease agreement as follows:

Party/Lessor	: Mr Sukhont Phanseua Mr Singto Phanseua Mr Somchai Phanseua Mrs Vallaya Srivanaphirom
Tenant	: Krungthai Car Rent and Lease Public Company Limited and Siam Nissan Krungthai Company Limited
Relationship between the parties	: The parties to the contract are not related.
Contract period	: 22 years: from January 22, 2001 to January 21, 2023. The land lease has been registered with the Land Department in order for the said contract to be legally enforceable. (In the process of negotiating to extend the lease term for another 10 years)
Rental rate <sup>1/</sup>	: The total amount is 19,080,000 baht. The company is responsible for half of the expenses by paying as follows: 1st year : free of rent Year 2-11 : 30,000 baht per month Year 12-22 : 45,000 baht per month
Leasehold <sup>1/</sup>	: The cost of land leasing fee in the amount of 17,000,000 baht is recorded as a leasehold right. The company is responsible for half of the expenses in the amount of 8,500,000 baht.
Other important conditions	: At the expiration of the contract, the company must transfer the ownership of buildings or structures on the land to the land owner

<sup>1/</sup> The company has concluded a memorandum of understanding with the parties dated January 22, 2001, whereby the company and Siam Nissan Krungthai Company Limited agreed to share responsibility for various expenses as specified in the land lease agreement by paying half of each. On such land, the company has built an office building and a car showroom, while Siam Nissan Krungthai Company Limited has built a service centre building and a car park.

2. Land lease agreement of a service centre with annexed parking at 455/1 Rama III rd, Bang Khlo subdistrict, Bang Kho Laem district, Bangkok, in the area of approximately 1,490 square metres, plus a 3,000-square-metre parking space. The agreement was concluded on March 15, 2005, which is the rear building located on the leased land of Siam Nissan Krungthai Company Limited, with details of the lease agreement as follow:

Party	:	Siam Nissan Krungthai Company Limited
Relationship between the parties	:	Shareholders and directors are the same group of people
Contract period	:	3 years: from February 20, 2018 to February 19, 2021. The land lease has been registered with the Land Department in order for the said contract to be legally enforceable.
Rental rate		Monthly payment of 100,000 baht. The lessor has the right to increase the rent, which has to be calculated from market rental base and inflation rate in the period of every 3 years, totaling 3 times, with each increase does not exceed 10%
Conditions for lease renewal	:	n the day the contract expires, if the tenant does not notify the termination of the rental, it is deemed that the lessor agrees to let the tenant continue to rent the space. However, the lessor has the right to increase the rental fee based on the market rent base and inflation rate. However, the increase must not be more than 20% more than the last rental rate before the expiration of the contract.
Conditions for early termination of the contract	:	In the event that one party requests the right to terminate the contract earlier than the expiration date, the party exercising the right must notify the other party 3 months in advance and is obliged to pay a fine at the amount equal to 30 percent of the rent payable from the date of termination of the contract until the end of the contract.



## Lease agreements by the subsidiary companies

1) Land lease agreement for the construction of a car sales centre, Kanchanaphisek branch headquarters, Deeds N° 4408 and 5244, located in Bang Phai subdistrict, Phasi Charoen district, Bangkok, on March 1, 2016 with a total area of approximately 7 Rai 137 square Wa, with details of the land lease agreement as follow:

Party/Lessor	:	Mr Kiattisak Lertsukkijwatthana Mrs Sureerat Lertsukkijwatthana Miss Pranee Lertsukkijwatthana Miss Sirirat Siricharoenchaisakul Mr Chayaphong Lertsukkijwatthana Miss Nannapas Lertsukkijwatthana Miss Chananpat Lertsukkijwatthana Miss Sasipat Lertsukkijwatthana
Tenant	:	Krungthai Automobile Company Limited
Relationship between the parties	:	The parties to the contract are not related.
Contract period	:	15 years: from September 24, 2016 to September 23, 2031.
Rental rate	:	September 24, 2016 to September 23, 2019: 450,000 baht per month. September 24, 2019 to September 23, 2022: 483,750 baht per month. September 24, 2022 to September 23, 2025: 520,031 baht per month. September 24, 2025 to September 23, 2028: 559,033 baht per month. September 24, 2028 to September 23, 2031: 600,960 baht per month.
Other important conditions	:	At the expiration of the contract, the company must transfer the ownership of buildings or structures on the land to the land owner, unless both parties agree to amend the contract otherwise.

2) Land lease agreement for the construction of car showroom of Srinagarindra branch at Deeds N° 1250, 3830, survey N° 38, located at Nong Bon subdistrict (Southern Phra Khanong), Prawet district (Phra Khanong), Bangkok (partial), concluded on February 7, 2011. The total area is 6 Rai, 3 Ngan, 11 square Wa, with the land lease agreement as follow:

Party/Lessor	:	Mr Kobchai Sosothikul as heir and estate manager of Mrs Boonsom Bunyanit
Tenant	:	Krungthai Automobile Company Limited
Relationship between the parties	:	The parties to the contract are not related.
Contract period	:	3 years: August 1, 2020 to July 31, 2023.
Rental rate	:	544,500 baht per month.
Sublease right	:	The lessee can take this leased property to another person or entity to sublease it, but the tenant is responsible for any damage to the lessor, and the tenant must first notify the tenant in writing and obtain written consent from the landlord.
Other important conditions	:	In the event that the contract is terminated under any circumstances, the tenant must dismantle and move the property and attendants from the leased land, and deliver the land back to the lessor in good condition within 45 days from the date of the contract termination. In the event that the tenant does not comply, the tenant is liable to pay damages to the lessor in the amount of 20,000 baht per day until the lessee delivers the leased land back in good condition.

3) Lease agreement of the land area of 200 square Wa located at 99/9 Ramindra road, Ramindra subdistrict, Khannayao district, Bangkok, with land lease agreement as follow:

Party/Lessor	:	Thanaphat Property Company Limited
Tenant	:	Krungthai Automobile Company Limited
Relationship between the parties	:	Shareholders and directors are the same group of people.
Contract period	:	1 year: June 1, 2021 to May 31, 2022
Rental rate	:	134,736.90 baht per month.
Sublease right	:	The lessee can take this leased property to another person or entity to sublease it.
Other important conditions	:	In the event that the contract is terminated under any circumstances, the tenant must dismantle and move the property and attendants from the leased land, and deliver the land back to the lessor in good condition.

4) Lease agreement of the land area of 2,400 square Wa with deed N° 6567, located at Phahonyothin road, Senanikhom subdistrict, Chatuchak district, Bangkok, with the land lease agreement as follow:

Party/Lessor	:	Toyota Krungthai Company Limited
Tenant	:	Krungthai Automobile Company Limited
Relationship between the parties	:	Shareholders and directors are the same group of people.
Contract period	:	1 year: January 1, 2022 to December 31, 2022
Rental rate	:	105,000 baht per month.
Sublease right	:	The lessee can take this leased property to another person or entity to sublease it.
Other important conditions	:	In the event that the contract is terminated under any circumstances, the tenant must dismantle and move the property and attendants from the leased land, and deliver the land back to the lessor in good condition.

## Property rental contract

1) The company has leased a showroom out, located at 455/1 Rama III road, Bang Kho Laem subdistrict, Bang Kho Laem district, Bangkok, in the area of approximately 350 square metres, on February 20, 2004, which is the front building located on the company's leased land. The company has leased to Siam Nissan Krungthai Company Limited to occupy only the showroom on the ground floor. The details of the rental contract are as follow:

Party	:	Siam Nissan Krungthai Company Limited
Relationship between the parties	:	Shareholders and directors are the same group of people.
Contract period	:	3 years: February 20, 2018 to February 19, 2021
Rental rate	:	83,000 baht per month.
Conditions for lease renewal	:	On the day the contract expires, if the tenant does not notify the termination of the rental, it is deemed that the lessor agrees to let the tenant continue to rent the space. However, the lessor has the right to increase the rental fee by no more than 20% of the rental rate before the expiration of the contract.

2) The subsidiary company has leased a showroom out, located at 41/2 Srinagarindra road, Nong Bon subdistrict, Prawet district, Bangkok, in the area of approximately 1,200 square metres, on August 1, 2011, with the rental agreement as follow:

Party	:	Car Loft Auto Import Company Limited
Relationship between the parties	:	Shareholders and directors are the same group of people.
Contract period	:	1 years: November 1, 2021 ถึง October 31, 2022
Rental rate	:	225,000 baht per month.
Other important conditions	:	At the expiration of the lease term, the tenant must move the property and peripherals away from the area within 15 days from the contract expiration date. Otherwise, the property of the lessee and its peripherals will immediately become the property of the lessor. On this condition, the tenant will not claim damages or any amount from the lessor.

## Investment policy in subsidiary companies

The Company has investments in one subsidiary, Krungthai Automobile Company Limited, which operates the business of buying and selling used cars. At present, it has a paid-up registered capital of 40 million baht, of which the company holds 100% of the total shares.

In the future, if the company has any additional investments, the company will consider investing in businesses that support and benefit the company's business operations. or a business that is in an industry that has a tendency to grow or a business that the company has expertise in. It will take into account the rate of return received from the investment. In the event that the company has investments in subsidiary companies, the Company will supervise it by deploying directors to act as representatives in subsidiary companies according to their shareholding proportions. And if the subsidiary company has a business that has a significant impact on the company, the company will determine the method of supervision, such as determining the matters that must be approved by the Board of Directors' meeting, etc. For associated companies. The company doesn't take much control, but will nevertheless deploy representatives from the company to sit as directors in the associated company. However, the number of representatives from the company will depend on the company's shareholding proportion in the associated company.

## 1.4 Shareholder Structure Securities and Shareholder Structure

### 1. Shareholding structure of companies

The company holds shares in Krungthai Automobile Company Limited, of which the company holds 100% of the total shares. The company has a policy to supervise its subsidiaries by sending representatives to sit in the position of director in the subsidiary company

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

### 2. The Company's Securities

Authorized share capital and Issued and paid-up share capital as at December 31, 2021 as follow :

Registered Capital	250,000,000	Baht
Issued and fully paid share capital	250,000,000	Baht
Ordinary shares	250,000,000	shares
par value	1.00	Baht

### 3. Shareholders

List of the top 10 major shareholders as of the close of Share Register Book on 26 August 2021

No.	Names	Number of Shares Held	%
1	The Chantarasereekul Family <sup>1</sup>	183,733,400	73.49
2	Saha Pathana Inter-Holding Public Company Limited	14,006,800	5.60
3	The Khunsongkiat Family <sup>2</sup>	6,503,000	2.60
4	Aberdeen Small Cap Fund	5,148,500	2.06
5	Mr. Prinya Thianworn	4,700,000	1.88
6	Thai NVDR Company Limited	1,635,200	0.65
7	Ms.Duangchada Leekranchai	1,613,200	0.65
8	The Terdtoontaveedej Family <sup>3</sup>	1,605,200	0.64
9	The Rungthanapirom Family <sup>4</sup>	970,000	0.39
10	The Santimanochai Family <sup>5</sup>	868,700	0.35
	Total	220,784,000	88.31



<sup>1</sup> The Chantarasereekul Family includes

1. Mrs. Wipaporn Chantarasereekul holds 50,512,400 shares represent 20.20
2. Mr. Pithep Chantarasereekul holds 34,000,000 shares represent 13.60
3. Mr. Pichit Chantarasereekul holds 34,000,000 shares represent 13.60
4. Mr. Pisit Chantarasereekul holds 25,000,000 shares represent 10.00
5. Ms. Pimontra Chantarasereekul holds 20,221,000 shares represent 8.09
6. Ms. Pimonpan Chantarasereekul holds 20,000,000 shares represent 8.00

<sup>2</sup> The Khunsongkiat Family includes

1. Ms. Piyada Khunsongkiat holds 4,276,500 shares represent 1.71
2. Dr. Prajuab Khunsongkiat holds 1,172,400 shares represent 0.47
3. Mrs. Laddawan Khunsongkiat holds 1,005,100 shares represent 0.40
4. Mrs. Nipa Khunsongkiat holds 49,000 shares represent 0.02

<sup>3</sup> The Terdtoontaveedj Family includes

1. Mr. Somkiat Terdtoontaveedj holds 1,405,200 shares represent 0.56
2. Mr. Roengchai Terdtoontaveedj holds 100,000 shares represent 0.04
3. Mrs. Darunee Terdtoontaveedj holds 100,000 shares represent 0.04

<sup>4</sup> The Rungthanapirom Family includes

1. Mr. Thanapat Rungthanapirom holds 680,000 shares represent 0.27
2. Mr. Tanawat Rungthanapirom holds 290,000 shares represent 0.12

<sup>5</sup> The Santimanochai Family includes

1. Mrs. Anchalee santimanochai holds 518,700 shares represent 0.21
2. Mr. Wanchai santimanochai holds 350,000 shares represent 0.14

## 1.5 Issuing of Other Securities

The company issued three (4) sets of debentures\* on behalf of Krungthai Car Rent and Lease Public Company Limited at the amount of 1,850 million baht, with the following detail:

หุ้นกู้ครั้งที่	มูลค่าที่ออก (ล้านบาท)	มูลค่า ที่ยังไม่ได้ไถ่ถอน (ล้านบาท)	วันครบกำหนด ไถ่ถอน	อัตราดอกเบี้ย (ร้อยละต่อปี)	อันดับ ความน่าเชื่อถือ ครั้งหลังสุด
1/2018	600	600	March 28, 2022	2.46	A-
1/2019	700	700	July 25, 2023	2.96	A-
1/2020	100	100	September 11, 2023	3.00	A-
1/2022	450	450	February 10, 2025	2.32	A-
Total	1,850	1,850			

Remark:\* All debentures have received credit rating from TRIS Rating Co., Ltd

## 1.6 Dividend Payment Policy

The company is bound to pay no less than 50% of net profit after deducting the corporate tax and legal reserve in each year. The dividend payment shall depend on the consideration of financial position and operation result, liquidity, future expansion project and etc. However, the Company concerns on the maximize benefits to shareholders. The dividend payments shall be approved by the resolution from the shareholders or the Board of Directors.

### Dividend Payout in the past Five Years

	2016	2017	2018	2019	2020
Net Profit Ratio per Share (Baht)	1.28	1.33	1.00	0.87	0.87
Dividend Ratio per Share (Baht)	1.02	1.06	0.80	0.70	0.44
Dividend Payout Ratio to Net Profit (%)	80%	80%	80%	80%	51%

## 2. Risk Management

# Risk Management Process



### Demand Risk

- 01**
- Focusing on expanding the market through CRM,
  - Online marketing
  - Demand from small-medium companies
  - Demand shifted from leasing
  - Big Lot Project

### Financial & Liquidity Risk

- 03**
- Receiving additional limit support PN, HP
  - Cash Flow Management
  - Closely focusing on debt management with sympathy
  - Reduction of Dividend Payout

### Credit Risk

- 02**
- Grading in order of risk
  - Annual customer credit review
  - Credit Conditions – (Deposit, L/G, Guaranteed by Director/ Shareholder / Owner)

### Operations Risk

- 04**
- CG, CAC
  - Control of repair costs
  - In-stock used cars – quantity, ageing, car model
  - Tracking and analysing the growth and stability of electric vehicles

## Risk Factors

### 2.1 Interest rate risk

In the operating lease business, there is the fixed interest rate throughout the life of the agreement making the Company has the fixed income from rental car. While cost of its operation comes from the interest loan with 2 types; fixed rate and floating rate subject to the market rate of interest. Therefore a risk of the spread of the income received and interest expense will impact directly on the cost and profit of the Company.

Therefore the Company has the policy to reduce this risk by finding the cost of fund which complies with the nature of business. The Company has managed risk with 2 aspects;

**1. Duration:** In term of duration management, the Company will set the loan period matching with the lease period.

**2. Interest rate:** The Company will try to obtain loans at a fixed cost to match with the car rental nature by keeping the difference between interest rate and rental income at the levels of profitability and consistence.

The proportion of fixed rate and floating rate is as follows:

Type of Interest	December 31, 2019		December 31, 2020		December 31, 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Fixed	3,160.04	99.94	2,672.16	90.52	2,937.56	94.8
Floated	1.88	0.06	279.89	9.42	161.76	5.2
Total	3,161.92	100	2,952.06	100	3,099.32	100

## 2.2 Salvage Value Management Risks

The Company operates operating lease business with the period from 1 year to 5 years. After the expiration of agreement, the company may consider to keep the car for short rental with period from 1 year to 2 years. In case of ineffective management, the company may encounter a risk of purchasing too many cars. However, the company's subsidiary named Krungthai Automobile Co., Ltd. centralises the sales of used cars under the brand "Toyota Sure" from Toyota Motors (Thailand) Co., Ltd. Thus, the trust from the customers on used cars helps to secure confidence from potential customers, hence the increased opportunity of selling cars. For the current moment, the subsidiary company owns four branches of used car outlet

1.Headquarters on Kanchanapisek road 2. Srinagarindra road branch 3.Kaset branch 4. Kanchanaphisek-Baromarachachonani Branch. The Company is focusing on maximising the capability of selling lease-expired cars. Therefore, the management has deployed the policy of asset management as follow:

**1) Establish its own service centres and the network of over 1,000 establishments** with expertise in vehicle maintenance. The company's service centre will provide useful advice and ensure that customers are able to keep the leased cars timely and in accordance to the maintenance programme in order to be entitled to as good quality as market requirement and in order to facilitate the sales of used cars at a higher price.

**2) Conduct its own selling activity** by negotiate sales directly with buyers through KrungThai Automobile Co., Ltd., a subsidiary of the company. This policy enables the company to manage the existing cars with more efficiency. In 2021 and 2020 the company had sold away a total of 1,474 lease-expired cars, and 1,639 lease-expired cars, respectively. The profit of lease-expired car sales in 2021 totalled 219.53 million baht, and in 2020 totalling 215.54 million baht, respectively.



## 2.3 Risks in Financial Liquidity

Taking into consideration the source of funds, the company may be considered at risk in financial liquidity as it is restricted by loan payments caused by certain loan contracts made by the company and financial institutions. However, taking into consideration the structure of debt from the company's financial report, the company's source of funds is divided into two categories,

1) 1,145.79 million of short-term capital, and 2) 4,210.31 million baht of long-term capital (comprising 1,953.52 million baht of long-term debt and 2,256.79 million baht of shareholders' part) or to put it in simple terms, the company's debt structure is 21 : 79 the ratio of short-term against long-term capital.

Taking into consideration the payable debt within one year in fixed short-term securities, financial institution-fed long-term debt, and debt from purchase contracts, the company is confident in its strict management of cash flow by rushing to liquidate its spool of used cars in the waiting-to-sell list in return for sufficient cash flow for normal business operation.

Moreover, when taking into consideration the minimum income from future rental under interminable operating lease contracts that fall in the categories of less than one year and more than one year of validity period, as of the end of 2021, they were 1,129.87 million baht and 1,651.90 million baht respectively, while the current portion of liabilities of 1,145.79 million baht is due to be paid back within one year; and of the long-term liabilities of 1,953.52 million baht

Consolidated financial statements	2562		2563		2564	
	Million Bath	%	Million Bath	%	Million Bath	%
Short-term capital						
• Loans from financial institutions and Bill of Exchange	241.55	4.63	120	2.36	-	-
• Financial lease agreements	48.69	0.93	81.05	1.60	230.99	4.31
• Long-term loans	257.53	4.94	242.71	4.78	314.89	5.88
• Debentures	549.84	10.54	-	-	599.92	11.20
Total short-term capital	1,097.61	21.04	443.76	8.74	1,145.79	21.39
Long-term capital						
• Net - Current portion	2,064.32	39.56	2,508.30	49.38	1,953.52	36.48
• Shareholders' equity	2,055.38	39.40	2,127.53	41.88	2,256.79	42.13
Total long-term capital	4,119.70	76.92	4,635.83	86.55	4,210.31	78.61
Total	5,217.31	100	5,079.59	100	5,356.11	100

## 2.4 Operating risk

The Company is likely to not be able to collect the rent and call back the cars if the selecting customers can not be done carefully, including the lack of effective collection follow up and lack of proper internal control system.

In order to reduce the risk, the Company measures the customers selected carefully by consideration in the ability of customers to pay the rent from the operation results and financial positions from the past to the present as well as the reliability of the customers. In addition, the Company has the policy to protect risk from customers individually. For the short-term lease agreement, customers must provide a guarantor or pay the high rental deposit for full advance payment according to the lease period which can protect the risk from its operation in a certain level. For the operation lease agreement, the Company has policy to collect the deposit average 3 months of rental fee. Although the Company still has some risk on uncollectible money after deducting the deposit, the Company's experience and customer selection process including the effectiveness on debt collection equipped with proper internal control, the Company is tracing these accounts on time and the adequate provide the allowance for doubtful accounts.

## 2.5 Marketing risk and Competition

Due to the rental cars business has a small legal restriction combined with low capital investment to start a business, result in many entrepreneurs in the car rental market which creates high competition of this business as well. The main competition is the pricing which may affect sales and profits of the Company.

In order to reduce this risk, the Company, as the big player, has the clear policy focusing on the Premium Quality and One Stop Service. The Company has implemented a modern and efficient computer system for its operation in order to monitor the service closely and thoroughly. As the big player would result in Economy of Scale leading to save costs and compete in pricing as well. However, the Company does not focus only on pricing strategy.

As well as, the Company has selected the clear target group in comply with the long-term leasing policy. The main customers are medium and large corporation including government agencies and state enterprises, etc. These target groups prefer the long-term car leasing with good after-sales service rather than focusing on price only.

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## 2.6 Economic Risks

Although Thailand's overall economic situation in 2021 took a very slight upturn following less coronavirus-induced restrictions, The adverse impact of coronavirus pandemic last year caused several companies to delay their investment injections to focus on tighter internal cost management. Therefore, the car rental market among corporate clients became an interesting alternative in terms of cost-effectiveness and cost control thanks to the government's economic stimulus policy whose measures have been released to alleviate the setbacks encountered by many companies. As a result, companies continued to benefit from car rental service in their business operations, while many contract holders decided to extend their lease contracts instead of signing new ones in order to save costs compared to concluding new lease contracts.

The used car market put the performance up as compared to the previous year. Commuters were seen doing more to avoid public transport in order to have safe travel. Clients were also seen being more careful in spending money to save budget, forcing them to look for a more economical alternative to purchasing new cars, which is by looking for used cars instead.

## 2.7 Risks to the Society and the Community

The Company recognizes the principle of working by joining together the main work with the care for the society and the community, with a focus on the potential impact of the rental car business operation. The Company established a project to promote road safety to give advice to car users which are the Company's customers. The project aims at promoting road safety among motorists, with consideration to pedestrians, including items on the roads.

## 2.8 Risks to the Environment

Although the Company is not directly involved in the utilization of environmental resources, it also takes into account the environmental impact that may emerge, indirectly, from the waste generated by car maintenance.

The Company has written up a protocol to take care of the waste management in the company to help reduce the pollution made by the Company.



### 3. Business sustainability development

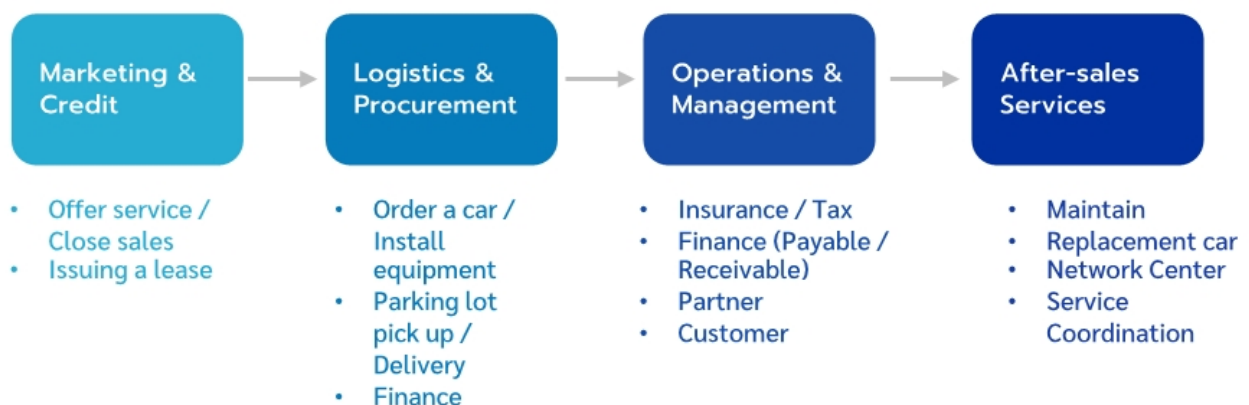
#### Scope of Reporting

Krungthai Car Rent and Lease Public Company Limited (Company) annually produces a sustainability report annually as a communication channel for business stakeholders to acknowledge the company's commitment and performance of the goals for sustainability plans as approved by the Board of Directors. The report presents the company's overall performances in terms of sustainability covering economic, social, environmental dimensions, including the company's corporate governance. The information stated in this report is the information collected between January 1 and December 31, 2021. The report also includes the comparison of such information with that of the previous year, in order to set the goals and seek ways to develop the business operation in each dimension so as to create awareness and the ability to concretely respond to the stakeholders.

This report is compiled under the reporting framework of the Sustainability Report and Sustainability Indicators Criteria as designated by the Stock Exchange of Thailand. This report can be downloaded at [www.krungthai.co.th](http://www.krungthai.co.th)

#### Value Chain

##### Car rental business plan





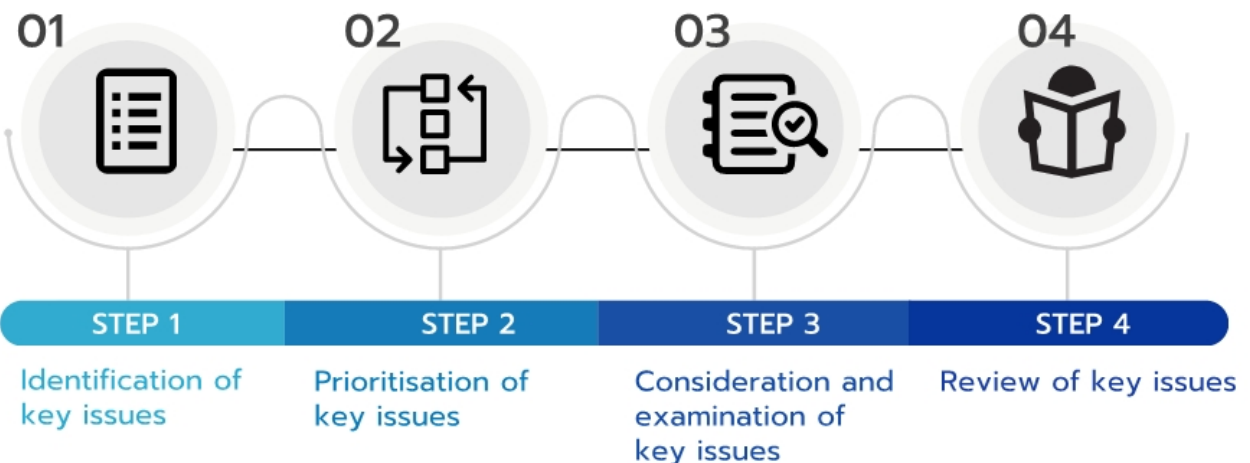
## Sustainability Operations Policy

The company has constituted a policy and a set of guidelines for various operations as stated in the following:

1. Ensure equality in the rights of all groups of stakeholders, namely employees, executives, shareholders, business partners, creditors, debtors, competitors, government, private sectors, the outlying communities, and the society, by assuring that these entities shall be treated well and lawfully. Such rights shall be accepted by all parties and shall be protected with fairness, transparency, and verifiability.
2. Focus on the business (in-process) of the company that correspond to the business operation policy for sustainable growth, by interlinking participation from both internal and external stakeholders with emphasis on value, loss minimisation, safety, and encouragement for employees to be aware of their work to fulfil the company's business goal for sustainability.
3. Focus on (after-process) promoting, supporting, and sharing responsibility for the community, society, and the environment by a division of related activities, supporting donations in the form of money or items for the benefit of outlying communities, the society, and the environment by giving assistance to the communities and the society, In the past, vans have been supported to transport medical personnel to the field hospital for treatment. and take-transfer covid-19 patients to the hospital both in Bangkok and other provinces

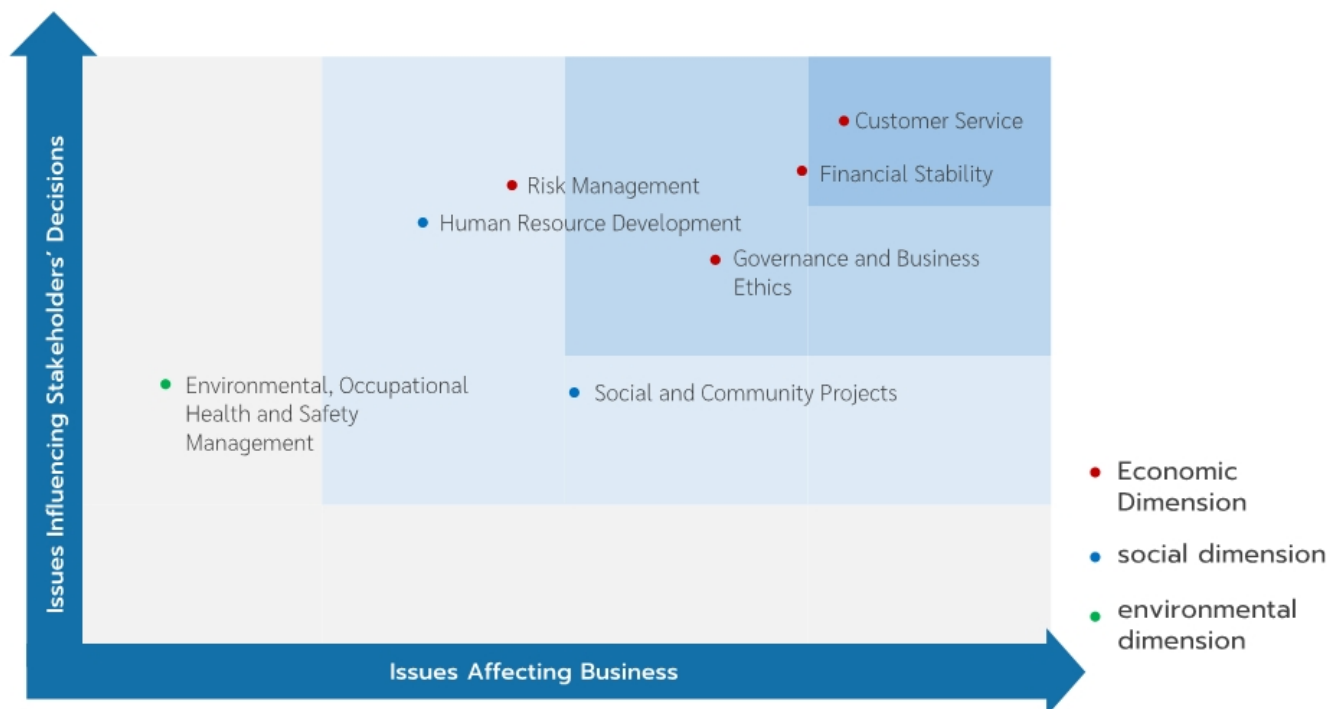
## Important issues on Sustainability

The procedures of assessing the sustainability issue consist of collecting and prioritising issues affecting the economy, society, environment, and issues affecting the decision-making of stakeholders, which come from the revision and comparison of data in the identical industry from the previous year, to assess the envisioned risks affecting the company's business operations, with the following procedures.



### Process of Sustainability Priority

The annual definition process of the key sustainability topics yields 7 topics with results sorted by importance as the business-oriented and stakeholder-oriented topics.







### The extent of the impact of sustainability issues

The extent of the impact of sustainability issues	Dimension	Scope		Topics
		Inside	External	
Client service	Economic Dimension	Company	Customer	Customer Service
Financial Stability	Economic Dimension	Company	All Groups	Performance in the annual report
Governance and Business Ethics	Economic Dimension	Company	Customer Shareholders and investors , Regulators	Governance and Business Ethics in the Annual Report
				Anti-Corruption
Risk Management	Economic Dimension	Company	All Groups	Management of the Risk of Covid-19
Human Resource Development	Social Dimension	Company	All Groups	Human Resource Development
Social and Community Projects	Social Dimension	Company	Customer	Social and Community Projects
Environmental Management Occupational health and Safety	Environmental Dimension	Company	Community	Environmental Management Occupational health and Safety

## Stakeholders' Participation

Stakeholder Group	Types of Participation	Expectations and Key Points	Responses
Shareholders and investors 	<ol style="list-style-type: none"> <li>1. Online and offline Annual General Meeting of Shareholders</li> <li>2. Disclosure of operating results through the SET's SET link system and the company's website</li> <li>3. A channel for inquiry on the company's website, through telephone and email.</li> </ol>	<ol style="list-style-type: none"> <li>1. Providing continuous returns and sustainable growth of performance</li> <li>2. Disclosure of accurate information</li> </ol>	<ol style="list-style-type: none"> <li>1. Focus on ESG norms and sustainable business growth.</li> <li>2. Disclosure of reviewed, verified, and audited information to shareholders and investors and the Stock Exchange of Thailand.</li> <li>3. Invitations of Annual General Meeting of Shareholders sent to shareholders. They may submit questions and comments at the meeting.</li> </ol>
Clients 	<ol style="list-style-type: none"> <li>1. Provision of client relations staff so as to meet the needs of clients.</li> <li>2. Client visitations to strengthen relationships on a regular basis.</li> <li>3. More access points and communication channels such as LINE and Facebook.</li> <li>4. More short-term rental service points.</li> <li>5. Extension of credit line at service centres to better cater to clients across the country.</li> <li>6. Provision of channels for clients to suggest or complaints on the company's website.</li> </ol>	<ol style="list-style-type: none"> <li>1. Client service with responsibility and ethics.</li> <li>2. Responses of clients' requests in a timely manner.</li> </ol>	<ol style="list-style-type: none"> <li>1. Staff training to provide effective service to impress clients.</li> <li>2. Information presentation and delivery of vehicles and services that meet customer requirements.</li> <li>3. Addition of communication channels, short-term rental service points and extension of credit line with service centres nationwide.</li> </ol>
Employee 	<ol style="list-style-type: none"> <li>1. Orientation of new employees and activity to know employees' needs in attending learning courses in consistency with the company's growth.</li> <li>2. Arrangement of channels to receive opinions and suggestions.</li> <li>3. The organising of activities to build relationships with employees to build morale among employees.</li> <li>4. Online and offline communication with employees through LINE and Zoom to create understanding of business operations and good corporate culture.</li> </ol>	<ol style="list-style-type: none"> <li>1. Remuneration, salary, and benefits.</li> <li>2. Development of personnel.</li> <li>3. Growth goals.</li> <li>4. Working environment.</li> <li>5. Employee care under Covid-19 situations.</li> </ol>	<ol style="list-style-type: none"> <li>1. Preparation of new salary structure.</li> <li>2. Evaluation of work performance.</li> <li>3. Training plan.</li> <li>4. Establishment of career paths.</li> <li>5. Preparation of questionnaires for employees about the working environment.</li> </ol>

Stakeholder Group	Types of Participation	Expectations and Key Points	Responses
Creditors and partners 	Online and offline communication through various channels to receive suggestions or complaints.	1. Ability to pay debts as scheduled. 2. Communication and disclosure of information.	1. Adherence to the framework of fair competition and according to the ethics of being good partners. 2. Completion of payments in compliance with the conditions expected from the partners.
Community 	Participation in and support of community activities, volunteer projects, and other aids.	Taking care of living conditions so as not to be affected.	Sustainable business operations in tandem with good community, social and environmental development.
Business rivals 	The organising of meetings to exchange ideas and cooperation according to various agendas.	Conduct business and competition with transparency and fairness according to the framework of fair competition.	Fair and ethical treatment of competitors by adhering to the principles of trade etiquettes, including terms and conditions that have been mutually agreed upon.
Local and government regulators 	1. Participation in meetings on policy and governance guidelines. 2. Contact and coordination with regulatory agencies.	Compliance with laws, policies, and regulations.	Work performance to meet the established rules and regulations.





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## Dimension economy : Customer Service

The company impresses customers. And respond to all levels of customer needs by the company will buy cars. according to the requirements of each customer and to create added value for the service The company has provided first class car insurance with reputable insurance companies for every car. and responsible for car-related expenses such as repair fees, registration fees, etc. In addition, the company has a comprehensive after-sales service, such as maintenance management. replacement car service There are more than 1,000 maintenance and inspection centers throughout the Kingdom. Including a 24-hour coordination center (Call Center) to serve customers in case of emergency. There is a team that will help coordinate. and give advice with a team of emergency technicians and mobile maintenance vehicles which is ready to help at the scene of the accident with towing service in Bangkok and perimeter every day including having a replacement car service in the event of an accident

The long-term goal is to create a customer satisfaction score of more than 90 percent and reduce customer complaints to 0%, including handling customer complaints within 3 days from the activities and services the company delivers to customers. that help customers gain knowledge and the highest rental benefits as follows:

### 1) Development of the Quality of Car Service

#### Battery Mobile Service

The Mobile Battery Service is a service for battery changing for cars within the period of lease and maintenance contract that are due of battery change to ensure that customers have utmost confidence in driving the leased cars, and to prevent risk factors occurred from battery malfunction while on the road.

#### Mobile Service

The Mobile Service offers an oil change service for cars within the period of lease and maintenance contract that are due of engine oil change to give the cars maintenance activity on a regular basis. The service also helps reduce pollution emitted by engines that are badly cared and accidents occurred by car abuse. In 2021, the company has provided Mobile Service for a total of 1,337 vehicles.

### 2.) Prevention and Minimisation of Loss from Driving

As the company's nature of business is car rental service, the company is concerned about various aspects of impact that could possibly emerge from driving cars. The company, therefore, launched the training of safe driving activities on a regular basis with the objective to prevent and minimise losses from driving and to promote among car users accident prevention from driving with carefulness and quality maintenance of cars. The safe driving and other projects involving cars, in the past year, successfully reached the customers.

### 3.) Disinfectant Spray

The company therefore arranges to spray disinfectant. For both government and private agencies including rental cars and private cars without any cost, including delivering products to prevent COVID such as alcohol gel, masks, etc. In 2021, the company has provided spray disinfection services to 336 customers, totaling 2,915 vehicles.

## Dimension economy : Governance and Business Ethics

The company adheres to the principles of good governance as the good governance is empirically believed to maximize the competitiveness and efficiency in the management of the organization, which, in turn, creates added value for the company, shareholders, and stakeholders, in the long run. The policy about the company’s business management is stated in the annual report of the year 2021.

The company has set the goal of the good governance, starting from the clear structure of management, nomination and recruiting of knowledgeable board of directors with visionary management skills, designation of responsibilities among the board of directors, complete, transparent, and timely disclosure of information, transfer of policy and guidelines to inform the executives and employees of guidelines of the organization.

The company was rated as “Very Good” rating from an assessment of corporate governance from the corporate governance survey of listed company conducted by the Thai Institute of Directors Association (IOD)

Sustainable Management Structure as at December 31, 2021



The objectives, powers and duties of the sub-committees have been defined in the annual report 2021.

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## Dimension economy : Anti-Corruption

The company recognizes the importance of good corporate governance principles by adhering to the basis of conducting business with honesty, transparency, fairness, responsibility, and prudence under related standards, laws, and regulations. The company has established anti-corruption policies, guidelines, and procedures for appropriate implementation requirements to prevent against corruption within the company's entire business activities, and in order to prevent corruption risks. In 2018, the company was celebrated as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC).

By the goals of the company The occurrence of corruption is 0 and there are no complaints from individuals/organizations both outside and within the company.

### Anti-Corruption Policy

Directors are prohibited from Management and employees of the company Accept all forms of corruption, directly or indirectly, including receipts, gifts, entertainment, solicitations, donations and any other benefits. to oneself from persons doing business with the Company to include employees, business partners, customers and all groups of stakeholders both domestically and internationally

### Whistleblowing and Submission of Petition

Members of the Board of Directors, Executives, and Employees, can submit petition directly, verbally or in document through the following channels :

- By phone: 02-291-8888 ext 262 (K. Supichaya Khajornchaikul)
- By E-mail : [supichaya@krungthai.co.th](mailto:supichaya@krungthai.co.th)
- Over the company's web site at [www.krungthai.co.th](http://www.krungthai.co.th)
- Through a letter specifying the name and sending it to the "Recipient of Complaint" at the following address

K. Supichaya Khajornchaikul/ Internal Audit  
Krungthai Car Rent And Lease Public Company Limited  
455/1 Rama III rd, Bang Khlo  
Bang Kho Laem, Bangkok, 10120

### Supervision, monitoring and review

- 1) The company reviews the this policy on a regular basis (at least once a year) by considering the changing circumstances and risks, then reporting the results to the Board of Directors about the risk assessment results and suggestions about actions that should be taken to minimise the risks.
- 2) The Internal Audit Department examine on a regular basis the internal control system and various processes. The Internal Audit Department then reports issues that detected urgently to ensure that the internal control system is effective in anti-corruption In this regard. The results of the examination will be discussed with relevant parties to find appropriate solutions. A report is then generated for the senior management and the Audit Committee for further acknowledgment.

## Dimension economy : Risk Management

Besides the risk management for the operations of business in various aspects as stated in the annual report of 2021, the company also realises the importance of risk management in the aspects of economy, society, environment, including the creation of long-term added values for stakeholders. The company, therefore, appointed a risk management committee to conduct an evaluation, in order to efficiently plan and manage the risks should it emerge in the future.

In 2021, the company has taken into account the risk of COVID-19 affecting the lives and safety of all stakeholders of the company. including continuity In its business operations, the Company therefore manages risks, prevents and monitors for various responses. continually Since the first epidemic in order not to have a significant impact on business operations including the quality of life and hygiene of the employees, summarized as follows:

### Managing the risk of COVID-19



#### Epidemic Prevention Measures

- The company has announced an overview guideline on good hygiene measures according to the guidelines of the Ministry of Public Health and other agencies. related from time to time to the employees.
- Reduce the density of work attendance to reduce the risk of spreading the infection. By allowing each department head to consider working from home (Work from Home) and online meetings.
- Set measures to take care of employees who still need to work at the company. including social distancing, temperature measurement before entering the company, and ATK examination. All employees must wear masks at all times while working in the office. install hand sanitizer Increase cleaning cycles at risky touch points including installing partitions in the customer service point or where you need to talk regularly including limiting the number of people receiving services in the area by allocating time to receive customers' appointments.
- Support and encourage employees to receive complete vaccinations in accordance with public health guidelines. to reduce the risk of infection and relieve severe symptoms.
- Including announcing guidelines for employees in high-risk groups or infected to assess risks by supervisors and will immediately spray disinfectant in that area.



### Monitoring of situations

- Supervisors monitor health status and environment of employees periodically to consider taking care as appropriate.
- Management and human resources departments keep up with news and epidemic situations as they occur. to assess the trend of impact that may affect employees business operations and report to the Risk Management Committee for acknowledgment.
- There are communication channels such as telephone, email and Line Group of Companies for quick communication.



### Coping in the event of an accident

- Follow the guidelines for employees who are at risk or are infected. since detected Support and help find a hospital, follow up on symptoms until they can return to work as usual. including providing ATK test kits for high-risk employees.



### Measures for stakeholders affected by Covid-19

<b>Clients</b>	<ul style="list-style-type: none"> <li>• Extension of credit line for clients to facilitate liquidity.</li> <li>• Stop paying rent by depositing parking spaces and extending the rental contract.</li> <li>• Postpone payments up to 4 months without penalty.</li> <li>• Convert the document format to electronic Reduce the process of working between each other. to achieve flexibility.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Assistance in medical equipment and hospital beds.</li> <li>• Provision of equipment and expenses for employees working from home.</li> </ul>
<b>Partners / Creditors</b>	<ul style="list-style-type: none"> <li>• Application of technologies in the work by switching to online channels for more convenience in order to reduce direct contacts and the need to travel.</li> <li>• Modification of payment methods to bank transfers to create flexibility and to reduce direct contacts.</li> </ul>

## Social Dimension: Human Resource Management

The company has a policy to constantly improve the human resource management system to be flexible. by complying with the requirements of the law without discrimination Promote unity through various activities in the company. Determine compensation and welfare appropriately. as well as creating a good, safe working environment and atmosphere that meets occupational health principles To enable employees to work effectively in parallel with cultivating employee volunteering along with morality and ethics.

### 1. Recruitment and Selection of Personnel

The Company has laid down procedures and methods for recruiting personnel with criteria and fairness. This is based on skills, abilities, experience and eligibility according to the specified JOB DESCRIPTION. psychological test and analytical thinking ability test to select the personnel that are most suitable for the job and the organization.

### 2. Compensation

The Company has cautiously and thoroughly revised remuneration management to prevent any risk of inclination, discrimination or inequitable treatment in the processes of performance assessment and remuneration payment. Emphasis has been placed on fairness and balance with

regard to remuneration for male and female employees based on their respective performances and work values. And Special salary hikes during the year are considered for retention of capable personnel. As we expand service networks abroad, The Company has established a system of compensation, living wage and welfare for other city.

### 3. Provision of Bonuses

The company rewards employees who have satisfactory performance according to or higher than the standards set by the company by providing incentives (bonuses) according to performance once a year, based on business performance and employee performance.

### 4. Internship Opportunity

The company has opened to applications from students to enter the internship in the amount of 2 people who are in the mechanical field In order to continue to develop knowledge and experience for their studies. The interns are encouraged to learn various tasks and skills at the company, as well as being assigned tasks that will enable them to use their knowledge and abilities while developing their potential and skills. When they are graduated and pass the probation according to the specified criteria, the company will consider keeping them as regular employees.



## 5. Complete and Fair Employee Care to Create Engagement with the Organisation

Promoting the quality of life and participation of employees, enhancing employee engagement to create a sense of unity Ready to move towards goals and success together until forming a corporate culture.

## 6. Financial Security for Employees

The company foresees the importance of creating discipline of saving money among employees. The company therefore allow employees to choose to save their salary in chosen rates of 2% to 15%, with contributions from the employer of 2% to 3%.

In 2021, The Company and subsidiary has a total of 96 employees and 23 employees respectively, registered themselves as members of the provident fund.

## 7. Health promotion activities.

The company has an annual health check for all employees. annually And there is a special

health check list for employees in risky jobs, such as employees in the car maintenance section. which is a risk to the respiratory system risk of hearing.

## 8. Training on new cars' engines and accessories

Promote the safety of using cars by educating employees on new technologies and new car models, especially the necessity that accessories that come with the car must be in good condition. The training is to ensure that cars sold and leased are safe to use.

## 9. Safe-Driving Training

In addition to safety in operation, the company also gives priority to road safety. In order to reduce traffic accidents of employees Which in the past year, the company has provided various campaigns in hope of increasing driving skills safely and consciously driving safely without continuous traffic accidents among drivers.





## 10. Human Resource Management

The company takes into consideration the rapid change, business competition and possible challenges of various industries in the future. This is why the adaptation of human resource management in accordance with business strategy, potential development, and improvement of human resource system, are crucial to the company's future.

The company aims at developing its employees' knowledge, skills, and abilities, as well as providing them with professional advancement and career path on which they can grow together with the company. Therefore, both executives and staff members are required to attend the compulsory training on Working Guidelines in which corporate notion, working culture, self-development, creativity, and knowledge on the latest innovations, are included for the benefits of the company's sustainable growth, development, and success.



During the year 2021, the company provided training to educate and develop staff-level employees in various fields in order to maximise the potential of working in the organization, which are divided into various areas as follows :

No.	Training topics	Executive	Manager	Employee	Note
1	Training Implement guidelines for the year 2021	✓	✓		
2	Personal Data Protection Laws.		✓	✓	
3	Keeping employees in the organization.	✓			
4	The Ultimate Challenge.	✓			
5	Techniques for interviewing new sale.	✓			
6	Basic Customer Relations (Basic CRO)			✓	
7	Sales Course.			✓	
8	Generate millions in sales on Shopee, Lazada.	✓	✓	✓	
9	Car air conditioner cleaning.			✓	
10	Diagnostics and maintenance of hybrid and electric vehicles.			✓	
11	Service Consultant, Basic Level.			✓	



## Social Dimension : Social and Community Projects

Continues to carry out social activities continually. In 2021, under the epidemic situation The company realizes the importance of supporting services for patients with COVID-19. facing travel problems To alleviate the trouble, the company has brought cars. to various departments to provide services to patients and volunteer teams In the year, the Company has provided rental cars for all 4 projects as follows:

### May 19, 2021

Krungthai Car Rent and Lease PCL. has delivered a van to the Oxy Fight Covid Volunteer Team on the page "We Must Survive" for the volunteer team staff to use for transporting oxygen concentrator equipment for critically ill patients. from COVID-19.



### May 20, 2021

Krungthai Car Rent and Lease Plc. delivered the van to "Central Transport Management Department Chulalongkorn Hospital, Thai Red Cross Society" to be used for receiving - sending personnel personnel. nurse and doctor to perform duties to help patients from COVID-19 to special wards, Bangkok Center Hotel (HOSPITEL), including delivering vaccines and items to the vaccine service point.



### June 6, 2021

Krungthai Car Rent and Lease PCL. has delivered a van to support the service of patients with COVID-19 of Prince Suvarnabhumi Hospital to take care of patients in East Bangkok and in the area of Samut Prakan.



### 19 July 2021

Krungthai Car Rent and Lease Plc. has delivered 2 vans to Petchkasem Bangkok Foundation and Page E-Chan to use for transporting patients. Covid-19 treatment at hometown #BACK HOME



## Environmental Dimension: Environmental, Occupational Health and Safety Management

### Policy on Environment, Health and Safety

The company takes into account and gives importance to compliance with the law. and various standards related to the environment continuously Including the development and improvement of work processes continually in relation to the environmental system and pollution prevention In the past year, it has been carried out and focus on the development in the environment, occupational health and safety The goals of the ongoing projects are

- 1) reducing the use of electricity and water by 3%
- 2) reducing the use of paper. by using the program which has been operating since 2020, is currently in testing and editing which is expected to be completed and started to use in 2022; and
- 3) the presentation of electric car rental services under study and research with partners. Guidelines for presenting to customers including the repair process by starting to produce a technician's manual

### Management of Waste

Management of Waste that is caused by normal operations in car repair centre – old/used motor oil, old/used chemicals: The company has collected such wastes and ship to professional waste management agencies for further classification and elimination, and recycling.

### Maintenance of tools, equipment, and machinery that affect the environment

There shall be regular maintenance of rools, equipment, and machinery, according to the maintenance cycle (Preventive Maintenance), such as the maintenance of wheel alignment, lift, car lift, air pump, tyre bar, wheel balancing machine, brake disc lathe, etc. by using calibration equipment, replacing parts, adding lubrication, etc. to make the equipment or machinery ready to use efficiently.

In case of unable to maintain or repair certain equipment, the company shall replace the old machinery with a new one upon showing the broken tool or equipment to the supplier, or donate to other organisation that is in need of such article.

### Supervision of Contractors and Subcontractors

The company has selected contractors and subcontractors based on the standards set by the company. The company also provides a space for contractors to have clear operational areas for their convenience.



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## Efficient Resource Management

The company has organised a campaign on efficient use of resources and energy throughout the past year. Apart from the campaign to encourage employees to store documents in electronic form, and to use both sides of printing papers, the company also developed a new computer software for integrated operation for both operation and management sides in an effort to help save energy, time, and paper.

In addition, the company is also aware of the importance of employee hygiene. A large fan inside the car repair service centre has been installed to help eliminate smell of car exhaust and help cooling down the air. As a result, the car repair service centre now has a better working environment, with energy-saving property.



As a plus, the company also changed light bulbs from fluorescent lamps to LED bulbs to save operational cost and energy as well.





## Operating Results

### Economic: Attachment 7 : Financial Statements

STATEMENT OF COMPREHENSIVE INCOME	2021	
	Million Baht	%
Income on car leases	1,311.35	59.45
Income on sale of cars	819.23	37.14
Other income	75.10	3.40
Total expenses	1,870.11	84.79
Profit before income tax expenses	335.57	15.21
Finance cost	80.82	3.66
(Income) tax expenses	28.63	1.30
<b>Net profit</b>	226.11	10.25

STATEMENT OF FINANCIAL POSITION	2021	
	Million Baht	%
Total assets	5,703.38	100.00
Total liabilities	3,446.59	60.43
<b>Total shareholders' equity</b>	2,256.79	39.57



## Social

### Personnel

Data	2020		2021	
	Number of People	%	Number of People	%
All full time employees	151	100	138	100
• Man	86	56.95	79	57.25
• Woman	65	43.05	59	42.75
<b>Classified by level</b>				
• Senior management	6	3.99	5	3.63
• Middle management	11	7.28	9	6.52
• Manager	11	7.28	11	7.97
• Operating	123	81.45	113	81.88
<b>Separated by age of employees</b>				
• 55 years over	6	3.97	2	1.45
• Age 40 – 55 years	70	46.36	66	47.83
• Age 30 – 40 years	54	35.76	53	38.40
• Age 18 – 30 years	21	13.91	17	12.32
<b>Separated by age</b>				
• 0 – 5 years	68	45.03	66	47.82
• 5 – 10 years	33	21.85	25	18.12
• 10 – 15 years	21	13.91	24	17.39
• 15 – 20 years	22	14.57	12	8.70
• 20 years over	7	4.64	11	7.97

### Health and Safety Information

Average number of days off from employees (days)	2020	2021
Average number of sick days per employee (days/person)	2.98	3.52
Number of days off from work-related injuries and illnesses (days/person)	0.01	0.02
Statistics of accidents at work (times)	1	1

## Environmental

### Power Consumption

Data	Units	2020	2021
Save Electricity	Million Baht	1.51	1,46
Electric Meter	Unit	304,659	297,024
Save Water	Million Baht	0.089	0.070
Water Meter	Unit	5,555	4,252

### The amount of waste and waste from business operations

Data	Units	2020	2021
Used engine oil - recycle	liter	11,200	19,000
Used tires - for sale	line	2,320	1,843



## 4. Management Discussion and Analysis (MD&A)

### Overview of the Business

In summary, the operating results of the company and its subsidiaries for the year ended December 31, 2021 (consolidated financial statements) is as follow: The company had total revenue of 2,205.68 million baht, compared to the previous year's figure of 2,193.40 million baht, signifying an increase of 0.6 percent. The net profit of 2021 accounted for 226.11 million baht, compared to last year's net profit of 221.25 million baht, signifying an increase of 2.2%. The total revenue slightly increased last year mainly due to a drop in the number of lease-expired cars for sale, which the company focused on the selling prices and increasing the purchase of used cars for sale. Meanwhile, the total costs were in a drop as the costs of rental cars were reduced from the depreciation of vehicles of the rental car clients that had fully renewed their contracts. The cost of car sales decreased last year due to a smaller number of cars sold and discount control resulting in gross margin for rental cars and car sales, when compared to the previous year, increased by 1.7 and 1.8 percent respectively.

	Million Bath		Increase (Decrease)	
	2020	2021	Million Bath	%
Total revenue	2,193.40	2,205.68	12.3	0.6
Total Cost	1,736.23	1,714.90	(21.3)	(1.2)
Income tax expenses	(38.30)	28.63	66.9	(174.8)
Profit for the year	221.25	226.11	4.9	2.2

The sales and administrative expenses decreased last year as the tax refund has not been set aside from the Revenue Department since the money was received at the beginning of 2022. The income tax expense has increased compared to the previous year that was recognised as income tax because the tax benefits that have expired after 5 years. In 2021, the accumulated tax losses from the remaining benefits will be used for the first year. Therefore, the company began to recognise it as accounting expenses.

Summary of the financial position as of December 31, 2021 is as follow: The company had total assets worth 5,703.38 million baht, compared to the end of the previous year at 5,416.02 million baht, signifying an increase of 5.3 percent from liquidity in the business that has been prepared for payment, and that the debentures due in early 2022, with the company's assets held for rent slightly increased last year, accounting for 0.6 percent, due to the utilisation of fund sources from hire purchase contracts. As a result, the total liabilities as of December 31, 2021 amounted to 3,446.59 million baht, compared to the previous year with total liabilities of 3,288.64 million baht, signifying an increase of 4.8 percent.

As for shareholders' equity as of December 31, 2021, the company had total shareholders' equity of 2,256.79 million baht, signifying an increase of 6.1 percent compared to the end of 2020 at 2,127.37 million baht, signifying an increase from an increase in operating results. After the payment of dividend, the company has retained earnings before dividend payment of 1,941.93 million baht, the dividend payment of 97.50 million baht, and the retained earnings at the end of 2021 of 1,844.43 million baht.

	Million Bath		Increase (Decrease)	
	2020	2021	Million Bath	%
Asset	5,416.02	5,703.38	287.37	5.3
Liabilities	3,288.64	3,446.59	157.95	4.8
Shareholders' Equity	2,127.37	2,256.79	129.42	6.1

## Result of Operation

### 1. Revenue from Car Rental Fees:

In the year 2021 amounted to 1,311.4 million baht, an increase of 14.23 million baht or 1.1 percent compared to the year 2020 which was 1,297.12 million baht and a rental profit margin of 13.4 percent compared to the year 2020 at 11.7 percent, signifying an increase from the previous year or an increase of 1.7 percent. The slight increase in rental income was caused by the group of customers renewing the lease contracts instead of making a new lease to control the expenses of their companies in accordance with the overall economic situation.

### 2. Revenue from Sales of Lease-Expired Cars:

The income from the sale of lease-expired cars in 2021 amounted to 607.21 million baht, compared to the previous year's figure of 674.61 million baht, signifying a drop of 67.40 baht of 10 percent due to a decrease in the number of cars sold from 1,474 units compared to the previous year with 1,639 units, a decrease of 165 units, accounting for 10.1 percent, which is in line with the decrease in the total number of vehicles from the customers' contract renewals.

### 3. Revenue from Car Sales Operated by Subsidiary Company:

Backed by the decrease in number of lease-expired cars, the subsidiary company therefore increased the number of used cars that are in demand in the market for sale, resulting in the year 2021 enjoying the sales revenue of 212.02 million baht, signifying an increase of 71.43 million baht from the previous year, or 50.8 percent. In the previous year, the amount was 140.59 million baht, with the number of cars sold in 2021 amounted to 363 units, compared to 287 units last year, an increase of 76 units or 26.5 percent.

	Million Bath		Increase (Decrease)	
	2020	2021	Million Bath	%
Revenue from Car Rental Fees	1,297.12	1,311.35	14.23	1.1
Revenue from Sales of Lease-Expired Cars	674.61	607.21	(67.40)	(10.0)
Revenue from Car Sales Operated by Subsidiary Company	140.59	212.02	71.43	50.8
Other income	81.08	75.10	(5.98)	(7.4)
Total	<b>2,193.40</b>	<b>2,205.68</b>	<b>12.28</b>	<b>0.6</b>



## Costs and Expenses

### 1. The Cost of Car Lease

In 2021, the amount was 1,135.83 million baht, signifying a decrease of 9.65 million baht against the previous year or 0.8 percent. And when compared to the year 2020 of 1,145.48 million baht incurred by the cost of car repairs and the coronavirus pandemic that decreased clients' trips to periodic maintenance and repairs caused by road accidents. As a result, the rental cost to rental income in 2021 experienced a drop from the previous year's figure from 88.3 percent in 2020 to 86.6 percent in 2021, signifying a drop of 1.7%.

### 2. The Cost of Sales of Lease-Expired Cars

In 2021, there were 387.98 million baht, a decrease from the previous year's figure of 459.07 million baht, signifying a decrease of 71.09 million baht or 15.5%, all of which is in line with the decrease in the number of cars sold, representing a rate of 63.9 and 68.1 percent respectively, a rate that decreased by 4.2 percent from the previous year. The average selling price has increased from the previous year, with a boost in the number of cars sold through auction channels.

### 3. The Cost of Sales of Used Cars by Subsidiaries

In 2021, the amount was 191.09 million baht, compared to the previous year's figure which was 131.68 million baht, signifying an increase of 59.41 million baht or 45.1 percent. The additional cost was caused by the increase in sales.

	Million Bath		Increase (Decrease)	
	2020	2021	Million Bath	%
The Cost of Car Lease	1,135.83	1,145.48	(9.65)	(0.8)
The Cost of Sales of Lease-Expired Cars	387.98	459.07	(71.09)	(15.5)
The Cost of Sales of Used Cars by Subsidiaries	191.09	131.68	59.41	45.1
<b>Total</b>	<b>1,714.90</b>	<b>1,736.23</b>	<b>(21.33)</b>	<b>(1.2)</b>

### 4. The Cost of Sales and Administrative Expenses

In 2021, the amount was 155.21 million baht, compared to the year 2020's figure of 183.93 million baht, a decrease of 28.72 million baht or 15.7%. The decrease in 2021 was caused by the company not considering the provision for withholding tax refunds as it received a full refund in the year 2021, sending the expenses down by 14.92 million baht or 8.1 percent, and due to the execution of policy to control the number of employees that did not replace all employees who resigned, employee expenses, and others of the Asoke branch that closed in August 2020, causing the expenses to be reduced by 11.00 million baht or 6.0 percent.

## Net Profit and Rate of Return

The Company's net profit in 2021 was recorded at 226.11 million baht, an increase of 4.87 million baht from the previous year or 2.2% compared to the year 2020's figure of 221.25 million baht and a net profit margin in 2021 of 10.3%, which is close to the previous year at the rate of 10.1 percent due to 1) a slight increase in rental income and lower repair costs. sending the gross profit of the rental car to increase, 2) the income from the sale of used cars: the average selling price increased due to the company's focus on retail channels (sold through auction channels in the previous year), and 3) the administrative expenses decreased due to reduced withholding tax reserves, reduced staff expenses due to the closure of Asoke branch, and employee management policy.

As a result, the operating profit before income tax has increased from the year 2020 which was 182.95 million baht, an increase of 71.80 million baht, amounting to 254.75 million baht in 2021, representing an increase of 39.2%. However, the income tax expense of 28.63 million baht decreased from the previous year's figure of 38.30 million baht from tax privileges. As a result, the net profit was close to the previous year.

	Million Bath		Increase (Decrease)	
	2020	2021	Million Bath	%
Pre-tax profits	254.75	182.95	71.80	39.2
Income tax expenses	28.63	(38.30)	66.93	174.8
Profit for the year	226.11	221.25	4.87	2.2



## Financial Status

### Asset

As of December 31, 2021, the company had total assets of 5,703.38 million baht, an increase of 287.36 million baht or 5.3% from the end of 2020 at 5,416.02 million baht. The increased assets included other current financial assets which was an increase of 227.06 million baht, received from normal business operations. The company has prepared to pay off loans from financial institutions and debentures due in early 2022 in respect of rental cars and cars awaiting sale at the end of 2021 that increased by 38.09 million baht. Although the number of cars decreased, by the end of 2021, there were 9,267 cars, a decrease from 9,340 units at the end of 2020. The number of cars sold in 2021 was 1,401 units, a decrease of 134 units or 8.7% from the year 2020; and the number of cars sold in 2021 is 1,474 units, a decrease of 165 units or 10.1 percent from the previous year. This is due to the purchase of cars to deliver to large-scale customers at the end of the year in the group of SUVs, sending the average purchase price in the year to rise. The amount of net worth increased by the end of 2021 amounted to 4,384.15 million baht, an increase of 19.35 million baht or 0.4 percent.

### The number of cars for lease

Description	For the year ended 31 December		
	2019	2020	2021
Cars at the beginning of the periods (units)	8,275	9,444	9,340
Purchased during periods (units)	2,065	1,535	1,401
Sold during periods (units)	896	1,639	1,474
<b>Cars at the ended of the periods (units)</b>			
- cars held for sales	568	357	328
- cars held for leased	8,876	8,983	8,939
<b>Total cars at the ended of periods</b>	<b>9,444</b>	<b>9,340</b>	<b>9,267</b>
<b>Net book value at ended of periods (Million Baht)</b>			
- cars held for sales	161.18	101.41	94.97
- cars held for leased	4,291.69	4,263.39	4,289.18
<b>Total Net book value at ended of periods</b>	<b>4,452.87</b>	<b>4,364.80</b>	<b>4,384.15</b>

## Accounts Receivable

Considering the quality of the company's trade accounts receivable (prior to the deduction of the expected loss) as of December 31, 2021, the company has a total trade accounts receivable of 179.07 million baht, an increase of 23.42 million baht from the previous year or 15.1%. At the end of 2020, the company's receivables equalled to 155.65 million baht, with net trade accounts receivable after deducting expected losses in 2021 of 171.90 million baht, of which, divided into receivables from car sales of 59.00 million baht and receivables from car rental amounted to 112.90 million baht.

All receivables from car sales are those of banks that accept car loans and in respect of debtors from car rental, which is a category of debtors that have not yet reached due in the amount of 83.99 million baht or equivalent to 74.40% of the net car rental receivable. The company has closely monitored the situation of debt receivable, and has categorised clients based on their credibility and financial standing, which most of the customers fall into this category. More than 95% are corporate customers in the forms of government agencies, state enterprises and the private-sector companies, of which have a good payment history. As for expected credit losses, the company estimates are based on debt collection experience, age of outstanding debt, and the current economic situation at the end of 2021.

### Accounts receivable can be analyzed as followings

Description	2019	2020	2021
• Undue	111.64	124.37	129.90
• Not exceed 3 months	12.47	24.89	43.43
• 3 – 6 months	2.50	1.90	0.89
• Over than 6 months	2.92	4.50	4.84
Total	129.52	155.65	179.06
Less: Allowance for doubtful accounts	(3.68)	(6.36)	(7.16)
Total	125.84	149.29	171.90

### Details of accounts receivable ledger

Description	2019	2020	2021
• Receivable from rental car	94.54	98.36	112.90
• Receivable from selling car	31.03	50.92	59.00
Total	125.84	149.29	171.90



## Source of Funds

### Liabilities

The company has a financing policy for use in its business operations of purchasing rental cars, liquidity management by using sources of loan from financial institutions and capital markets, which are mostly fixed-income products with fixed interest rates with the credit rating A- (by TRIS Rating Co., Ltd.) to establish credibility in the eyes of financial institutions and institutional investors. This is reflected by the lower interest rates in the overall market.

As of December 31, 2021, the company had total liabilities of 3,446.59 million baht, an increase of 157.95 million baht from the previous year, or 4.8% of total liabilities at the end of 2020 at 3,288.64 million baht — corresponding to the increase in average car purchase prices for rental cars at the end of the year.

The total liabilities as of December 31, 2021 accounted for 60.4 percent of total assets, of which are current liabilities and non-current liabilities of 37.9 percent (loan from financial institutions and stocks due sending the proportion of total current liabilities to increase by 18.2 percent) and 62.1 percent respectively, in comparison with total liabilities as of December 31, 2020, of 60.7 percent of total assets, which are current liabilities and non-current liabilities of 19.7 percent and 80.3 percent respectively.

However, the said debt ratio does not affect liquidity management as the company was receiving a continual income from car rental and from the sale of lease-expired cars. The nature of the business is based on capital structure, of which are liabilities. Therefore, the company must manage cash inflows and outflows in order for the balance to be consistent to hedge liquidity risk both in terms of timing and interest rates by specifying the loan term to be consistent with the term of the car rental contract. The company also tries to find a source of loan with fixed interest rates, and hedging the floating interest rate risk in accordance with fixed car rental rates to reduce the risk from interest rate fluctuations.

### Shareholders' Equity

The company's shareholders' equity as of December 31, 2021 amounted to 2,256.79 million baht, an increase of 129.42 million baht against the year 2020's figure of 2,127.37 million baht. The total comprehensive income amounted to 226.92 million baht, while dividends were paid to shareholders in 2021 in 2 rounds, amounting to 97.5 million baht, consisting of

According to the minutes of the 2021 Annual General Meeting of Shareholders held on April 27, 2021, the shareholders resolved to pay dividends from the 2020 operating results to shareholders at the rate of 0.44 baht per share, amounting to 110.00 million baht. The dividend of 55.00 million baht (equivalent to 0.22 baht per share) was paid on September 9, 2020 and the remaining amount of 55.00 million baht (equivalent to 0.22 baht per share) was paid to shareholders on May 24, 2021.

And according to the Minutes of the Board of Directors Meeting N° 3/2021 dated August 13, 2021, the Board of Directors resolved to pay interim dividends from the operating results for the period ended June 30, 2021 in the amount of 42.50 million baht (equivalent to 0.17 baht per share) to shareholders on September 10, 2021.

## Capital Structure

In 2021, the company bought a car for rent using the main source of funds from hire purchase contracts, borrowing from financial institutions and debentures with fixed interest rates at the end of 2021, accounting for 94.78% of long-term borrowings. This is the normal nature of this business practice because it is a liability arising from the acquisition of assets used in the company's operations. Such liabilities will be able to provide cash outflows in accordance with the cash inflows of the company. It is also a policy to use the company's source of funds because in addition to the consistency of cash inflows and outflows, it is also a risk management of interest rates in the future if there is a possibility of positive direction.

In conclusion, the financial source selection is based on the consistency of the cash flows, the number of lease contracts with clients, and financial costs, for maximum efficiency in business operations and financial management.

## Liquidity

For the year 2021, the company had net cash flows from operating activities of 906.65 million baht, an increase of 198.21 million baht when compared to the year 2020 with net cash used in operating activities of 708.44 million baht. It is because there was a decrease in cash paid for purchasing cars for rent in the amount of 297.35 million baht in 2021.

The company's cash flows used in investing activities in 2021 amounted to 231.06 million baht, a decrease of 285.10 million baht when compared to 2020 with net cash flows from investing activities of 54.04 million baht from buying investment units out of liquidity in the business specially prepared for the repayment of debentures due in the amount of 226.95 million baht.

The company's cash flow from financing activities spent in 2021 amounted to 683.46 million baht, compared to the year 2020, which was acquired net of 809.66 million baht, decreased net use of 126.20 million baht due to the redemption of 450 million baht net debentures in the previous year and net cash payment for bills of exchange of 200.74 million baht.

The Company has minimum amounts on car leases under operating lease agreements, presented by amounting in contracts as follow :

(Unit : Millions Baht)

Future income	2019	2020	2021
- Not exceed 1 year	1,169.06	1,127.58	1,129.87
- Over 1 year but not exceed 5 years	1,788.66	1,656.90	1,651.90
Total	2,957.72	2,784.48	2,781.77

## 5. General Information and other material facts



<b>Company Name</b>	:	Krungthai Car Rent and Lease Public Company Limited
<b>Stock Code</b>	:	KCAR
<b>Nature of Business</b>	:	Operating lease services and short-term car rental
<b>Registered Capital</b>	:	Paid-up capital of 250,000,000 shares, with a par value of Baht 1.00 per share
<b>Head Office</b>	:	455/1 Rama 3 Road., Bangkhlo, Bang Kho Laem Bangkok 10120
<b>Registration No.</b>	:	Bor. Mor. Jor. 0107547000761
<b>Telephone</b>	:	66 (0) 2291-8888
<b>Fax</b>	:	66 (0) 2291-4488
<b>Website</b>	:	<a href="http://www.krungthai.co.th">www.krungthai.co.th</a>
<b>Registrar</b>	:	Thailand Securities Depository Company Limited. 93 Ratchadaphisek Road, Din Daeng, Bangkok Thailand Tel: 66 (0) 2009-9000 Fax: 66 (0) 2009-9991
<b>Auditor</b>	:	Miss Soraya Tintasuwan, Certified Public Accountant No. 8658
<b>Audit Firm Name</b>	:	Dharmniti Auditing Company Limited
<b>Audit Firm Location</b>	:	178 Soi Permsap (Prachachuen 20), Prachachuen Rd., Bangsue, Bangkok 10800 Tel: 66 (0) 2596-0500, 02-555-0600 Fax: 66 (0) 2596-0539





**Subsidiary Name** : Krungthai Automobile Co., Ltd.

**Shareholding Status** : 100 percent of paid-up registered capital

**Nature of Business** : Purchase, sell, exchange, repair and distribution of new & used cars and equipment

**Registered Capital** : Paid-up capital of 400,000 shares, with a par value of Baht 100 per share

**Head Office** : 1625 Bangphai, Bangkhae, Bangkok

**Srinakarindra Branch** : 41/2 Srinakarindra Road, Pravet, Bangkok

**Kaset Branch** : 2368 Phahon Yothin Road, Bangkhen, Bangkok

**Kanchanaphisek Baromarachachonani Branch** : 64 Kanchanaphisek Road, Banglamad, Talingchan, Bangkok

**Telephone** : 66 (0) 2455-4455

**Fax** : 66 (0) 2455-4441

**Website** : [www.surekrungthai.com](http://www.surekrungthai.com)

**Auditor** : Mrs. Rungthip Changsrisk  
Certified Public Accountant No. 11930

**Audit Firm Name** : Dharmniti Auditing Company Limited

**Audit Firm Location** : 178 Soi Permsap (Prachachuen 20), Prachachuen Rd.,  
Bangsue, Bangkok 10800  
Tel: 66 (0) 2596-0500, 02-555-0600 Fax: 66 (0) 2596-0539



## Part 2: Corporate Governance

### 6. The Good Governance Policy

The company has a good, transparent, and socially responsible corporate governance policy which concentrates on cultivating good consciousness and ethics for executives and employees of all levels to the extent of becoming the corporate culture.

#### 6.1 Overview of Corporate Governance Policies and Guidelines

The company has written up policy and guidelines for good governance, with emphases on the good governance as guidelines for the board of directors, administrators, and members of staff of the Company to follow, in an effort to promote efficiency in the running of business. The Company also adheres to ethics and transparency policy in its operation, while encouraging adequate auditing to help build confidence amongst shareholders, investors, stakeholders, and all other related parties.

1. Equal and fair treatment to shareholders.
2. Appointment of the company's board of directors based on each member's assigned duty and responsibility. Apart from the board of directors, it also appointed other committees with clear job description and responsibility among the board of directors, audit committee, and managing director.
3. Transparent business operation with disclosure of information in timely manner.
4. Prudent business operation with emphases on risk management, assessment, control, and follow-up on a regular basis.
5. Cultivation of ethical business operation in executives and staff members.

The board of directors realised the importance of support given to the employees, executives, and to the board itself so as to be in compliance with the good governance policy constituted by the board of directors. The company also organises on a regular basis communication sessions on good governance and business ethics for employees of all levels in the following channels:

1. Business ethics guidelines
2. Good governance policy handbook
3. The company's web site in the part of investors' relations
4. New employee orientation

## 6.2 Policies and Guidelines regarding Shareholders and Stakeholders

The Company has established important policies and guidelines regarding shareholders and stakeholders as follow

### 1. Rights of shareholders

The Company provides with information pertaining to the business operation at its web site for all shareholders, individual entities, and organisation entities, regardless of the number of shares held and of nationality. When a shareholders' meeting is held, the Company comply strictly with the legal instructions stated in the Public Limited Companies Act.

The Company provides sufficient information concerning the shareholders' meeting by delivering of the Meeting's Notice, along with accompanying documents timely (at least 14 days prior to the meeting). The necessary information including date, time, place, and agenda, will all be elaborated in the Meeting's Notice, as well as important information for further decision and document for proxy delegation. Furthermore, the Company will have published such information on its web site prior to shipping the documents to all shareholders. The meeting's chairperson allocates appropriate and sufficient time for the meeting, and will conduct the meeting in accordance with the proposed agenda. During the meeting, the chairperson invites all shareholders to share their opinions and ample opportunities to inquire the meeting about related matters. The chairperson of the board as well as all directors attend and answer questions of shareholders, except in exceptional circumstances that one of the chairpersons could not attend the meeting.

### 2. Equitable treatment of shareholders

The Board of Directors has a policy to treat all shareholders equitably and fairly by protecting the rights of shareholders and provide convenience to shareholders in exercising of rights in various matters which shareholders are deserved. The Board of Directors has a policy of equitable treatment of shareholders as follows:

a) Each shareholder is provided with information concerning the Company through the Company's web site. They can also contact the Company directly over e-mail and telephone whenever they need some issues addressed or clarified.

b) Each shareholder can appoint a proxy to attend the shareholders' meeting in place of the shareholder. The proxies lawfully appointed by shareholders can also exercise their rights as if they are shareholders themselves.

c) The Company specified that at least half the number of the board of directors must attend the meeting, accompanied with at least one member of the audit committee, by also informing and inviting external auditor and consultants to the meeting. The Company will also set the date, time, and venue for the meeting based on convenience of the shareholders.



### 3. Roles of stakeholders

The Company will ensure equality of rights of stakeholders in all groups -- members of executives, shareholders, competitors, suppliers, creditors, debtors, public and private agencies, and communities -- for these individuals or entities will help forging stability in the Company's operations, employment, and finally financial position. Therefore, in addition to the duties and responsibilities towards the Company's shareholders, the board of directors are also aware of the importance of reasonable treatments of all stakeholders, to ensure that they are protected and equally treated according to the law.

### 4. Treatment of various groups of stakeholders

**Shareholders** The Company focuses on appropriate returns to shareholders by performing appropriate actions to consistently maintain and increase results of the business operations, as well as internal control system appropriate and sufficient to protect the interests of the Company and its shareholders.

**Customers** The Company recognises the importance of the customers. It focuses, as a result, on customer satisfaction by offering quality service, complete and accurate information pertaining to the Company's business operation, to build understanding and confidence among customers. The Company has also opened up a channel to receive questions and complaints, in order to gain the highest level of satisfaction of the customers.



**Employees** The Company selects and recruits its members of staff based on their ability and working experience. It also focuses on continual development of the employees, on opening up opportunities for them to create a stability in their career, including career advancement. The Company treats all employees equally and provides adequate welfares and benefits:

- **Provident fund:** as a reward for their diligence
- **Uniforms:** the Company provides all employees with proper uniforms, including work boots for employees whose job is servicing cars, to promote safety
- **Annual Health Check-up:** to promote health among employees
- **The Window of Knowledge:** the Company provides for the need of knowledge, by allocating “book corner” for employees to borrow and read at their disposal, including a bulletin board presenting useful information concerning the business, tax, social security, and other related legal issues.
- **Dining rooms** and recreation
- **Improvement of Skill and Knowledge:** the Company consistently organises workshops and training session in several topics in an effort to continuously improve skills and knowledge of the employees. The sessions are both held in premises by external experts or organised as field trip. The Company also encourage inter-departmental exchange of knowledge within the Company.

**Management Executives** The Company realises the importance of management executives as one of the key personage who is driving the business to success. Therefore, a fair structure of remuneration has been created in accordance with the industrial remuneration standard, including welfare and benefits, etc.

### **Creditors and Trading Partners**

The Company is committed to conduct business with all types of suppliers and creditors ethically and fairly by adhering to the commercial terms, mutually-agreed terms and conditions, and to the related law and regulations.

**Competitors** The Company treats business competitors fairly and does not conduct unlawful business or violate trading ethics in order to compete with the competitors. The Company is committed to strictly follow commercial terms, mutually-agreed terms and conditions, and to the related law and regulations.

### **Community, Society, and**

**Environment** The Company conducts business by taking the impact against community, society, and environment, into account; including concerns towards and cooperation with community, society, and environment, in accordance with related law and regulations.



## Respect Towards Intellectual Property Policy

The company recognises the ownership and intellectual property rights of other persons. Therefore, in conducting any business that is associated with other person's intellectual property in terms of reproduction, adaptation, or broadcast, the company must have a permission from the righteous owner of such intellectual property.

## 5. Disclosure of Information and Transparency

The Company focuses on the disclosure of information that is complete, accurate, transparent, timely, and verifiable, to facilitate stakeholders and related parties in monitoring the Company's business operations. The Board of Directors is responsible for the disclosure of the Company's information system financial and non-financial for shareholders, stakeholders to receive equal treatment under the law.

The Company recognises the importance of thorough and transparent disclosure of information concerning the Company's business operations and relevant informations essential to the price of the securities of the Company by disseminating information through the SET Community Portal System, or SCP, and in various media for investors and analysts to receive complete information. The Company also distributes its information through its web site at [www.krungthai.co.th](http://www.krungthai.co.th). For those who are interested in general information or would like to inquire about additional information, they are welcome to contact the Company at telephone number 02-291-8888.

In 2021, the company presented information and welcomed investors and analysts to be reported on the company's earnings through online channels in the total of 4 sessions and visit the company 2 sessions. However, due to the coronavirus outbreak, the company's decision to cooperate with the government policy has a few down points that was against the business progress. In this case, investors and analysts have not yet been invited to conduct an inspection visit to the company's business units. Once the situation improves, they will be invited for another visit accordingly.



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## 6. Disclosure of Significant Financial and Non-Financial Information

- 1) Disclosure of annual and quarterly financial statements shall be validated and reviewed by auditor and approved by the board of directors. The board recognises its responsibility for financial report and guarantees that the information is accurate, complete, true, and reasonable.
- 2) Disclosure of the names and biographies of the members of the board, members of committees, sub-committees, and executives.
- 3) Disclosure of remuneration information of the board of directors and the executives.
- 4) Disclosure of information on shareholding of the company's shares by board members and executives.
- 5) Disclosure of information or transactions that may be associated with conflict of interests
- 6) Disclosure of roles and duties of each board member, and sub-committees concluded during the past year, e.g. the number of meetings attended

## 7. Protection of Inside Information Usage for Executives

The Company has a policy and procedure for using the inside information especially, the information which has not disclosed to public yet to protect the seeking for their own interests as well as for securities trading benefits as followings:

- 1) To educate the directors and executives in all functions about the responsibility to report the each person's securities holding and the holding of securities by his/her spouse and minor children to the Securities Exchange Commission and The Stock Exchange of Thailand under the section 59 and penal provision under section 275 notified in Securities and Exchange Act, B.E. 2535.
- 2) The Company assigns the executives to report the change in securities holding to the Securities Exchange Commission and The Stock Exchange of Thailand under the section 59 notified in Securities and Exchange Act B.E. 2535 and to submit the copy report to the Company in the same day of submission report to the Securities Exchange Commission and The Stock Exchange of Thailand.
- 3) The Company will send the memorandum to inform the executives who receives the significant inside information which will affect to the change in securities price to refrain trading in securities for the period of one month before the financial statement and inside information public and prohibit disclosing this significant information to any other persons.

The company has set the penalty by nature as appropriate however the Company will use the maximum penalty if it is proven that the executives or other related party use the internal information or behave in a way that make the Company or shareholders being damaged and ruin. The maximum penalty is the dismissal from the Company without any compensation.

## 8. Anti-Corruption

The company realises the importance of the business operations under good governance principles by putting emphasis on honesty, transparency, responsibility, and awareness of rules and regulations set by the law and by relevant standards. The company decided to sign up for the “Alliance of Anti-Corruption Practices in Private Sector” to express the company’s determination to eradicate any forms of corruption.

To guarantee that the company has laid out a series of policy to set responsibilities, procedures, and regulations on appropriate actions to prevent any corrupted activities in the company’s business transactions. And to prevent the risk of corrupted activities, the company has written up a set of “Anti-Corruption Guidelines” to express clear policy in operating business, so that the company advances itself to the promising sustainable development.

### Regulations and protocols for corruption prevention

- 1) Board of Directors, Executives, and Employees of all levels shall adhere to the anti-corruption policy and the ethics by not being engaged in corruption, no matter it is a direct or indirect involvement.
- 2) Employees shall not neglect when they see or witness any misconduct or activity related to the company’s operation that can be considered corruption. They are obliged to report to their respective superiors and cooperate with the inspections. Questions can be asked through their respective superiors or persons appointed to follow up on the ethics through designated channels.



3) The company will provide fair treatment and protection to employees who deny or report the suspicious activity related to the company’s business operation on the basis of the protection measures for whistleblowers or reporters of corrupted activity.

4) company provides sufficient and appropriate internal control on a timely basis to prevent employees from veer off from the regulations, especially on the departments of sales, marketing, and purchasing.

5) Those found to have committed misconduct or corruption are considered to have violated the company’s code of ethics and shall be considered for disciplinary penalties according to the company’s rules, plus civil penalty if the subject is also found to have violated the law.

6) The company realizes the importance of spreading words, knowledge, and making understood with other people whose work is related to or can affect the company’s business operation, in terms of anti- corruption policy.

7) The company is determined to build and preserve the organizational culture that adheres to the principle against corrupted activities toward government and private sectors



## Risk Assessment

The Company emphasises and urges all employees to be aware of actions that may cause corruption risks with analysis of indications and regularly assess the risk of corruption, which is considered one of the risks under regulatory compliance risks. The company has created a preventive work system and determined risk mitigation and control methods, which takes responsibility for follow-up measures, reviewing measures, and evaluation of risk management for employees to use as guidelines to prevent corruption. The system works with the internal audit unit to evaluate and monitor good governance compliance with ethics and anti-corruption policy, and summarising the report to the Board of Directors at least once a year.

## Training and Communication

### 1) Members of the Board of Directors, Executives, and Employees

a) Members of the Board of Directors, Executives, and Employees shall be trained and instructed continually about anti-corruption policy so that they realise the importance of the policy, especially on many forms of corruption, on risk emerged by involvement in corrupted activity, procedures of reporting of misconduct or suspicious activity.

b) Members of the Board of Directors, Executives, and Employees shall receive their own copy of the anti-corruption policy or they can find it on the company's intranet, to ensure that everybody acknowledges and understands the anti-corruption policy. Besides, the updated version of the policy can be consulted at the company's web site.

c) Trainings on the knowledge of this policy shall be a part of the orientation session for new position on the levels of the company's Members of the Board of Directors, Executives, and new employees.

### 2) Dealer, Business Intermediaries, Distributors of Merchandises and/or Services, and Contractors

The company shall communicate the anti-corruption policy to dealers, business intermediaries, distributors of merchandises and/or services, and contractors from the very beginning of the business relationship or after the business relationship, as appropriate. The company encourages dealers, business intermediaries, distributors of merchandises and/or services, and contractors, to adhere to the same social responsibility standards as the company's.

## 9. Whistleblowing and Submission of Petition

Should any Member of the Board of Directors, Executives, or Employees, have doubts or evidence about involvement in any corruption activity by any Member of the Board of Directors, Executives, Employees, or any person who conduct business in the name of the company, they shall report or inform the company accordingly:

- Members of the Board of Directors, Executives, and Employees, can submit petition directly, verbally or in document through the following channels:
  - By phone: 02-291-8888 ext 262  
(K. Supichaya Khajornchaikul)
  - By E-mail: [supichaya@krungthai.co.th](mailto:supichaya@krungthai.co.th)
  - Over the company's web site at [www.krungthai.co.th](http://www.krungthai.co.th)
  - By mail to

Khun Supichaya Khajornchaikul/ Internal Audit  
Krung Thai Car Rent and Lease Public Company Limited  
455/1 Rama III rd, Bang Khlo,  
Bang Kho Laem, Bangkok, 10120



- The company will keep the identity of the whistleblower or petitioner a secret and use the information given for the betterment of the company's internal management and operations. It will only disclose the given information upon request by authorised representative of the law enforcement, court order, request of the Security Exchange Commission, or relevant government and authority agencies.
- Whistleblowers and their petitions are to be seriously considered. They will also be protected against unlawful authority and actions to oppose the whistleblowing or petitioning.
- The whistleblowers shall act honestly. If the company finds out that the petition was ill-intentioned, deliberately attacking or defaming others, the company will be forced to take action accordingly.

#### **10. Investigation and penalties**

- 1) When the company is informed about wrongdoing, the management and the auditing committee shall filter, investigate, and find the truth.
- 2) The two committees may appoint a representative (one of the executives) report the findings to the informant or the petitioner on a timely basis.

- 3) If the truth finding finds that the accusation of corruption is well-grounded, the company will give the accused some time to know about the accusation and to prove oneself by presenting counter-evidence that exonerates one from the accusation.
- 4) If the accused was found to have really committed corruption as stated in the anti-corruption policy, the accused shall be punished according to the penalty up to dismissal of employment or dismissal from his or her present position. If the deed in question is considered unlawful according to the law, the accused shall receive punishment as the law requires. The penalties according to the company executives are considered ultimate.

#### **11. Inspection and Verification**

- 1) The company regularly conduct inspection and verification of the policy (at least once a year) by taking into account the changing situations and risks. The findings of the inspection and verification are to be reported directly to the Board of Directors about the results of risk management and suggestions in order to reduce risk factors.
- 2) The inspection division shall regularly conduct inspection of internal control and report the findings in a timely manner so as to ensure efficiency of internal control system in its anti-corruption tasks. The inspection division shall also discuss with relevant personnel to seek appropriate solution, report on the findings directly to the Board of Directors and the Audit Committee accordingly.

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### **6.3 Business Ethics**

The Company has promoted the establishment of a Statement of Business Conduct and a Code of Conduct in compliance with the Company's Vision and Core Values,

The Company intends to operate the business with integrity, ethics, compliance with the law, and the responsibility for the overall economy and the society, by adhering to the following virtues: honesty, justice, transparency, and benefits for shareholders and stakeholders – as a good practice. The company, therefore, has written up a set of ethical guidelines for executives and employees of all levels to adhere to, to disseminate a good image of the company in order to gain society's confidence. The business approach is as follows.

- The Company operates legal business, does not engage in unlawful business operations, and encourage employees to abide by the law.
- The Company operates its business with integrity, including accurate accounting records. It also spends budget economically and with transparency, while evaluating investment projects with honesty, accuracy, and transparency within the set principles. The company strongly believes that honesty, ethics, and virtue are the foundation of sustainable business operation.
- The company only conducts and supports the conduct of lawful activities and transactions according to the organisation's ethical principles.
- Details of the Statement of Business Conduct and the Code of Conduct can be found on website, [www.krungthai.co.th](http://www.krungthai.co.th), under the section, "Corporate Governance" subsection on "Statement of Business Conduct"

## 7. Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others

7.1 Corporate governance structure  
Management Structure as at December 31, 2021



## • **Board Composition**

The Board of Directors consists of persons with widely acceptable knowledge and competence, who is an important role in determining the objectives and goals of the company by collaborating with high-level executives to formulate strategies and operating policies for both short and long terms, as well as setting monetary policy, risk management, and organisation overview. They are also responsible for reviewing the company's policies and key plans annually, playing a role in allocating important resources according to goals, as well as supervising the examination ,and evaluate the performance of the company and the performance of the senior management so as to be in accordance with the plan independently. The composition of the board is as follow:

1. The board is composed of no less than five and no more than 12 directors, half the number of directors present shall be independent directors.
2. Each board member shall be perfectly knowledgeable and expert in operations of the Company. No less than two of the board members shall be knowledgeable in car rental business for operation. No less than one of the board members shall be knowledgeable in accountancy and finance. And no less than one of the board members shall be knowledgeable in legal issues.
3. Each board member shall be meeting the qualifications and not possessing the prohibited characteristics prescribed in the Public Limited Company Act, and not lacking suitability to be confided in being a managerial personage in the business where the general public is investing in, according to the SET and SEC regulations.
4. The Company has published the biographical information of all members of the board in (56-1) and Annual Report (56-2), including on the Company's web site.

The Company has a committee that is responsibility for setting policies. There are 5 sets of the company, consisting of ประกอบด้วย

- (1) Board of Directors
- (2) Audit Committee
- (3) Nominating and Remunerating Committee
- (4) Corporate Governance Committee and
- (5) Risk Management Committee



## 7.2 Details of the Board of Directors

The Company has total 6 directors as listed as follows:

Name	Executive Parent Company/ Director	Executive Subsidiary Company/Director	Audit Committee Member	Independent Audit Committee Member
1. Mr. Pithep Chantarasereekul	/	/		
2. Mr. Pichit Chantarasereekul	/	/		
3. Mr. Chaiwat Atsawintarangkun			/	/
4. Mr. Karoon Laoharatanun			/	/
5. Dr..Pahfun Jittmittraparp			/	/
6. Dr. Eakapong Tungsrisinguan	/			
Total	3	2	3	3

Independent Directors and Audit Committee consists of 3 persons: 1) Mr Chaiwat Aswintrangkun, 2) Mr Karun Laoharachatanan, 3) Ms Phafan Jitmitraphap, or the half of the total number of directors. The company has complied with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand regarding the number of independent directors and audit committee that require the number of independent directors to be one-third of the number of directors in the entire board, which must not be less than 3 people. The company has a total of three independent directors audit committee members according to the above rules.

### The Board of Directors

As at 31 December 2021, the Board of Directors consists of 6 directors (all directors have been trained with the Director Accreditation Program (DAP) as followings:

No.	Name	Position
1	Mr. Pithep Chantarasereekul	The Chairman of the Board
2	Mr. Pichit Chantarasereekul	Director and Managing Director
3	Mr. Chaiwat Atsawintarangkun	Independent Director and the Chairman of the Audit Committee
4	Mr. Karoon Laoharatanun	Independent Director and Member of Audit Committee
5	Dr. Pahfun Jittmittraparp	Independent Director and Member of Audit Committee
6	Dr. Eakapong Tungsrisinguan	Independent Director

Mr Noppol Sakthong as the Company secretary

### Authorized Directors

Authorized directors consist of Mr. Pithep Chantarasereekul and Mr. Pichit Chantarasereekul authorized directors may sign jointly and affixed with company seal to bind the Company

## The Board of Directors of the Subsidiary Company

The Board of Directors of Krungthai Automobile Company Limited consists of 3 directors as followings

No.	Name	Position
1	Mr. Pithep Chantarasereekul	Director
2	Mr. Pichit Chantarasereekul	Director
3	Mr. Pisit Chantarasereekul	Director

### Authorized Directors

Authorized directors consist of Mr. Pithep Chantarasereekul and Mr. Pichit Chantarasereekul authorized directors may sign jointly and affixed with company seal to bind the Company

### Duty and Authority of the Board of Directors

- 1) The Board of Directors has authority and manages the Company in accordance with the law, objectives and articles of the Company as well as legitimate resolution of Shareholders' Meeting.
- 2) The Board of Directors has a responsibility for setting goals, guidance, policies and budgeting of the Company, supervise the Executive Board of Directors in accordance with the assigned policies with the exception of such matters which the Board of Directors requires the approval from the resolution passed of the Shareholders' Meeting prior to the execution namely matters required by laws such as increase and/or decrease of share capital, the issuance of Company's debenture, the purchase or transfer of the Company's business or the acquisition or merge with others, the amendment of the Company's memorandum of association and regulations as well as the remuneration of Directors and so on.
- 3) The Board of Directors may appoint a number of directors to be the Executive Board of Directors who have authority to supervise the business of the Company as the Board assigned.
- 4) The Board of Directors has directed the effectiveness of Company's internal controls and internal auditing by providing an internal audit department to monitor, carry out and coordinate with the audit committee.
- 5) The directors shall receive the remuneration in the form of reward, meeting fee, gratuity, bonus or other form benefits under the articles of association or as determined by shareholders' meeting in either fixed sum or under certain criteria and such determination may be made from time to time or may take effect until otherwise determined and shall receive allowance or welfare benefits under Company's regulations.
- 6) The Board of Directors shall not approve any transaction which their own or persons who may have conflicts of interest with the Company and / or its subsidiary.
- 7) duties of the Board of Directors also encompasses the supervision of the Company to perform in accordance with the law and regulation relevant to the securities and securities exchange for example related party transaction and the purchase and sale of assets of material substance in accordance with regulation of the Securities Exchange of Thailand or other law relevant to the Company's business.
- 8) The Board of Directors is responsible for disclosure to shareholders and the public an accurate, complete and standardized.

The Board of Directors must not approve any transactions which conflict of interest with interest in any other manner with the company and / or subsidiaries

In addition, the Board of Directors also has the scope supervise the company to follow regulations and Notifications of the Stock Exchange of Thailand, such as Major acquisition or disposal of assets transactions with a value that require shareholders' approval as stipulated

### **Aggregation or Segregation**

The Chairman of the Board of Director must not be the same person as managing director because both of them are representative of the same shareholders group and also being the major shareholders. Therefore, there is the policy when they make the important decision; it's required to pass resolution from all director groups in the important making decision. Therefore the important decision making shall be approved by the resolution of all groups of directors especially for the Audit Committee to provide independent opinion in order to balance and review the management process.

### **The roles and responsibilities between the board of directors and the executives**

The Company clearly separates the roles and responsibilities between the board of directors and the executives. The board of directors is responsible for setting policies and supervising the operations of the company. Meanwhile, the management of the company is assigned to manage various aspects in accordance with the policy. Therefore, the chairman of the board and the board member shall be treated as two separate individuals. Both positions must be elected by the board of directors in order to appoint the best individual for the job. In addition, the board of directors shall take the responsibility of determining the succession plan of top executives. The plan is reviewed annually with only the presence of members who are non-executive directors. The chairman of the board shall not be an executive director and shall not take part in the management of the company.

The company assigns the company management executives an authority to operate under the policies related to overall performances, to control the expenditures and the budgets according to the scope as set in the annual plan approved by the board of directors.

## Policy on Directors and Top Executives Holding Directorship in Organizations outside the Company

The Board of Directors has set a limit to the number of listed companies in which each director may hold a directorship. This policy aims to protect the Company's best interests as it helps ensure that directors have time sufficient to fulfill their duties. The Board of Directors has agreed to prescribe that each director should hold directorship in a maximum of five other listed companies. The Board of Directors has followed this policy strictly, and none of the directors currently hold directorship in over five other listed companies. In addition, The Company has a guideline in case the President & CEO is appointed as the director of another company. The matter will be proposed to the Board of Directors for approval and private organizations that are established for trading purposes but present no conflicts of interest and do not consume time to the extent that it is disadvantageous for the Company.

## Report of Changes in Securities Holdings of Executives

Name	Shares				Spouses
	As at December 31, 2020	Increase / (decrease)	As at December 31, 2021	held by a spouse	
1. Mr. Pithep Chantarasereekul	34,000,000 (13.6%)	-	34,000,000 (13.6%)	-	
2. Mr. Pichit Chantarasereekul	34,000,000 (13.6%)	-	34,000,000 (13.6%)	-	
3. Mr. Chaiwat Atsawintarangkun	2,000.00 (0%)	-	2,000.00 (0%)	-	
4. Mr. Karoon Laoharajatanand	-	-	-	-	
5. Dr.. Pahfun Jittmittraparp	-	-	-	-	
6. Dr. Eakapong Tungsrisinguan	-	-	-	-	
7. Mr. Pisit Chantarasereekul	25,000,000 (10.0%)	-	25,000,000 (10.0%)	-	

## 7.3 Details of Board Committees

### 1. Audit Committee

As at 31 December 2021, the Audit Committee consists of 3 persons as follows:

No.	Name	Position
1	Mr. Chaiwat Atsawintarangkun	The Chairman of the Audit Committee
2	Mr. Karoon Laoharatanun	Audit Committee member
3	Dr. Pahfun Jittmittraparp	Audit Committee member

Miss Supitcha Khajornchaikul acts as Audit Committee Secretary



### Duty and Authority of the Audit Committee

1. To review and ensure the company reporting accurate financial information and sufficient.
2. To review and ensure the Company has an internal control and internal audit system, determining an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review and ensure the conduct of the Company in compliance with the law relevant to the securities, and securities exchange, regulations of the securities exchange of Thailand, or other law relevant to the Company's business.
4. To consider the selection and propose an independent party for appointment as the external auditor of the Company, propose for the auditor's compensation, and to participate in the meeting with external auditor without management present at least once a year.
5. To consider related party transactions which may have conflicting interests to be in accordance with the law and regulation of the securities exchange of Thailand to ensure that such transactions are reasonable and for the best interest of the Company.
6. To prepare report of the Audit Committee, and disclose the report within Company's Annual Report such report to be affixed with the signature of the Chairman of the Audit Committee. The report should comprise the following information:
  - (a) pinion on the accuracy, completeness and reliability of the Company's financial report
  - (b) pinion on the adequacy of the system of internal control of the Company
  - (c) pinion on legal compliance related to the securities and securities exchange, regulation of the securities exchange, or law relevant to the Company's business
  - (d) pinion on the appropriateness of the auditors
  - (e) pinion on transactions that may have conflicting interests
  - (f) The number of meetings of the Audit Committee, and attendance of individual audit committee member
  - (g) pinion or overall observation of the Audit Committee in performing its duties in accordance with the Audit Committee Charter
  - (h) Any other reports the Committee felt the shareholders and investors in general should know within the scope of duties and responsibilities assigned by the Board of Directors.
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee

## 2. Nominating and Remunerating Committee

The members of the nominating and remunerating committee as of 31 December 2021 comprised of 3 persons, they are:

No.	Name		Position
1	Mr. Chaiwat	Atsawintarangkun	Chairman of the Committee
2	Dr. Pahfun	Jittmittraparp	Committee member
3	Mr. Pichit	Chantarasereekul	Committee member

### Duty of the Nominating and Remunerating Committee member:

1. Find one or more individuals who possess the needed qualities for the position of the Company's board member and submit the nomination to the board of directors in case of vacancy in one of the positions in the board.
2. Evaluate the performance of each board member and compile a report to the board.
3. Create, revise the suitable strategies and policy in remuneration for designated responsibilities, compare them to the acceptable standards in the industry, including the expected company benefits, and ensure that the policy set by the board members is enforced
4. Conduct the selection of suitable candidates for the position of company directors in place of those who completed their terms or other cases by considering the diversity of the board structure and propose to the Board of Directors and/or the shareholders meeting for approval.

## 3. Corporate Governance Committee

The corporate governance committee as of 31 December 2021 comprised of 3 persons, they are:

ลำดับ	ชื่อ-สกุล		ตำแหน่ง
1	Dr. Pahfun	Jittmittraparp	Chairman of the Committee
2	Dr. Eakapong	Tungsrisinguan	Committee member
3	Mr. Pithep	Chantarasereekul	Committee member

### Duty of the Corporate Governance Committee member:

1. Design corporate governance policy and submit to the company's board of directors.
2. Propose operational procedures in terms of corporate governance and give consultation to the board of directors in terms of corporate governance.
3. Evaluate, revise the operational procedures by taking into account the internationally-accepted norms, and propose the amendment to the board of directors for approval, to finally attain efficiency.
4. Report the assessment of each operational procedure to the board of directors according to the policy.

#### 4. Risk Management Committee

The risk management committee members as of 31 December 2021 comprised of 3 persons, they are

No.	Name		Position
1	Mr. Karoon	Laoharatanun	Chairman of the Committee
2	Mr. Chaiwat	Atsawintarangkun	Committee member
3	Mr. Pichit	Chantarasereekul	Committee member

#### Duty of the Corporate Governance Committee member:

1. Constitute the policy on risk management and its limitations acceptable to the operational car lease business to propose to the committee for consideration of the overall risk management in terms of strategy, cash flow, marketing, or other risks pertaining to the business operation.
2. Designate the limitations in the efficient utilization of the company's resources to meet with the risk management policy by analysing, evaluating, and following up to each process of the risk management.
3. Revise and give consultation to the board of directors in the subject of risk management, processes, strategy, and overall risk assessment, to ensure that the policy is enforced accordingly.
4. Report and assess the outcome of risk management operation, including any updates and changes that are related to the policy, to the board of directors.

## 7.4 Details of Executives

No.	Name		Position
1	Mr. Pichit	Chantarasereekul	Managing Director
2	Mr. Sakditouch	Chantarasereekul	Senior Assistant Managing Director of Business Support
3	Miss Sirima	Cha-emkun	Director of Service
4	Miss Pornpan	Sattawatku	Finance and Accounting Manager

### Duty and Authority of the Executive Board

1. To have authority to approve on the important operations of the company by setting the scope or the scale of the mission, objectives and policy of the company including the supervision of the overall operation, production, customer's relationships within the scope plan and budgeting prescribed by the Board of Directors.
2. To consider the expansion investment including purchase and/or sale of fixed assets of the Company in order to propose to the Board of Directors
3. To have the authorization and represent the Company to others in any related business and beneficial to the Company
4. To consider in matter of funding for presenting to the Board of Directors
5. To approve the appointment of any consultant that is essential to the Company's operation as assigned by the Board of Directors
6. To operate any transaction related to general administration of the Company
7. To consider and approve the operating plan of each department of the Company including the approval of the issues that beyond their power of authority
8. To propose for the approval of the Board of Directors on the approved operation plans that may over the budget more than 10%

The Executive Board of Directors may delegate the authority to each member of executive director to process within the scope of authority under No. 3; any such executive director is responsible for this assigned work from the Executive Board of Directors. However, the approval of the Board of Directors above does not include approval of the Executive Board of Directors or any person who may have conflicts of interest, has an interest or potential conflict of interest in any other manner with the Company and / or its subsidiary, including items that require approval from shareholders in a transaction and the acquisition or disposition of assets of the Company and / or its subsidiary in order to comply with the requirements of the Securities Exchange of Thailand.

### Qualification of Executives

Executive hereby certify that they have Ethics, a talented, an experienced in the business. There are operating with honesty and care for the benefit of the Company. There are intended to operate continuously, understanding and responsibility to the public and the person listed in contact information management.



## Remuneration of the Executive

The Board of Directors, together with the Nomination and Remuneration committee, evaluates the performance of the Managing Director by considering the business performance of the company, the implementation of the policy as received from the Board of Directors based on overall economic and social situation. The Nomination and Remuneration committee will employ such data to consider appropriate compensation in both the short-term and long-term of the managing director, which includes executives in all departments

by the remuneration of the executives of the company and its subsidiaries with details as follows.

	2020		2021	
	Number (Person)	Amount (Million Baht)	Number (Person)	Amount (Million Baht)
Remuneration of the Executives				
- Salary and remuneration	5	11.90	5	11.30
- Bonus	5	2.68	5	2.59
- Provident fund	5	0.36	5	0.34
Total		15.03		14.23

## 7.5 Details of Employees

As of December 31, 2021, the Company and its subsidiary had 215 employee , consisted of ;

Department		Number of Employees
1.	Executive	6
2.	Marketing	68
3.	Service	86
4.	Business Support	55
	Total	215

number of employees	man	woman
215	116	99

Number of employees by age

By Age	number of employees	%
0 – 5 years	111	51.63
5 – 10 years	48	22.33
10 – 15 years	32	14.88
15 – 20 years	13	6.05
20+ years	11	5.12

### Employee remuneration

In 2020, The Company and Subsidiary paid totaling of Baht 93.85 million, and Baht 94.96 million in 2021, The employee remuneration in the form of salary, wage, overtime, provident fund contributions and others.

## 7.6 Other Important Details

### Secretary to the Company

The board of directors has appointed Mr. Noppol Sakthong, who has the necessary experience and knowledge for the position of the company's secretary. Details of qualifications are disclosed in Attachment 1.

### Investors relations

The company has appointed Mr. Sakditouch Chantarasereekul Position Senior Assistant Managing Telephone: 0 2291 8888 Fax: 0 2291 4488 E-mail: [sakditouch@krungthai.co.th](mailto:sakditouch@krungthai.co.th) Details of qualifications are disclosed in Attachment 1.

### Appointment and consideration of remuneration of the Auditing Office and subsidiary company

The Audit Committee considers the qualifications and performance of the auditor and proposes to the Board of Directors to appoint auditors each year, including the auditor's remuneration as a proposal for approval at the shareholders' meeting.

**Auditors' remuneration** Audit fee In 2021, the Company appointed Miss Soraya Tintasuwan, CPA No. 8658 from Dharmniti Auditing Company Limited to serve as the Company's auditors and appointed Mrs. Rungthip Changsrisk CPA No. 11930 to serve as its subsidiaries's auditors. The total audit fees for the year 2021 of Baht 1,402,500 divided into the audit fees for Company of Baht 1,030,000 and its subsidiaries of Baht 372,500. In 2021, the Company does not have non- audit fees.

## 8. Report on key operating results related to corporate governance

### 8.1 Recruitment of Directors and Executives

#### The Audit Committee/Independence Director

The Audit Committee consists of at least 3 persons and the term of office is for 3 years. The Company's policy on recruitment the Audit Committee members/Independence directors are in compliance with the notifications of the Securities and Exchange. The qualifications are listed as follows:

1. Holding shares not more than 5 % of issued and paid-up capital of the Company, which shall be inclusive of the shares held by related persons.
2. Not being an employee, staff member or advisor who receives a regular salary from the Company or a person who has control of the Company or entity who may have a conflict of interest.
3. Having no blood relationship, no relationship in term of marriage or legal registration with a person of possible conflict of interest and no business relationship with the Company and entity that may have a conflict of interest.
4. Not having or has been in business relation with the Company, holding company, subsidiary, affiliated entity, major shareholder, or authorised person, in a manner that may obstruct the independent exercise of discretion; including not being or having been a significant shareholder or authorised person of the person with business relation with the Company, the holding company, subsidiary, affiliated entity, major shareholder, or authorised person.
5. Not being or has been an auditing personnel of the Company, holding company, subsidiary, affiliated entity, major shareholder, or authorised person; including not being a significant shareholder, authorised person, or partner of auditing office, with the auditor of the Company, holding company, subsidiary, affiliated entity, major shareholder, or authorised person in operation.
6. Not being or has been a provider of professional service which includes financial or legal consulting with service fee from the Company, holding company, subsidiary, affiliated entity, major shareholder, or authorised person of the company; and not being a significant shareholder, authorised person or partner of the provider of such professional service.
7. Not being a director appointed as an agent of the director of the company, major shareholder, or shareholder with relation with the major shareholder.
8. Not being in operation of similar or significant competitive business to the business of the company or its subsidiary; or not being significant partner in the partnership of directorship with participation of manageability on employees, consultant with regular salary or holding more than one per cent of the total shares with voting right in other company, operating similar or competing business with the business of the company or subsidiary.
9. Not having other factors that could hinder expression of liberal opinion in relation with the operation of the company.

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**The Board of Directors** The Board of Directors shall comprise at least five directors and not less than one-half of the directors must have the residence in Thailand. Directors may be shareholders of the Company.

**The rules and procedures in appointing the Director are as follows:**

1. Each shareholder shall have one vote for each share.
2. Each shareholder may exercise all the votes he or she has under No. 1 to elect one or several persons as director or directors, but the shareholder cannot divide his or her votes between any particular person or persons.
3. The persons who receive the highest votes arranged in order from higher to lower in a number equal to that of the number of directors to be appointed are elected to be the directors of the Company. In the event of a tie at a lower place, which would make the number of directors greater than that required, the chairman of the meeting shall have a casting vote.
4. At every annual general meeting of shareholders one-third (1/3) of the directors shall retire from their office. If the number of directors is not a multiple of three, the number of directors nearest to one-third (1/3) shall vacate office.
5. The directors to vacate office in the first and second years following the registration of the conversion of the Company shall be drawn by lots. In subsequent years, the directors who have remained in office for the longest time shall vacate office. A vacating director may be eligible for re-election.
6. In addition to vacating office upon the termination, directors shall vacate office upon:
  - death
  - resignation
  - being disqualified or being under any of the prohibitions under Public Company Limited Act,
  - the meeting of shareholders may pass a resolution by a vote of not less than three-fourth (3/4) of the number of shareholders attending the meeting and having the rights to vote not less than one half of the number of shares held by shareholders attending the meeting and having the voting rights.
  - removal by court order
7. Any director wishing to resign from office shall submit his or her resignation letter to the Company and the resignation shall be effective from the date on which the Company receives the resignation letter
8. In case of a vacancy in the Board of Directors for reasons other than the termination of the term of office, the Board of Directors shall elect a person who has the qualifications and is not being under any of the prohibitions by law as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces.
9. The Board of Directors shall elect one of the directors to be the chairman of the board. In the case where the Board of Directors deems expedient, the board may elect one or several directors to be vice-chairman. The Board of Directors may entrust one or several directors to perform any act on its behalf



## Executive

The Company considered a person who has the experience and knowledge in management the related field to be the Executive Committees.

## Guidelines for nominating directors

The Nominating and Remuneration Committee is responsible for recruiting suitable persons to be appointed as the company's directors in place of the directors whose term has expired or in other cases, and propose to the Board of Directors to consider the candidates to be elected in the shareholders' meeting, all with guidelines for the selection of directors with regard to:

### 1. Appropriate qualifications

1.1 Ability to devote time to benefit the company

1.2 Having a professional history of honesty, transparency, with all qualities as a director according to the regulations constituted by the Securities Exchange Commission, and previous experience in managing organisation.

1.3 Having a quality of keeping up with changes in the modern world.

1.4 Having experience, knowledge, and expertise in specialised skills which can enhance the committee in the field that is missing.

1.5 Not operating or being a director, or being an executive management in an organisation that, in nature, competes with the company.

1.6 Courage to speak out and express opinions rationally.

1.7 Having ideal thoughts, ability to work in team, and having the cultures that get along with other directors.

## 2. Selection of the Board of Directors

Nomination and Remuneration committee member has the duty to nominate directors to replace the directors whose terms have been completed by rotation or other cases to the Board of Directors and/or the meeting of shareholders. The Nomination and Remuneration committee selects the best candidates out of qualified persons who have background and expertise from various professions, have leadership, with a broad vision. The candidate must be a person with morality, ethics, and has a record of working transparently, and the ability to freely express opinions.

## 3. Guidelines for screening and proposing directors

In considering the screening of the names of persons to be nominated as directors, the Nomination and Remuneration committee shall specify guidelines for consideration containing the following components:

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### 3.1 Qualifications required for each director

Nomination and Remuneration committee shall consider and specify the personal characteristics of the person to be selected to be nominated as directors in various fields such as

- Morality and responsibility.
- Decisions based on information and reason.
- Maturity and stability, being a good listener, and dare to express different and independent opinions.
- Hold on to working with principles and standards as a professional.
- Other characteristics as specified by the Nomination and Remuneration committee.

### 3.2 The expertise required

the Nomination and Remuneration committee shall consider the composition of the expertise that is required in the committee so that the board can formulate strategies and policies as well as oversee effective implementation of the strategy.

### 3.3 Diversity of Directors

In addition to the above two qualities, the Nomination and Remuneration committee may also consider guidelines for a variety of other qualifications of the entire faculty, such as from various stakeholder groups and educational background, age, gender, etc.

In addition, the Nomination and Remuneration committee has selected the directors with due regard to the necessary expertise that is still lacking in the board, by employing the committee's special expertise as information in support of the consideration of the selection of directors who are due to retire by rotation, which can be divided into 3 main groups as follows:

- Knowledge, expertise, or experience in management such as car rental business, business of selling used cars, management and organisational management, economic and investment policy formulation, strategy planning, and risk management.
- Knowledge, experience, or specific expertise, in laws, marketing, accounting, with knowledge and understanding of financial statements and accounting standards.
- Knowledge, expertise, or experience in good corporate governance, i.e. corporate governance within the organisation, including the formulation of related policies and guidelines, and treatment of various groups of stakeholders.

## 8.2 Performance Evaluation of Directors

The company provides an evaluation of performance and reviews the performance of the directors at least once a year. The evaluation is divided into the assessment of the performance of the entire board (as a whole), and the assessment of their own performance (self-assessment). By the performance evaluation, The Board of Directors shall analyse and found conclusions to determine measures to improve the performance of the Board of Directors.

As for the evaluation process, the Corporate Governance Committee and the Nomination and Remuneration Committee will consider the following:

- Performance evaluation of the entire board.
- Performance evaluation of all sub-committees

and questionnaires for information needed to increase knowledge and ability in performing duties of directors before proposing to the Board of Directors for consideration.

The Company Secretary submits the evaluation form to all directors to evaluate the performance of all sub-committees in which they hold the leading position. After that, the Company Secretary summarises and present the results to the Board for them to supervise and oversee the business and the Nomination and Remuneration Committee and the Board of Directors for acknowledgment before submitting the results to the Chairman and the Presidents of sub-committees.

In the year 2021, the results of the performance evaluation of the Board of Directors and Sub-Committees is summarised as follow :

Board of Directors/ Sub-committees	Performance Assessment Results (As a Whole) (%)	Performance Assessment Results (Self-Assessment) (%)
1.The Board of Directors	98	98
2. The Audit Committee	97	98
3. The Remuneration Committee	97	96
4. The Corporate Governance Committee	98	98
5. The Risk Management Committee	98	98

## 8.3 Evaluation of the Managing Director and Senior Management

The Board of Directors, together with the Nomination and Remuneration Committee, assesses the performance of the Managing Director and senior management. By considering the business performance of the company's operation according to the policy received from the Board of Directors

combined with the overall economic and social situation. The Nomination and Remuneration Committee then uses the information in determining the remuneration of the managing director and senior management, which would be proposed to the Board of Directors, by taking in mind the current year's data against historical data in various factors as follow:

1. Compare the results of the business with those of same industry.
2. The ability to develop business and improve operational efficiency for each year.

#### 8.4 Remuneration of the Directors

The company has specified suitable remuneration for the Board of Directors by considering comparing with the remuneration of directors in the same industry group As well as the Company's operating results and proposals for approval from the shareholders' meeting to pay the Board of Directors' remuneration. The Board of Directors has resolved to present the directors' remuneration at the general meeting of shareholders, and form the agenda of the Board's remuneration as an agenda for approval on an annual basis. In this regard, the 2021 Annual General Meeting of Shareholders held on April 27, 2021 resolved to approve remuneration at the rate of 5% increase in the amount not exceeding 5 million baht. The Company provided remuneration to the Board of Directors in terms of meeting fee and monthly fee at the amount of Million Baht 2.91 as following:

(In Thousand Baht)

Name/Position	2020		2021	
	Meeting Fee	Others	Meeting Fee	Others
1. Mr. Pithep Chantarasereekul Chairman of the Board of Directors	319.97	-	335.95	-
2. Mr. Pichit Chantarasereekul Director and Managing Director	287.90	-	302.30	-
3. Mr. Chaiwat Atsawintarangkun The Chairman of the Audit	333.26	337.60	349.92	354.48
4. Mr. Karoon Laoharatanun Audit Committee memberU	254.08	270.08	266.78	283.58
5. Dr. Pahfun Jittmittraparp Audit Committee member	275.50	270.08	289.28	283.58
6. Dr. Eakapong Tungsrisinguan Director	157.28	270.08	165.14	283.58
Total	1,627.99	1,147.84	1,709.37	1,205.22



## 8.5 Development of knowledge for directors

The Board of Directors encourages the training and education for those involved in the corporate governance system of the company, such as directors, members of the Audit Committee, independent directors, etc. by participating in training with the Stock Exchange of Thailand, Thai Institute of Directors Association, Securities and Exchange Commission for effective management and in accordance with the good corporate governance principles. In 2021, there were persons involved in the corporate governance system having attended courses or participated in the seminar activities as follows:

No	Attendees	Topics of Training/Seminar/Workshop
1	Mr. Chaiwat Atsawintarangkun	<ul style="list-style-type: none"> <li>▪ Discussion on “Improve Process Through Digital Technology”</li> <li>▪ Sustainability, ESG and a company’s reporting</li> <li>▪ "ENABLING CULTURE" IN NEW NORMAL</li> <li>▪ Discussion of the Audit Committee and the Auditor</li> <li>▪ Analyse the risk of being investigated for the setting of transfer pricing</li> <li>▪ “Trends, direction of M&amp;A, and important issues to consider and strategies for succeeding in M&amp;A”</li> <li>▪ The Arts of "Unlearn and Relearn"</li> <li>▪ The Arts of "Unlearn and Relearn"</li> <li>▪ Tax consideration for outbound investment: keeping up with, understanding and adapting to international taxation measures with BEPS 2.0 for appropriate overseas investment structure</li> <li>▪ Revised Auditing Standards Dialogue 315</li> <li>▪ “Bottom up” empowering ... a sustainable S-curve generator</li> <li>▪ Advance Audit Committee</li> <li>▪ Independent Director Forum 2021: It Time for Board Meeting Reformation</li> <li>▪ Meeting with the Audit Committee of listed companies</li> <li>▪ Blockchain: the technology that changes the challenges of accountants in the Digital Age</li> </ul>
2	Dr. Eakapong Tungsrisanguan	<ul style="list-style-type: none"> <li>▪ Analysis of financial statements</li> <li>▪ Accounting Information 1</li> <li>▪ Cost accounting theory</li> <li>▪ Statement of cash flows</li> <li>▪ Training on basic knowledge in electronic commerce</li> <li>▪ Training on the application of information technology in business management</li> <li>▪ Training on strategies that attract online customers</li> <li>▪ Training course to promote electronic commerce business development in online marketing</li> <li>▪ Training on the development of logistics business management systems</li> </ul>

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## Orientation Director Induction Orientation

On the occasion of changing directors, the director who takes the new position for the first time shall be given an orientation for the benefit of new directors. The orientation includes the introduction of the business nature of the company, guidelines for business operations, as well as providing external training courses related to director's works.

## Leadership

The Board of Directors sets the policy, strategy, and goals, as well as budgeting to increase work efficiency for maximum benefit to the business by monitoring the performance of the management to be in accordance with various plans including determining and separating roles, duties and responsibilities between the Board of Directors Executive Committee, Executives, Employees and related parties. In addition, the Audit Committee must also be designated as the supervisor over Internal Audit Department, company's operations, and evaluation of work, as well as the internal control system sufficient for the business. The Board of Directors also supervise to have appropriate risk management in order to fully benefit the company.

## 8.6 Conflict of Interest

Although the Company is composed of the Board of Directors, the management and executive bodies, as well as all parties of employees, some of which are also holding shares of the Company. The Company's operation policy aims at the interest of the corporation as a whole, particularly decisions on issues that are a risk to create conflict of interests. The Company policy is prescribed that members of the board, and management executives who are also shareholders of the Company do not have the right to vote on conflict-of-interest oriented issues in order to bring about more independent decisions. The decisions are to be announced publicly, e.g. in financial statement, and in the annual report form 56-1, for the sake of transparency. As for the use of inside information, the Company is required to report any change of its share composition and ownership to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act of B.E. 2535. In addition, disclosure of inside information to unrelated or third parties, nor change in the structure of shares is allowed before the dissemination of the Company's financial statement.

## 8.7 The Board of Directors' Meeting

The Board meets once every quarter and the relevant documents shall be sent to the directors 7 days in advance to afford the director sufficient to make the proper review and study. There is a secretary who is responsible for the meeting and takes minute of the meeting and filling properly. However, during the year, if there is the agenda for policy or business issues to be considered, the Company will call an interim Board of Directors meeting as appropriate.

The Chairman independently performs his duty and does not influence or convince other directors during discussions, encourages all directors to discuss and express opinion openly by giving sufficient time. At a Board of Directors' meeting, any director or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. The Board of Directors will vote in the meeting must have at least 2/3 of the total number of directors

In addition, the Company holds a meeting between non-executive Directors without the Management when necessity arises in order to discuss various significant issues and problems concerning management, such as the Board member selection and the succession plan for the executives, to allow non-executive Directors to express their opinions independently. In 2021, a meeting without the Management was held on February 24, 2021.

Meetings of the audit committee may be held as they see fit without presence of executive directors to provide an opportunity for audit committee to discuss questionable issues of the company's business and subjects in the interest of the directors. The meeting may allow the presence of auditor so that he or she can give insights from the accountancy aspect. The meeting shall produce a meeting report for the board of directors.

**During year 2020 and year 2021, the Board met total 12 times a year the list of attendance of each of directors is follows:**

Directors	2020		2021	
	Number of meeting during his/her tenure	Number of meeting to attend	Number of meeting during his/her tenure	Number of meeting to attend
1. Mr. Pithep Chantarasereekul	7	7	6	6
2. Mr. Pichit Chantarasereekul	8	8	7	7
3. Mr. Chaiwat Atsawintarangkun	12	12	11	11
4. Mr Karoon Laoharatanun	11	11	10	10
5. Mrs.Pahfun Jittmittraparp	12	12	11	11
6. Dr Eakapong Tungsrisinguan	7	7	6	6

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## 9. Internal Control And Related Party Transaction

The Board of Directors had the opinion that the internal control system of the Company is sufficient and in accordance with the Evaluation Internal Control System of the Securities and Exchange Commission and the Stock Exchange of Thailand, especially the internal control in regarding to the business with the major shareholders directors executives and related parties. The Company has the compact and sufficient internal control as well as the Company has set the Internal Audit function to be responsible for submission the audit report to the Audit Committee. The Internal Auditor has the audit scope and internal operation to make the correct and efficiency in control system and good management.

### 9.1 control system

#### internal audit

The Company set an Internal Audit Function to be responsible for the internal control system and audit the significant transaction s regularly to ensure that there is the efficiency system and support the reliability of the financial statement. In addition the Audit Committee also reviews the efficiency of the internal system including the operation and compliance control for risk management and focus on the any unusual transactions.

In 2021, the Company hired JR Business Advisory Company Limited to review the internal control of the Company, whose representative is Miss Wanida Kanjanasantisak, with authorised internal auditor n° 527, appointed by the company to perform duties as the head of internal audit.



## 9.2 Related Party Transaction

The Company had transactions with related party which might lead to conflict of interest transactions. The transactions were the transactions with shareholders and/or executives of the Company including the transactions with the related companies which have the same shareholders and executives. These transactions are disclosed in the note to financial statements and audited by the auditor of the Company as well as the disclosure in the Audit Committee Report which can be summarized the relationship and detail of related party transactions as follows:

Conflict of Interest Parties	Relationship		
	Name of Directors, Executives, Shareholders of the company	position in the company Related	shareholding (Percentage)
Thanapat Property Company Limited	Mr. Pithep Chantarasereekul	Authorized Director	31.11
	Mr. Pichit Chantarasereekul	Authorized Director	24.44
	Mrs.Wipaporn Chantarasereekul	Authorized Director	22.22
	Ms.Pimonpan Chantarasereekul	Shareholder	5.56
	Ms.Pimonta Chantarasereekul	Shareholder	5.56
	Mr.Pisit Chantarasereekul	Shareholder	11.11
Siam Nissan Krungthai Company Limited	Mr. Pichit Chantarasereekul	Authorized Director	25.00
	Mrs. Wipaporn Chantarasereekul	Authorized Director	2.50
	Ms. Pimonpan Chantarasereekul	Shareholder	5.00
	Ms. Pimonta Chantarasereekul	Shareholder	5.00
	Mr. Pisit Chantarasereekul	Authorized Director	62.50
Toyota Krungthai Company Limited	Mr. Pithep Chantarasereekul	Authorized Director	60.00
	Mr. Pichit Chantarasereekul	Shareholder	19.23
	Mrs.Wipaporn Chantarasereekul	Authorized Director	19.23
	Ms.Pimonpan Chantarasereekul	Shareholder	0.38
	Ms.Pimonta Chantarasereekul	Shareholder	0.38
	Mr.Pisit Chantarasereekul	Shareholder	0.38
Carloft Auto Import Company Limited	Ms.Pimonpan Chantarasereekul	Shareholder	32.50
	Ms.Pimonta Chantarasereekul	Shareholder	16.25
	Mr.Pisit Chantarasereekul	Shareholder	8.13
Mitsu Impresstion Company Limited	Mr. Pithep Chantarasereekul	Authorized Director	42.5
	Mr. Pichit Chantarasereekul	Shareholder	42.5
	Mr.Pisit Chantarasereekul	Shareholder	9.95
Go Automobile Company Limited	Mr. Pithep Chantarasereekul	Authorized Director	30.00
	Mr. Pichit Chantarasereekul	Authorized Director	30.00
	Mr.Pisit Chantarasereekul	Authorized Director	40.00

Conflict of Interest Parties	Position in the company	shareholding (Percentage)	Relationship
Mrs. Wipaporn Chantarasereekul		20.20	Mother of Mr. Pithep Chantarasereekul
Mr. Pithep Chantarasereekul	Chairman of the Board	13.60	Daughter of Mrs.Wipaporn Chantarasereekul
Mr. Pichit Chantarasereekul	Managing Director	13.60	Daughter of Mrs.Wipaporn Chantarasereekul
Ms. Pimonpan Chantarasereekul		8.00	Daughter of Mrs.Wipaporn Chantarasereekul
Ms. Pimonta Chantarasereekul		8.09	Daughter of Mrs.Wipaporn Chantarasereekul
Mr.Pisit Chantarasereekul		10.00	Daughter of Mrs.Wipaporn Chantarasereekul

## 1 List of Leases and Assets leased out Transactions

Nature	Conflict of Interest Parties	Pricing Policy	Amount ( Million Baht)	
			Period ended December 31,	
			2020	2021

### Leased Assets Transaction

The Company rents the building size 1,490 sq.m. for being Service Center and allocated to be parking space size 3,000 sq.m. located in Rama III Road, Khet Bangkokaem Bangkok. he rental agreement has 3 years life starting and automatically renews the lease until terminated. The rental rate is 100,000 baht per month and the lessor has the right to increase the rent by not more than 10% in every 3 years.

Siam Nissan Krungthai Co.,Ltd.	Monthly rental fee of 100,000 baht (22.27 baht per square metre per month)	1.20	1.20
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The subsidiary company has signed a lease of a plot of land of 187.5 square wa located in Ramindra Road, Kannayao, Bangkok. Contract to lease a new area of 400 square wa, the lease term is 1 year, starting from July 1, 2021 – May 31, 2022.

Thanapat Property Co.,Ltd	New rental rates134,736.90 baht (342.43 baht per square metre)	1.25	1.71
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The subsidiary company is currently leasing a plot of land of 2,400 sq wa, with the deed number 6567, situated on Phaholyothin road, Senanikhom, Chatuchak, Bangkok, on a 1 year contract dated January 1, 2021 to December 31, 2021.

บจก. ไทโยต้า กรุงเทพฯ	New rental rates 105,000.00 baht	1.44	1.26
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### List of Assets leased out

The Company has building for rent size 350 sq.m. being Car Showroom located in Rama III Road Khet Bangkokaem Bangkok. Automatic renewal of the lease until terminated.

Siam Nissan Krungthai Co.,Ltd.	Monthly rental fee of 83,000 baht (237.14 baht per square metre per month)	1.00	1.00
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The subsidiary leases office space 1,200 square meters to be used as a car showroom, located on Srinakarin Road, Prawet, Bangkok. Leases office renewal 1 years starting from November 1, 2021 to October 31, 2022

Carloft Auto Import Co., Ltd.	New rental rates 225,000 bath (187.50 baht per square metre)	1.31	2.1
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## 2 Purchasing Assets Transactions

Nature	Conflict of Interest Parties	Pricing Policy	Amount ( Million Baht)	
			Period ended December 31,	
			2019	2020
1. The company purchased car for being leased out	Toyota Krungthai Company Limited	The Company purchased cars at cost price after deduct special discount.	886.10	624.75
Account payables – Car purchasing			57.74	65.85
2. The company purchased car for being leased out	Siam Nissan Krungthai Company limited	The Company purchased cars at cost price after deduct special discount.	4.46	1.37
Account payables – Car purchasing			-	-
3. The company purchased car for being leased out	Carloft Auto Import Company limited	Market price for major buyer	73.60	83.27
Account payables – Car purchasing			-	-
4. The company purchased car for being leased out	Mitsu Impression Company Limited	The Company purchased cars at cost price after deduct special discount	71.37	19.144
Account payables – Car purchasing			-	-

## 3 List of Guarantee for loan from banks

Nature	Conflict of Interest Parties	Pricing Policy	Amount ( Million Baht)	
			Period ended December 31,	
			2020	2021
1. Mr Pithep Chantarasereekul secured a bank loan for the company with Kbank PCL for an overdraft of 10 million baht. The secured short-term loan was in the form of a promissory note at the amount of 130 million baht, and a letter of guarantee at the amount of 130 million baht.	Mr.Pithep Chantarasereekul	No fee	-	-
2. Mr Pichit Chantarasereekul secured a bank loan for the company with Kbank PCL. The secured loan was in the form of a promissory note at the amount of 80 million baht, and a letter of guarantee at the amount of 100 million baht.	Mr.Pichit Chantarasereekul	No fee	-	-

### 9.3 The Audit Committee's Opinion

The Audit Committee has the opinion that the above transactions are reasonable and beneficial to the business operation as follows:

#### 1. Leases and Assets leased out Transactions

The Company rents building space for office and service center and leased building out for car showroom in the fair price and reasonable, which can be compared with rental revenue of offices nearby and in the rental revenue rate to premier customers of the operating lease and car leased out companies in fair price and reasonable.

The Subsidiary provide leased land to related parties are under the agreed price. Such related parties responsible for utilities expenses and common area management charges.

The Subsidiary leased land from related parties are under the agreed price. Such the Subsidiary responsible for utilities expenses incurred from land lease.

#### 2. Purchasing Assets Transactions

Such items are the purchase of cars and auto parts. for use in the company's business as assets for rent At a fair price, comparable to other car dealers, which is a normal trade.

This price can be compared with other distributors with the normal course of business. Starting from year 2004,

The Company has a policy to purchase cars at market price by comparing price with other distributors and purchase the same model with the lowest price or addition option with the highest value.

### 3. Guarantee for loan from banks transactions

The transactions are reasonable and they are the condition for borrowing money from the Commercial Banks which is considered to be the highest benefit to the Company with no fee charges for the guarantee from the loans for purchasing leased out cars and loans for the liquidity of the Company.

#### Necessary and Reasonable of the Related Party Transactions

##### 1. Leases and Assets leased out Transactions

- The Company rented the building for being Service Center from Siam Nissan Krungthai Company Limited and allowed Siam Nissan Krungthai Company Limited rented some part of the building for distributing Nissan Cars. The both buildings located in the same area in Rama III Road. The Company owns the right of the lease space in front of the main road and Siam Nissan Krungthai Company Limited owns the right of the lease space at the back side. Later on the Company has expanded the business therefore the Company additional rented the back space to be Service Center and Siam Nissan Krungthai Company Limited rented some part of the front space to be Showroom with the fair price which can be compared with the rental space of the offices nearby. The Company is necessary to do this transaction because this agreement occurred before the Company is listed in the Stock of Exchange of Thailand. The agreement notified that the Company will use the land in the front side for construction office building and



Siam Nissan Krungthai Company Limited will use the land at the back side for construction repairing cars service center. Later on the Company has expanded the business, the Company has addition used the office space at the back side for customer services area Therefore the Company rented that space from Siam Nissan Krungthai Company Limited

and in the meantime Siam Nissan Krungthai Company Limited rented the front side to be used for parking areas of selling cars for the showroom of Nissan Car distributors. This is the consequence from the past agreement and will continue throughout 10 years agreement and ended at 19 February 2018. However there is extended this agreement and will end on 19 February 2021.

- Subsidiary leased land to be Toyotasure Krungthai Showroom, Sri Nakarin Branch and the branch office. And this subsidiary leases some part of land to Carloft Auto Import Co., Ltd. for being showroom for selling imported cars. Both of buildings are located in the same area on Sri Nakarin Road and the rental revenue are under the agreed upon. Such related parties are responsible for utilities expenses and common area management charges.
- The subsidiary leased the land for use in selling cars at Ramindra Road from Thanapat Property Company Limited, and the rental revenue are under the agreed upon. Such related parties responsible for utilities expenses and common area management charges.

- The subsidiary leased the land for use in selling cars at Phaholyothin Road from Toyota Krungthai Company Limited, and the rental revenue are under the agreed upon. Such related parties responsible for utilities expenses and common area management charges.

## 2. Purchasing Assets Transactions

The Company purchased cars, auto parts and tools from Siam Nissan Krungthai Company Limited and Toyota Krungthai Company Limited for its business operation with the fair price which can be compared to other distributors. In the future, if there is the addition related party transactions of purchasing assets, the Company will assign the Audit Committee to consider the price whether this transactions is needed and reasonable in order to be the highest benefits to the Company and shareholders.

The Company expects that these related transactions will occur again because the Company has the policy for customer to select the brand of the cars while the Company will allow other distributors to propose the price for competition. The distributor that offers the best package will be selected.

### 3. Guarantee for loan from banks transactions

Mr .Pitthep Chantarasereekul and Mr.Pichit Chantarasereekul are the guarantors for the short-term loans and long-term loans from the Commercial Banks with no fees charged. The Company has the necessary to have the capital for business operations therefore the major shareholders group has to support this borrowing from the Commercial Banks. The Company will operate in the fair deal if the guarantee fee charged is involved. The Company will use the fair and competitive price with market which this price has to be approved by the resolution from the Audit committee. However, the major shareholders group has the policy to support the borrowing with no fees charged.

### 9.4 Measures and Procedures of Transaction Approval

The company has laid out a set of measures and procedures of transaction approval by disallowing the company's executives and stakeholders into the approvals of transaction. The company has appointed the Audit Committee to take part and give professional opinions on the appropriateness of each transaction. As for the policy of transaction-making between the company and person(s) with possibility of conflict of interest, the company shall clearly designate transaction detail, price, and related conditions so that the Audit Committee can verify and disclose such information in the actual financial remarks. The company also set the code of conducts in transaction-making for normal business operation as follow:

1) Trade transaction under normal business operation with general trade conditions

- **Limitation of Financial Amount in Long-Term Lease Agreements**

Limitation of Financial Amount	Authorised Person in Normal Trade Transaction	
	Transaction with Third-Party	Transaction with Person with Conflict of Interest
Less than 6 million baht	Manager/Senior Marketing Manager and Legal Manager	Manager/Senior Marketing Manager and Legal Manager
More than 6 million baht to less than 20 million baht	Senior Assistant Managing Director	Senior Assistant Managing Director
More than 20 million baht to less than 50 million baht	Managing Director	Managing Director
More than 50 million baht to less than 100 million baht	Board of Directors	Board of Directors
More than 100 million baht	Board of Directors	Board of Directors

• **Limitation of Financial Amount in Purchasing Assets**

Limitation of Financial Amount	Authorised Person in Normal Trade Transaction	
	Transaction with Third-Party	Transaction with Person with Conflict of Interest
Less than 6 million baht	Manager/Senior Marketing Manager and Legal Manager	Manager/Senior Marketing Manager and Legal Manager
More than 6 million baht to less than 20 million baht	Senior Assistant Managing Director	Senior Assistant Managing Director
More than 20 million baht to less than 50 million baht	Managing Director	กรรมการผู้จัดการ
More than 50 million baht to less than 100 million baht	Board of Directors	Board of Directors
More than 100 million baht	Board of Directors	Board of Directors

The company shall organise a meeting of Audit Committee to conduct preliminary approval prior to the transaction-making, and organise an approval session through a meeting of the Board of Directors and the Audit Committee to ensure fair approval of transaction-making with appropriate pricing policy where certain Board of Directors with conflict of interest are not allowed to vote in the meeting. If the Audit Committee is found to not have the suitable capability to consider or approve certain transactions, the company shall hire an independent expert to give professional opinions on the transaction in question to the Audit Committee, Members of the Board of Directors, or shareholders accordingly.

**9.5 Policy and Trends of Future Transactions**

The company has laid out a set of policy for future transactions by setting rules and regulations according to the actual trade in market prices comparable to prices quoted by third party. The company shall involve the Audit Committee or independent experts in the consideration to ensure reasonable prices and appropriateness of the transaction for the sake of transparency, in line with the good governance policy.

As for future transactions, the company shall conduct according to the laws, decrees, or announcements on securities and exchange constituted by the Stock Exchange of Thailand. The company shall also conduct in compliance with the regulations about disclosure of transaction and the sources and targets of funds which are considered prominent assets of the company or the subsidiary company.



In case that Audit Committee and/or Independent Director has no experiences or expertise on any connected transaction arises, the Company would seek independent counselor or authorized auditor to give the opinion for such transaction and propose to Board of directors or Shareholders' meeting as deemed necessary. The company would disclose any connected transaction in the note to audited financial statement.





## — — Part 3: Financial Statements (3 years back)

Krungthai Car Rent & Lease PLC.

### 10.1 Audit Report Summary

Period	Name	
December 31, 2019-2021	Miss Soraya Tintasuwan	Certified Public Accountant Registration No. 8658 Dharmniti Auditing Company Limited

The auditor's report for the Company's financial statements for the year 2019-2021 expressed an unconditional opinion that the financial statements has shown financial position and operating results correctly as it should in material respects in accordance with generally accepted accounting principles

### 10.2 Financial Statements (3 years back)

Unit : Baht

Transection	2019		2020		2021	
	Baht	%	Baht	%	Baht	%
Cash and cash equivalents	86,370,717	1.56	39,190,906	0.72	31,313,354	0.55
Other current financial assets	59,087,104	1.07	13,392	0.00	227,074,015	3.98
Trade and other receivables	167,788,007	3.03	201,177,828	3.71	215,681,359	3.78
Prepaid insurance premium	58,946,420	1.07	58,781,410	1.09	61,192,010	1.07
Inventories	235,020,277	4.25	145,796,305	2.69	158,092,737	2.77
Other current asset	86,793,823	1.57	36,576,094	0.68	129,814,129	2.28
Total current assets	694,006,348	12.55	481,535,935	8.89	823,167,603	14.43
Fixed deposit using for guarantee	50,020,937	0.90	50,021,041	0.92	50,000,000	0.88
Assets-for-leases	4,291,693,319	77.60	4,263,391,121	78.72	4,289,181,662	75.20
Property, plant and equipment	176,096,632	3.18	173,688,616	3.21	170,977,740	3.00
Intangible assets	8,698,743	0.16	12,483,617	0.23	74,524,169	1.31
Leasehold right	10,657,946	0.19	87,570,731	1.62	15,090,089	0.26
Deferred tax assets	110,654,624	2.00	151,699,139	2.80	126,797,718	2.22
Other non-current asset	188,871,821	3.41	195,627,292	3.61	153,644,970	2.69
Total non-current assets	4,836,694,022	87.45	4,934,481,557	91.11	4,880,216,348	85.57
Total assets	5,530,700,370	100.00	5,416,017,492	100.00	5,703,383,951	100.00

## STATEMENT OF FINANCIAL POSITION (CONT.)

Transaction	2019		2020		2021	
	Baht	%	Baht	%	Baht	%
Bank overdrafts and short-term loans from financial institutions	41,880,057	0.76	120,000,000	2.22	-	-
Bill of exchange	199,669,730	3.61	-	-	-	-
Trade and other payables	73,789,227	1.33	75,099,125	1.39	80,451,160	1.41
Accounts payable-purchase assets for leases	141,209,004	2.55	119,142,580	2.20	67,558,313	1.18
Current portion of debentures	549,836,003	9.94	-	-	599,916,356	10.52
Current portion of long-term loans from financial institutions	257,534,391	4.66	242,707,938	4.48	314,888,146	5.52
Current portion Liabilities under financial lease agreements	48,685,489	0.88	81,046,941	1.50	230,986,015	4.05
Other current liabilities	9,017,243	0.16	8,956,699	0.17	12,730,352	0.22
<b>Total current liabilities</b>	<b>1,321,621,144</b>	<b>23.90</b>	<b>646,953,283</b>	<b>11.94</b>	<b>1,306,530,343</b>	<b>22.91</b>
Debentures	1,298,049,908	23.47	1,398,578,175	25.82	799,397,658	14.02
Long-term loans from financial institutions	763,340,199	13.80	837,239,811	15.46	522,433,825	9.16
lease liabilities	2,928,508	0.05	272,483,155	5.05	631,694,623	11.08
Liabilities under financial lease agreements	-	-	1,113,613	0.02	109,516	0.00
Deposits for car lease from clients	73,076,052	1.32	106,174,710	1.96	157,858,345	2.77
Employee benefit obligations	16,308,992	0.29	26,101,886	0.48	28,570,169	0.50
<b>Total non-current liabilities</b>	<b>2,153,703,660</b>	<b>38.94</b>	<b>2,641,691,350</b>	<b>48.77</b>	<b>2,140,064,135</b>	<b>37.52</b>
<b>Total liabilities</b>	<b>3,475,324,804</b>	<b>62.84</b>	<b>3,288,644,633</b>	<b>60.72</b>	<b>3,446,594,478</b>	<b>60.43</b>

## STATEMENT OF FINANCIAL POSITION (CONT.)

Unit : Baht

Transaction	2019		2020		2021	
	Baht	%	Baht	%	Baht	%
Issued and paid-up share capital	250,000,000	4.52	250,000,000	4.62	250,000,000	4.38
Premium on share capital	162,450,370	2.94	162,450,370	3.00	62,450,370	2.85
Retained earnings – Appropriated - legal reserve	30,000,000	0.54	30,000,000	0.55	30,000,000	0.53
Retained earnings – Unappropriated	1,612,899,691	29.16	1,685,813,380	31.13	1,814,426,716	31.81
Gain from investment in available for sale	25,505	0.00	-	-	-	-
Loss from remeasuring of derivatives instruments	-	-	(890,891)	(0.01)	(87,613)	(0.00)
Total shareholders' equity	2,055,375,566	37.16	2,127,372,859	39.28	2,256,789,473	39.57
Total liabilities and shareholders' equity	5,530,700,370	100.00	5,416,017,492	100.00	5,703,383,951	100.00

## STATEMENT OF COMPREHENSIVE INCOME

Unit : Baht

Transaction	Consolidated financial statements					
	2019	%	2020	%	2021	%
Income on car leases	1,271,548,669	64.61	1,297,121,143	59.14	1,311,351,338	59.45
Income on sale of cars	640,658,977	32.56	815,200,216	37.17	819,231,214	37.14
Other income	55,704,199	2.83	81,080,889	3.69	75,097,984	3.40
Total income	1,967,911,845	100	2,193,402,248	100.00	2,205,680,536	100.00
Cost of car leases	1,068,434,234	54.29	1,145,475,656	52.22	1,135,828,600	26.25
Cost of sales of cars	450,621,365	22.90	590,751,406	26.93	579,073,296	2.45
Selling expenses	194,945,066	8.80	183,927,053	8.39	155,210,186	7.04
Finance cost	84,891,940	4.31	90,303,052	4.12	80,821,758	3.66
Total expenses	1,798,892,605	91.41	2,010,457,076	91.66	1,950,933,840	88.45
Profit before (income) tax expenses	169,019,240	8.59	182,945,172	8.34	254,746,695	11.55
(Income) tax expenses	(51,802,546)	(2.63)	(38,301,384)	(1.75)	28,633,359	1.30
Profit for the year	220,821,786	11.22	221,246,556	10.09	226,113,336	10.25
Basic earnings per share	0.88		0.88		0.90	

## STATEMENT OF CASH FLOWS

Unit : Baht

Transection	Consolidated financial statements		
	2019	2020	2021
<u>Cash flows from operating activities</u>			
Profit before (income) tax expenses	169,019,240	182,945,171	254,746,695
Adjustments to reconcile profit before (income) tax expenses			
to net cash provided by (used in) operating activities			
Doubtful accounts (reverse)	(1,582,599)	308,996	798,775
Depreciation and amortization	829,060,345	891,343,671	892,527,130
Written-off withholding tax	175,034	3,040,068	3,060,522
Allowance for the refund of the withholding tax	14,352,527	1,959,806	(13,963,391)
Loss from rental reduction	-	132,491	-
Loss on disposal of assets	5,410,735	2,536,296	2,576,924
Gain on sale of investments in available-for-sale securities	(990,514)	(168,665)	(105,623)
Employee benefits expenses	-	11,898	56
Interest income	(844,056)	(383,300)	(138,247)
Finance cost	84,891,940	90,303,052	80,821,758
Profit from operating before changing in operating			
assets and liabilities	1,099,492,652	1,172,029,484	1,220,324,598
(Increase) decrease in operating assets			
Trade and other receivables	15,776,571	(36,268,608)	(15,359,613)
Prepaid insurance premium	(3,938,011)	165,010	(2,410,600)
Inventories	283,071,228	482,587,777	356,818,966
Revenue account receivable	(20,869,947)	49,998,875	13,217,013
Other current assets	2,490,925	218,855	7,691,080
Other non-current assets	(77,978)	749,514	532,594
Increase (decrease) in operating liabilities			
Trade and other payables	(6,668,983)	(12,592,962)	6,697,698
Deposits for car lease from clients	18,624,788	33,098,657	51,683,636
Other current liabilities	(1,165,915)	(72,204)	1,193,224
Cash generated for operation	1,386,735,330	1,689,914,398	1,640,388,596
Cash received from interest income	157,862	114,420	30,491
Cash paid for purchase of assets for leases	(1,712,840,570)	(967,858,551)	(670,514,613)
Cash paid for Employee benefits obligations	(4,887,399)	(218,390)	(108,640)
Cash paid for income tax	(60,902,157)	(13,512,234)	(63,145,858)
Net cash provided by operating activities	(391,736,934)	708,439,643	906,649,977



Transaction	Consolidated financial statements		
	2019	2020	2021
<u>Cash flows from investing activities</u>			
Cash received from interest income	702,735	460,289	165,063
Cash received from short-term loans to related companies	40,000,000	28,000,000	-
Cash paid for short-term loans to related companies	(40,000,000)	(28,000,000)	-
Cash received from sale of investment in available-for-sale securities	1,081,006,729	677,236,001	572,045,000
Cash paid for investment in available-for-sale securities	(1,118,000,000)	(618,000,000)	(799,000,000)
Increase in cash at banks using for guarantee	7,983,896	(104)	21,041
Cash received from sale of fixed assets	-	6,173	-
Cash paid for purchase of fixed assets	(2,519,726)	(1,506,828)	(1,209,648)
Cash paid for purchase of intangible assets	(2,475,675)	(4,117,757)	(2,993,358)
Cash paid for purchase of building on leasehold right	(60,000)	(35,000)	(92,878)
<b>Net cash provided by (used in) investing activities</b>	<b>(33,362,041)</b>	<b>(54,042,774)</b>	<b>(231,064,780)</b>
<u>Cash flows from financing activities</u>			
Cash paid for finance cost	(86,836,358)	(74,636,654)	(81,431,583)
Increase (decrease) in bank overdrafts	197,978	(1,880,057)	-
Cash received from short-term loans from financial institutions	160,000,000	720,000,000	270,000,000
Cash paid from short-term loans from financial institutions	(190,000,000)	(640,000,000)	(390,000,000)
Cash received from issuing of bill of exchange	926,725,462	199,258,995	-
Cash paid for bill of exchange due	(770,000,000)	(400,000,000)	-
Cash received from issuing of debenture	700,000,000	100,000,000	-
Cash paid for debenture maturity	-	(550,000,000)	-
Cash received from long-term loans from financial institutions	350,570,845	570,951,857	120,000,000
Cash paid for long-term loans from financial institutions	(416,717,686)	(511,878,697)	(362,625,778)
Cash paid for hire-purchase contract payables	(62,334,049)	(81,477,672)	(141,905,388)
Cash paid for dividend	(190,000,000)	(140,000,000)	(97,500,000)
<b>Net cash used in financing activities</b>	<b>421,606,192</b>	<b>(809,662,228)</b>	<b>(683,462,749)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,492,783)</b>	<b>(47,179,811)</b>	<b>(7,877,552)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>89,863,500</b>	<b>86,370,717</b>	<b>39,190,906</b>
<b>Cash and cash equivalents, ending of the year</b>	<b>86,370,717</b>	<b>39,190,906</b>	<b>31,313,354</b>

## — Part 4: Attachments

### Attachment 1

#### Profiles of Directors, Executives and Company Secretary

Detail of profile of Board of Directors, Executives and Controlled Power in the Company.

Name Position	Age (Year)	Education / List of Management Committee trained	Holding Shares Proporti on (%)	Family Relation during Executives	5 years previous working experience	
					Period	Position/Company
1. Mr. Pithep Chantarasereekul The Chairman of the Board of Directors	51	<ul style="list-style-type: none"> <li>- MBA-Faculty of Finance, Seattle University, United States</li> <li>- BBA- Business Administration, Assumption University</li> <li>- DAP 19</li> <li>- DCP 201/2015</li> </ul>	13.60	Brother of Mr. Pichit Chantarasereekul	2017 – Present	The Chairman of the Board of Directors
					2004 – 2017	Director and Managing Director Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) Director
					2005 – Present	Krungthai Automobile Company Limited (Buy and Sale Used Cars) <u>Positions in non-listed companies</u>
					2004 – Present	Managing Director Toyota Krungthai Company Limited (Toyota Distributor)
					1992 – Present	Director Thanapat Property Company Limited (Rental Building)
					2019– Present	Director Mitsu Impresstion Company Limited (Mitsu Distributor)
2. Mr. Pichit Chantarasereekul Director, Managing Director and Executive Director	49	<ul style="list-style-type: none"> <li>- MBA- Business Administration, University of Toledo, United States</li> <li>- BBA- Business Administration Assumption University</li> <li>- DAP 19</li> <li>- DCP 85</li> <li>- CDC 8</li> <li>- FBS 2/2015</li> <li>- RNG 7/2015</li> <li>- RCC 20/2015</li> </ul>	13.60	Younger brother of Mr. Pithep Chantarasereekul	2017 – Present	Director /Managing Director
					2004 – 2017	Director and Deputy Managing Director Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) <u>Positions in non-listed companies</u>
					2005 – Present	Director Krungthai Automobile Company Limited (Buy and Sale Used Cars)
					2003 - Present	Managing Director Siam Nissan Krungthai Company Limited (Nissan Distributor)
					1992 – Present	Director Thanapat Property Company Limited (Rental Building)
					2019– Present	Director Mitsu Impresstion Company Limited (Mitsu Distributor)

Name Position	Age (Year)	Education / List of Management Committee trained	Holding Shares Proporti on (%)	Family Relation during Executives	5 years previous working experience	
					Period	Position/Company
3. Mr. Chaiwat Atsawintarangkul Director and Chairman of the Audit Committee	70	<ul style="list-style-type: none"> <li>- MASTER OF EDUCATION CURRICULUM AND TEACHING METHODOLOGY (TEACHING CHINESE AS A FOREIGN LANGUAGE), BEIJING LANGUAGE AND CULTURAL UNIVERSITY</li> <li>- THAI-BARRISTER-AT-LAW - THE THAI BAR ASSOCIATION</li> <li>- (MBA) IN BUSINESS ADMINISTRATION, THAMMASAT UNIVERSITY</li> <li>- (BBA) IN BUSINESS ADMINISTRATION AND FACULTY OF LAW , RAMKHAMHAENG</li> <li>- DAP ' 24</li> <li>- DCP' 81</li> <li>- ACP '12</li> </ul>	0	No	2004- Present 2005 – Present 2013- Present 2003 – Present 2005 – Present 2013 – Present 2007- Present 2005– Present 1989 - Present	Director and Chairman of the Audit Committee Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) <u>Positions in other listed companies</u> Director and Chairman of the Audit Committee U City Public Company Limited Chairman of the Audit Committee Eastern Polymer Group Public Company Limited Chairman of the Audit Committee Syntec Construction Public Company Limited Chairman of the Audit Committee Eastern Printing Public Company Limited <u>Positions in non-listed companies</u> Chairman of the Audit Committee Merchant Partners Asset Management Company Limited Chairman of the Audit Committee Merchant Partners Securities Public Company Limited Director Boat House Hua Hin Company Limited Director Prospect Consulting Company Limited (Auditing and Finance Advisory)
4. Mr. Karoon Laoharatanun Director	66	<ul style="list-style-type: none"> <li>- MBA, Kasetsart University</li> <li>- (BBA) Science, Kasetsart University</li> <li>- ISO/IEC 27001</li> <li>- Automobile financing business at Kuala Lumpur, Malaysia</li> <li>- DAP 32</li> <li>- DCP 170</li> </ul>	No	No	2013-Present 2016-Present 2013-Present 2009-Present	Director Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) <u>Positions in non-listed companies</u> Executive Advisor Pruksa Real Estate Public Company Limited Executive Advisor Harrison Public Company Limited Director K.L.Residence. Co.,Ltd

Name Position	Age (Year)	Education / List of Management Committee trained	Holding Shares Proporti on (%)	Family Relation during Executives	5 years previous working experience	
					Period	Position/Company
5. Mrs.Pahfun Jittmittraparp Director and Member of Audit Committee	55	<ul style="list-style-type: none"> <li>- DOCTOR OF Program in Development Administration Sunandha Rajabhat University</li> <li>- MBA- Faculty of Law, Villanova University , United States</li> <li>- Bachelor of Laws, Chulalongkorn University</li> <li>- DAP '23</li> <li>- DCP '160</li> <li>- CAPITAL MARKET ACADEMY PROGRAMS'21</li> <li>- ADVANCE SECURITY MANAGEMENT PROGRAM'9</li> <li>- ADVANCED CERTIFICATE COURSE IN POLITICS AND GOVERNANCE IN DEMOCRATIC SYSTEMS FOR EXECUTIVES'22</li> <li>- ADVANCED CERTIFICATE COURSE IN THAILAND NATIONAL DEFENCE COLLEGE'62</li> </ul>	No	No	2004-Present  2013-Present  2002-Present  2004-Present  2004-Present	Director and Member of the Audit Committee Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) <u>Positions in non-listed companies</u> Director SF Corporation Public Company Limited Managing Director Smart Home System Company Limited (Electronic System and Securities Consulting) Managing Director AheadAll Company Limited Managing Director PUNNAKHATE Company Limited
6. Dr. Eakapong Tungsrisangu an Director	46	<ul style="list-style-type: none"> <li>- DOCTOR OF ENGINEERING IN TELECOMMUNICATIONS, ASIAN INSTITUTE OF TECHNOLOGY</li> <li>- MASTER OF ENGINEERING IN TELECOMMUNICATIONS, ASIAN INSTITUTE OF TECHNOLOGY</li> <li>- BACHELOR OF ENGINEERING, ELECTRICAL ENGINEERING, CHULALONGKORN UNIVERSITY</li> <li>- BACHELOR OF LAWS, BUSINESS LAW AND TAXATION, CHULALONGKORN UNIVERSITY</li> <li>- BBA- FACULTY OF ACCOUNTING BANGKOK UNIVERSITY</li> <li>- CERTIFIED PUBLIC ACCOUNTANT, CPA</li> <li>- FELLOW MEMBER OF IOD</li> <li>- MEMBER OF STRATEGIC CFO IN CAPITAL MARKETS PROGRAM No.1</li> <li>- SENIOR EXECUTIVES PROGRAM (BATCH 26), CAPITAL MARKET ACADEMY</li> <li>- PUBLIC ECONOMICS MANAGEMENT FOR EXECUTIVES No.15</li> <li>- STRATEGIC CFO IN CAPITAL MARKETS PROGRAM No. 1/2015 ,SET</li> <li>- DIRECTOR CERTIFICATION PROGRAM (DCP) No.224/2016</li> <li>- 2MORROW SCALER No. 2</li> </ul>	No	No	2019 –Present  2015 –Present  2018 – 2020  2018 –Present  2004 –Present  2004 –Present	Director Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) <u>Positions in other listed companies</u> Executive / Risk Management Committee JWD Info Logistics Public Company Limited Director Modernform Health and Care Public Company Limited <u>Positions in non-listed companies</u> Board of Standard for Analysis and Investment Management Property Market The Stock Exchange of Thailand Audit Partner Mitpracha Law and Accounting MANAGING PARTNER Yongyout Accountantcy and Law



Name Position	Age (Year)	Education / List of Management Committee trained	Holding Shares Proportion (%)	Family Relation during Executives	5 years previous working experience	
					Period	Position/Company
7. Mr. Sakditouch Chantaraseekul Senior Assistant Managing Director Business Support	49	<ul style="list-style-type: none"> <li>- MBA- BUSINESS ADMINISTRATION, FACULTY OF FINANCE, DREXEL UNIVERSITY, PENNSYLVANIA,USA</li> <li>- BBA- BUSINESS ADMINISTRATION FACULTY OF MANAGEMENT ,ASSUMPTION UNIVERSITY</li> <li>- CHIEF FINANCIAL OFFICER CERTIFICATION PROGRAM NO. 12 FROM FEDERATION OF ACCOUNTING PROFESSIONS</li> <li>- DCP '169</li> <li>- ACPG 22/2015</li> <li>- ELP 4/2016 (DCP)</li> </ul>	No	Counsel of Mr. Pithep Chantaraseekul and Mr. Pichit Chantaraseekul	2007-Present	<i>Assistant Senior Managing Director</i> Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing)
8. Miss Sirima Cha-emkun Managing Director of Service	50	<ul style="list-style-type: none"> <li>- MBA- BUSINESS ADMINISTRATION, SRIPATUM UNIVERSITY</li> <li>- BBA- BUSINESS ADMINISTRATION-FACULTY OF MANAGEMENT, ST.JOHN UNIVERSITY</li> <li>- MINI MBA '57, Thammasat University</li> </ul>	No	No	2007 – Present	<i>Assistant Senior Managing Director</i> Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing)
9. Miss Pornpan Sattawatkul Finance and Accounting Manager	47	<ul style="list-style-type: none"> <li>- MBA COMPUTER AND TELECOMMUNICATIONS ENGINEERING , DHURAKIJ PUNDIT UNIVERSITY</li> <li>- BBA- FACULTY OF ACCOUNTING, SIAM UNIVERSITY</li> <li>- CPA No. 7287</li> </ul>	No	No	2005 - Present	<i>Finance and Accounting Manager</i> Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing)
10 Mr.Noppol Sakthong Secretary	58	<ul style="list-style-type: none"> <li>- BBA, Faculty of Low Ramkhamheng University</li> <li>- Training "Company SECRETARY PROGRAM" of Thai Institute of Directors</li> </ul>	No	No	2004-Presen	<i>Secretary</i> Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing)

## Attachment 2

### Detail of positions of Board of Directors, Executives and Controlled Power persons in subsidiary and related parties

	Company	Subsidiary	Related Parties				
		Krungthai Automobile Company Limited	Thanapat Property Company Limited	Siam Nissan Krungthai Company Limited	Toyota Krungthai Company Limited	Carloft Auto Import Company Limited	Mitsu Impresstion Company Limited
1. Mr. Pithep Chantarasereekul	X S	/ S	/ S		/ S O		/ S
2. Mr. Pichit Chantarasereekul	/ S O	/ S	/ S	/ S O			/ S
3. Mr. Chaiwat Atsawintarangkun	/ A						
4. Mr. Karoon Laoharajatanand	/ A						
5. Dr. Pahfun Jittmittraparp	/ A						
6. Dr. Eakapong Tungsrisinguan	/						
7. Mr. Sakditouch Chantarasereekul							
8. Miss Sirima Cha-emkun							
10. Miss Pornpan Sattawatkul							
11. Mr. Noppol Saktong							

Note:

- / = Director
- X = The Chairman of the Board of Directors
- A = Audit Committee
- S = Authorized Director
- O = Managing Director

## Attachment 3

Details of the Heads of the Internal Audit and Head of the company's Compliance Department  
Data as of December 31, 2021

### Internal departments:

Name	Ms Supitcha Kajornchaikul
Position	Internal Auditor
Educational background	<ul style="list-style-type: none"><li>• Master's degree in Business Economics, Thammasat University</li><li>• Bachelor of Business Administration, Rajamangala Institute of Technology</li></ul>
Professional experience	15 years
Trainings	<ul style="list-style-type: none"><li>• Practice guidelines for internal auditing, Class 4</li><li>• CPIAT, Class 24</li></ul>
Directorship in other companies	none
Other positions	none
Family relationship with executives	none

### External affiliation:

Name	Ms. Wanida Kanchanasantisak Certified Internal Auditor N° 527 JR Business Advisory Company Limited
Educational background	<ul style="list-style-type: none"><li>• Bachelor's degree in Business Administration (Accounting), Ramkhamhaeng University</li><li>• Master of Business Administration (General Management), Ramkhamhaeng University</li></ul>
Professional experience	<ul style="list-style-type: none"><li>• Internal audit: 14 years of auditing and assessing the internal control system to identify business risks and planning an audit of real-estate business, construction industry, transportation services, printing business, and manufacturing industry.</li><li>• Accounting 20 years<ul style="list-style-type: none"><li>• Various tax planning work for the construction industry, manufacturing business, and service industry.</li><li>• Improvement and design of industrial cost accounting systems, made-to-order system, purchasing system, and accounting system.</li><li>• Analysis of the work plan of the standard costing system and the actual cost.</li><li>• Analysis of budgeting plan and projection of cash inflows and outflows.</li><li>• Experience in auditing, accounting, and financial information.</li></ul></li></ul>
Trainings	<ul style="list-style-type: none"><li>• Certificate of Certified Internal Auditor, CPIAT 527</li><li>• Certificate of Internal Auditor, CAC-SME-IOD</li><li>• CFO Programme, Class 8, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.</li><li>• New-Generation Manager course, Class 11, Faculty of Commerce and Accountancy, Chulalongkorn University.</li><li>• Anti-Corruption: the practical guide (ACPG), Class 17/2015</li><li>• CPIAT, Class 43.</li></ul>

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Krungthai Car Rent & Lease PLC.

## Attachment 4

Details of asset appraisal

-NO-



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## Attachment 5

Policies and Guidelines for Corporate Governance and Business Ethics (Full Version)

### Corporate Governance Policies and Guidelines

The Company discloses a full report of corporate governance policies and guidelines on website, [www.krungthai.co.th](http://www.krungthai.co.th) . It can be viewed in the Investor Relations section, Corporate Governance.

### Business Ethics

The Company has disclosed the full Code of Business Conduct on the Company's website [www.krungthai.co.th](http://www.krungthai.co.th) which can be viewed on the first page under the heading of good corporate governance

## Attachment 6 Report of the Audit Committee

### The Audit Committee of Company

The Audit Committee of Krungthai Car Rent and Lease Public Company Limited consists of three independent committee members. Each member of the Audit Committee is the distinct honourable persons in various disciplines – accountancy, finance, law, and so on. The three members of the independent Audit Committee have the sufficient experience to guarantee the credibility of financial report. The Audit Committee consists of the distinct persons as follow:

1. Mr Chaiwat Atsawintarangkun is the Chairperson of the Audit Committee
2. Mr. Karoon Laoharatanun is the member of the Audit Committee
3. Mrs Pahfun Jittmittraparp is the member of the Audit Committee

In 2021, the Audit Committee regularly held a total of four meetings to conduct their duty within the designated responsibilities stated in the Charter of the Audit Committee approved by and reported to the Board of Directors. Their responsibilities are as follow:

### Financial Statement

With support and comments by the Auditor General, executives of the Accountancy Department, and the management executives have hereby revised and are responsible for the financial statements, consolidated financial statements of the company and its subsidiaries, including the financial information that appears in the annual report, the financial statements for each quarter and for the year as ended in December 31, 2021, based on generally accepted accountancy standards which is considered by the appropriate policy options and practice, and have passed the examination from independent authorised auditors in a timely manner.

### Internal Control and Internal Audit

The Audit Committee takes the responsibility in endorsing the annual audit report and other relevant internal audits based on reports, follow-ups, and recommendations as provided in the report. It is charged with improving and proposing an amendment of the audit process focusing on risk management in important departments and operations in order to improve the business operations. The committee also revised the internal audit adequacy evaluation and seek approval from the Board of Directors to ensure that the company's internal audit system is sufficiently efficient for business operations.

To make the internal control and internal audit more effective and efficient, The Audit Committee proposed the company to hire the JR Business Advisory Company Limited, which is an expert in internal audit, to evaluate the efficiency of internal control Including internal audit and assessment of the adequacy of the company's internal control system.



### **Conflict of Interest**

The Audit Committee has verified clues of conflicts of interest so that the report is in compliance with the Securities and Exchange Commission, the Stock Exchange of Thailand, and relevant rules and regulations of the law and of the government, to ensure that all transactions are in line with conventional trade practices, reasonability, and equality, without possibility of one-sided benefit. It also ensured that the disclosure of such informations comply with relevant regulations.

### **Report the Audit Committee Certified Public Accountant**

The Audit Committee takes into account and conduct recruitment for Certified Public Accountant on an annual basis. The selection criteria include their past operation results, knowledgeability, proficiency in accountancy, experience, credibility, resourcefulness, and independence. The company takes into account the suitability of audit fees based on areas of responsibility and fees in comparison with other organisations in the same level.

After deliberate consideration, the Audit Committee made a selection of its Certified Public Accountant from Dharmniti Auditing Company to serve as the auditors for the company and its subsidiary. The Audit Committee nominated and sought the approval from the Board of Directors in 2021.

### **Corporate Good Governance**

The Audit Committee has verified and revised the good governance policies so that they are in line with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. Some of the issues touched were rights of the shareholders, equal treatment of shareholders, roles of stakeholders, disclosure of information, transparency, and responsibility of the Board of Directors.

### Compliance with Relevant Rules & Regulations

The Audit Committee has verified and revised the company's business operations and found that they all were in compliance with relevant rules and regulations, e.g. the Securities and Exchange Commission Act, Limited Public Company Act, and all relevant rules of the law pertaining to the company's business. The committee also revised the "Self-Evaluation Document on Anti-Corruption Measures", which is in the course of being certified by Thailand's Private Sector Collective Action Coalition Against Corruption (Thai-CAC).

The Audit Committee has indicated that, based on generally accepted accountancy standards which is considered by the appropriate policy options and practices on a regular basis, including reasonable estimation in the preparation of reports, as well as the disclosure of critical information in notes annexed to the financial statement, the Financial Statements of the company and its subsidiary have passed the examination and deliberation from authorised auditor or auditors who is or are independent. The financial statements, therefore, correctly reflect the financial commitment and performance in the past year, all in essence and beneficial to shareholders, and the principles of good governance.



(Mr. Chaiwat Atsawintarakun)  
Chairman of the Audit Committee





# CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021



Krungthai Car Rent & Lease PLC.



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of  
Krungthai Car Rent and Lease Public Company Limited

### Opinion

I have audited the consolidated financial statements of Krungthai Car Rent and Lease Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Krungthai Car Rent and Lease Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Krungthai Car Rent and Lease Public Company Limited and its subsidiary as at December 31, 2021, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Krungthai Car Rent and Lease Public Company Limited as at December 31, 2021, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### Recognition of income on car leases

The income on car leases has the transactions with significant amount in the financial statements and the transactions also affect the Company's operation results. The income on car leases incurred from many lease agreements; each lease agreement has different rental amount and lease period. The Company has recognized the revenue by the rental period throughout the term of the lease agreement. Therefore, I have paid special attention to the above revenue recognition related to correctly and completely of income transactions have been recorded in the account.

I have audited the recognition of income on car leases by the assessed and tested the efficiency of internal control system of the Company related to the cycle of income, understand and selected the sample for operating test according to the control the Company designed from the steps in accepting customer, keying the lease agreement into the system, sampling audit lease agreements the Company entered with the customers both new and ongoing customers. It also includes assessing the efficiency of the computer system used by the Company to retrieve the billing report information. In addition, I random check the documentation on car lease incurred during the year, check near the end of the accounting period and check to the revenue recording of car lease in the general journal, including analyzing and comparing amount of average car for lease and rate of lease per car of year with revenue account on car leases to check the irregularities that may incur from income transaction on car leases.

## Estimating the residual value of car for lease

The Company has revised the residual value of car for lease to follow the economic condition and close to the actual sale in during the year. There are varieties of cars and each car category has differed in residual value. The estimation of the residual value relies on considerable judgment of the management as such estimates require the significant assumptions, which are referred to the recoverable value from terminating its use or selling after the agreement expires. Such transaction has an effect on the recording of depreciation, which is the major cost in the statement of comprehensive income. Therefore, I have paid special attention related to the judgment of the management in such estimation.

I understand the approach in considering the estimated residual value of the car for lease used by the management, assessed and tested the appropriateness of the basis used for the consideration, including analyzed and compared the recoverable value information from the sale of cars for lease with market price and experience of the actual sale in during the year.

## Deferred tax assets

As at December 31, 2021, the Company had deferred tax assets for unused tax losses amounting to Baht 135.48 million in the consolidated and separate financial statements, represent 2.38% and 2.49% of total assets, respectively. The Company has disclosed its accounting policy and details relating to deferred tax in Notes 3 and 15, respectively. A deferred tax asset is recognized when it is highly probable that the Company's taxable profit will be sufficient to allow utilization of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilize taxable losses requires significant management judgement with respect to preparation of business plans and projections of future taxable profit based on business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from both external and internal sources, with particular consideration given to information and assumptions that directly affect revenue growth and gross profit margin. Furthermore, I compared past profit projections with actual taxable profits to assess the exercise of management judgement in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits, especially in respect of long-term revenue growth. In addition, I reviewed the disclosures of information regarding temporary differences.





## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Soraya Tintasuwan.



(Miss Soraya Tintasuwan)

Certified Public Accountant Registration No. 8658

Dharmniti Auditing Company Limited

Bangkok, Thailand.

February 24, 2022



KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2021

Unit : Baht

ASSETS	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Current assets</b>					
Cash and cash equivalents	5	31,313,354.09	39,190,906.08	31,006,961.31	38,857,561.57
Trade and other current receivables	4,6	215,681,358.81	201,177,828.12	198,568,567.27	192,000,594.59
Prepaid insurance premium		61,192,010.12	58,781,410.12	61,192,010.12	58,781,410.12
Inventories	7	158,092,737.29	145,796,304.82	96,311,262.24	102,783,614.33
Other current financial assets	8	227,074,014.54	13,391.50	227,074,014.54	13,391.50
Revenue department account receivable		692,314.76	13,909,328.24	692,314.76	13,909,328.24
With holding tax pending for the refund	16	114,146,128.02	-	114,146,128.02	-
Other current assets		14,975,685.72	22,666,765.38	13,067,365.36	21,681,436.13
Total current assets		823,167,603.35	481,535,934.26	742,058,623.62	428,027,336.48
<b>Non-current assets</b>					
Cash at bank using for guarantee	9	50,000,000.00	50,021,040.52	50,000,000.00	50,021,040.52
Investment in subsidiary company	10	-	-	48,812,300.00	48,812,300.00
Assets-for-leases	11	4,289,181,662.48	4,263,391,121.27	4,289,181,662.48	4,263,391,121.27
Property, plant and equipment	12	170,977,739.62	173,688,616.05	2,935,714.20	3,914,900.49
Right-of-use assets	4,13	74,524,169.28	87,570,731.18	12,004,804.66	15,158,550.83
Other intangible assets	14	15,090,088.92	12,483,616.92	13,563,786.10	11,276,968.66
Deferred tax assets	15	126,797,717.94	151,699,139.36	125,410,494.71	150,737,266.90
Other non-current assets	16	153,644,969.53	195,627,292.12	149,690,410.10	191,664,567.18
Total non-current assets		4,880,216,347.77	4,934,481,557.42	4,691,599,172.25	4,734,976,715.85
<b>Total assets</b>		<b>5,703,383,951.12</b>	<b>5,416,017,491.68</b>	<b>5,433,657,795.87</b>	<b>5,163,004,052.33</b>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2021

Unit : Baht

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Current liabilities</b>					
Overdrafts and short-term loans from financial institutions	17	-	120,000,000.00	-	120,000,000.00
Trade and other current payables	4	80,451,159.71	75,099,125.46	131,843,807.06	133,070,659.40
Accounts payable-purchase assets for leases	4	67,558,313.26	119,142,579.76	67,558,313.26	119,142,579.76
Current portion					
Long-term loans from financial institutions	18	314,888,146.24	242,707,937.87	314,888,146.24	242,707,937.87
Lease liabilities	19	230,986,015.07	81,046,941.09	220,065,138.48	71,852,239.74
Debentures	20	599,916,356.16	-	599,916,356.16	-
Other current liabilities		12,730,352.33	8,956,698.91	9,521,918.25	8,085,377.69
<b>Total current liabilities</b>		<b>1,306,530,342.77</b>	<b>646,953,283.09</b>	<b>1,343,793,679.45</b>	<b>694,858,794.46</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	18	522,433,824.93	837,239,811.45	522,433,824.93	837,239,811.45
Lease liabilities	19	631,694,622.67	272,483,155.20	578,437,944.04	210,731,764.14
Debentures	20	799,397,657.56	1,398,578,174.55	799,397,657.56	1,398,578,174.55
Other non-current financial liabilities	32	109,515.90	1,113,613.20	109,515.90	1,113,613.20
Deposits for car lease from clients		157,858,345.19	106,174,709.62	157,858,345.19	106,174,709.62
Provisions for employee benefit	21	28,570,168.99	26,101,885.48	25,555,310.43	23,435,032.39
<b>Total non-current liabilities</b>		<b>2,140,064,135.24</b>	<b>2,641,691,349.50</b>	<b>2,083,792,598.05</b>	<b>2,577,273,105.35</b>
<b>Total liabilities</b>		<b>3,446,594,478.01</b>	<b>3,288,644,632.59</b>	<b>3,427,586,277.5</b>	<b>3,272,131,899.81</b>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2021

Unit : Baht

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
250,000,000 ordinary shares of Baht 1.00 each		250,000,000.00	250,000,000.00	250,000,000.00	250,000,000.00
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1.00 each		250,000,000.00	250,000,000.00	250,000,000.00	250,000,000.00
Premium on share capital		162,450,370.20	162,450,370.20	162,450,370.20	162,450,370.20
Retained earnings					
Appropriated - legal reserve		30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
Unappropriated		1,814,426,715.63	1,685,813,379.45	1,563,708,760.89	1,449,312,672.88
Other components of shareholders' equity		(87,612.72)	(890,890.56)	(87,612.72)	(890,890.56)
<b>Total shareholders' equity</b>		<b>2,256,789,473.11</b>	<b>2,127,372,859.09</b>	<b>2,006,071,518.37</b>	<b>1,890,872,152.52</b>
<b>Total liabilities and shareholders' equity</b>		<b>5,703,383,951.12</b>	<b>5,416,017,491.68</b>	<b>5,433,657,795.87</b>	<b>5,163,004,052.33</b>

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**AS AT DECEMBER 31, 2021**

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Income on car leases		1,311,351,338.34	1,297,121,142.88	1,311,351,338.34	1,297,121,142.88
Income on sale of cars		819,231,213.50	815,200,215.54	607,207,643.14	674,606,786.37
Other income	4,22	75,097,983.67	81,080,888.83	51,609,890.40	59,725,596.27
Total income		2,205,680,535.51	2,193,402,247.25	1,970,168,871.88	2,031,453,525.52
Expenses					
Cost of car leases	4	1,135,828,600.42	1,145,475,565.34	1,135,828,600.42	1,145,475,565.34
Cost of sales of cars		579,073,295.70	590,751,405.56	387,978,316.18	459,066,903.82
Selling expenses	4	53,976,246.92	53,970,868.53	48,868,951.01	49,955,999.83
Administrative expenses		79,220,979.78	107,192,285.12	60,892,534.12	88,163,349.28
Directors and executive remuneration	4	22,012,959.41	22,763,899.39	22,012,959.41	22,763,899.39
Total expenses		1,870,112,082.23	1,920,154,023.94	1,655,581,361.14	1,765,425,717.66
Profit from operating activities		335,568,453.28	273,248,223.31	314,587,510.74	266,027,807.86
Finance cost		80,821,758.13	90,303,052.00	77,565,470.00	87,315,646.08
Profit before (income) tax expenses		254,746,695.15	182,945,171.31	237,022,040.74	178,712,161.78
(Income) tax expenses	24	28,633,358.97	(38,301,384.30)	25,125,952.74	(38,840,236.80)
Profit for the year		226,113,336.18	221,246,555.61	211,896,088.00	217,552,398.58
Other comprehensive income :					
Items that may be reclassified subsequently to profit or loss					
Gain (loss) from remeasuring of derivative instruments net of income tax		803,277.84	(890,890.56)	803,277.84	(890,890.56)
Items that will not be reclassified subsequently to profit or loss					
Actuarials loss on the defined employee benefit plans net of income tax		-	(5,979,989.66)	-	(5,507,502.62)
Other comprehensive gain (loss) for the year		803,277.84	(6,870,880.22)	803,277.84	(6,398,393.18)
Comprehensive income for the year		226,916,614.02	214,375,675.39	212,699,365.84	211,154,005.40
Basic earnings per share	25				
Profit for the year		0.90	0.88	0.85	0.87



KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
AS AT DECEMBER 31, 2021

Unit : Baht

		Consolidated financial statements						
Note	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of shareholders' equity	Total shareholder's equity		
			Appropriated – legal reserve	Unappropriated	Gain (loss) from remeasuring of derivative instruments			
	<b>Balance as at January 1, 2020</b>	250,000,000.00	162,450,370.20	30,000,000.00	1,610,546,813.50	-	2,052,997,183.70	
	Dividend paid	27	-	-	-	(140,000,000.00)	-	(140,000,000.00)
	Total comprehensive income for the year		-	-	-	215,266,565.95	(890,890.56)	214,375,675.39
	<b>Ending balance, as at December 31, 2020</b>	250,000,000.00	162,450,370.20	30,000,000.00	1,685,813,379.45	(890,890.56)	2,127,372,859.09	
	Dividend paid	27	-	-	-	(97,500,000.00)	-	(97,500,000.00)
	Total comprehensive income for the year		-	-	-	226,113,336.18	803,277.84	226,916,614.02
	<b>Ending balance, as at December 31, 2021</b>	250,000,000.00	162,450,370.20	30,000,000.00	1,814,426,715.63	(87,612.72)	2,256,789,473.11	

Unit : Baht

		Separate financial statements						
Note	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of shareholders' equity	Total shareholder's equity		
			Appropriated – legal reserve	Unappropriated	Gain (loss) from remeasuring of derivative instruments			
	<b>Balance as at January 1, 2020</b>	250,000,000.00	162,450,370.20	30,000,000.00	1,377,267,776.92	-	1,819,718,147.12	
	Dividend paid	27	-	-	-	(140,000,000.00)	-	(140,000,000.00)
	Total comprehensive income for the year		-	-	-	212,044,895.96	(890,890.56)	211,154,005.40
	<b>Ending balance, as at December 31, 2020</b>	250,000,000.00	162,450,370.20	30,000,000.00	1,449,312,672.88	(890,890.56)	1,890,872,152.52	
	Dividend paid	27	-	-	-	(97,500,000.00)	-	(97,500,000.00)
	Total comprehensive income for the year		-	-	-	211,896,088.01	803,277.84	212,699,365.85
	<b>Ending balance, as at December 31, 2021</b>	250,000,000.00	162,450,370.20	30,000,000.00	1,563,708,760.89	(87,612.72)	2,006,071,518.37	

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENT OF CASH FLOWS  
 AS AT DECEMBER 31, 2021

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before (income) tax expenses	254,746,695.15	182,945,171.31	237,022,040.74	178,712,161.78
Adjustments to reconcile profit before (income) tax expenses to net cash provided by (used in) operating activities				
Expected credit losses (reversal)	798,774.63	308,995.97	774,881.61	1,206,711.28
Depreciation and amortization	892,527,129.88	891,343,670.55	876,331,715.12	875,291,217.01
Allowance for the refund of the withholding tax	(13,963,390.81)	1,959,805.66	(13,963,390.81)	1,959,805.66
Written-off withholding tax	3,060,521.89	3,040,068.36	3,052,356.39	2,996,191.58
Loss from rental reduction	-	132,490.85	-	-
Gain on sale of unit trust	(46,409.47)	(168,664.94)	(46,409.47)	(168,621.84)
Unrealized gain from unit trust	(59,213.57)		(59,213.57)	-
Loss on write-off fixed assets	56.00	11,898.02	56.00	14,330.60
Employee benefits expenses	2,576,923.51	2,536,296.09	2,120,278.04	2,059,502.80
Interest income	(138,247.37)	(383,299.94)	(138,247.37)	(383,242.39)
Interest expenses	80,821,758.13	90,303,052.00	77,565,470.00	87,315,646.08
Profit from operating before changing in operating assets and liabilities	1,220,324,597.97	1,172,029,483.93	1,182,659,536.68	1,149,003,702.56
(Increase) decrease in operating assets				
Trade and other current receivables	(15,359,612.67)	(36,268,607.96)	(7,400,161.64)	(39,452,280.39)
Prepaid insurance premium	(2,410,600.00)	165,009.94	(2,410,600.00)	165,009.94
Inventories	356,818,966.38	482,587,776.84	375,587,750.94	453,427,501.72
Revenue department account receivable	13,217,013.48	49,998,874.60	13,217,013.48	49,998,874.60
Other current assets	7,691,079.66	218,855.20	8,614,070.77	(416,647.61)
Other non-current assets	532,594.00	749,514.47	532,594.00	749,514.47
Increase (decrease) in operating liabilities				
Trade and other current payables	6,697,698.30	(12,592,961.81)	118,811.71	28,742,302.79
Other current liabilities	1,193,223.57	(72,204.31)	1,436,540.56	42,224.81
Deposits for car lease from clients	51,683,635.57	33,098,657.51	51,683,635.57	33,098,657.51
<b>Cash generated for operation</b>	<b>1,640,388,596.26</b>	<b>1,689,914,398.41</b>	<b>1,624,039,192.07</b>	<b>1,675,358,860.40</b>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENT OF CASH FLOWS (CONT.)  
 AS AT DECEMBER 31, 2021

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash received from interest income	30,491.39	114,419.90	30,491.39	114,361.57
Cash paid for purchase of assets for leases	(670,514,612.93)	(967,858,550.60)	(670,514,612.93)	(967,858,550.60)
Cash paid for employee benefit obligations	(108,640.00)	(218,390.00)	-	-
Cash paid for income tax	(63,145,857.67)	(13,512,234.39)	(61,793,530.52)	(12,504,859.39)
<b>Net cash provided by operating activities</b>	<b>906,649,977.05</b>	<b>708,439,643.32</b>	<b>891,761,540.01</b>	<b>695,109,811.98</b>
<b>Cash flows from investing activities</b>				
Cash received from interest income	165,063.33	460,288.49	165,063.33	460,288.49
Cash received from short-term loans to related companies	-	28,000,000.00	-	28,000,000.00
Cash paid for short-term loans to related companies	-	(28,000,000.00)	-	(28,000,000.00)
Cash received from sale of unit trust	572,045,000.00	677,236,001.34	572,045,000.00	677,230,000.00
Cash paid for purchase of unit trust	(799,000,000.00)	(618,000,000.00)	(799,000,000.00)	(618,000,000.00)
Increase (decrease) in cash at banks using for guarantee	21,040.52	(103.64)	21,040.52	(103.64)
Cash received from sale of fixed assets	-	6,172.90	-	3,738.32
Cash paid for purchase of fixed assets	(1,209,648.04)	(1,506,828.26)	(576,137.27)	(1,312,816.33)
Cash paid for purchase of right-of-use assets	(92,878.00)	(35,000.00)	-	-
Cash paid for purchase of intangible assets	(2,993,358.00)	(4,117,757.00)	(2,403,358.00)	(3,852,647.00)
<b>Net cash provided by (used in) investing activities</b>	<b>(231,064,780.19)</b>	<b>54,042,773.83</b>	<b>(229,748,391.42)</b>	<b>54,528,459.84</b>
<b>Cash flows from financing activities</b>				
Cash paid for interest expenses	(81,431,583.01)	(74,636,653.47)	(78,175,294.88)	(71,649,247.55)
Decrease in bank overdrafts	-	(1,880,056.54)	-	(1,880,056.54)
Cash received from short-term loans from financial institutions	270,000,000.00	720,000,000.00	270,000,000.00	720,000,000.00
Cash paid from short-term loans from financial institutions	(390,000,000.00)	(640,000,000.00)	(390,000,000.00)	(640,000,000.00)
Cash received from issuing of bill of exchange	-	199,258,994.75	-	199,258,994.75



KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENT OF CASH FLOWS (CONT.)  
 AS AT DECEMBER 31, 2021

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash paid for bill of exchange due	-	(400,000,000.00)	-	(400,000,000.00)
Cash received from issuing of debentures	-	100,000,000.00	-	100,000,000.00
Cash paid for debenture due	-	(550,000,000.00)	-	(550,000,000.00)
Cash received from short-term loans subsidiary	-	-	-	50,000,000.00
Cash paid for short-term loans subsidiary	-	-	-	(50,000,000.00)
Cash received from long-term loans from financial institutions	120,000,000.00	570,951,856.50	120,000,000.00	570,951,856.50
Cash paid for long-term loans from financial institutions	(362,625,778.15)	(511,878,697.35)	(362,625,778.15)	(511,878,697.35)
Cash paid for lease liabilities	(141,905,387.69)	(81,477,672.08)	(131,562,675.82)	(71,519,267.16)
Cash paid for dividend	(97,500,000.00)	(140,000,000.00)	(97,500,000.00)	(140,000,000.00)
<b>Net cash used in financing activities</b>	<b>(683,462,748.85)</b>	<b>(809,662,228.19)</b>	<b>(669,863,748.85)</b>	<b>(796,716,417.35)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,877,551.99)</b>	<b>(47,179,811.04)</b>	<b>(7,850,600.26)</b>	<b>(47,078,145.53)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>39,190,906.08</b>	<b>86,370,717.12</b>	<b>38,857,561.57</b>	<b>85,935,707.10</b>
<b>Cash and cash equivalents, ending of the year</b>	<b>31,313,354.09</b>	<b>39,190,906.08</b>	<b>31,006,961.31</b>	<b>38,857,561.57</b>
<b>Supplemental disclosures of cash flow information</b>				
1. Transferred assets for leases to inventories	369,115,398.85	393,363,804.92	369,115,398.85	393,363,804.92
2. Acquisition of assets for leases				
Purchase of fixed asset during the year	(1,266,412,100.89)	(1,235,582,657.94)	(1,266,412,100.89)	(1,235,582,657.94)
Decrease in payables for purchase - fixed assets	(51,584,266.50)	(22,066,424.34)	(51,584,266.50)	(22,066,424.34)
Increase in lease liabilities	647,481,754.46	289,790,531.68	647,481,754.46	289,790,531.68
Cash paid for purchase of fixed assets	(670,514,612.93)	(967,858,550.60)	(670,514,612.93)	(967,858,550.60)
3. Cash paid for lease liabilities transaction				
Decrease in lease liabilities	506,100,078.64	306,334,878.53	515,919,078.64	218,271,264.52
Addition lease liabilities during the year	(686,368,014.43)	(409,168,201.78)	(682,588,014.43)	(307,760,962.77)
Increase in interest expenses	38,362,548.10	21,355,651.17	35,106,259.97	17,970,431.09
Cash paid for lease liabilities	(141,905,387.69)	(81,477,672.08)	(131,562,675.82)	(71,519,267.16)



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# KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

### 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.

#### 1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is a new wave and continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. This situation may affect the results of operations of business. Nevertheless, the management of the Company and its subsidiary have continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

## 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:-

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

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

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

### 2.3 Financial reporting standards that 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, 2021. 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 Financial reporting standards that will become effective in the future**

The Federation of Accounting Professions has issued several revised financial reporting standards and has been published in the Government Gazette, 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 for some financial reporting standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company and its subsidiary have assessed that these revised standards will not have any significant impact on the financial statements in the year when they are adopted.

## **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 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**

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.

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' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

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.



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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.

### **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.

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.

### **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.

### **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 disposal**

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

### 3.9 Assets for leases

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

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

### 3.10 Property, plant and equipment

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

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

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

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

No depreciation is provided on land, construction in progress and equipment under installation. The depreciation for each assets component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

**Depreciation is included in determining income.**

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



### 3.11 Intangible assets

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

	Useful lives (years)
Computer software	10
Copyright	10

### 3.12 Borrowing costs

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

### 3.13 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.

### 3.14 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.

### 3.15 Lease

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.

#### 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.

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## **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.

### **3.16 Employee benefits**

#### **Short - term employment benefits**

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

#### **Post-employment benefits (Defined contribution plans)**

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

### **Post-employment benefits (Defined benefit plans)**

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

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

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

### **3.17 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, 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.

### **3.18 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.



### 3.19 Income tax expenses

Income tax comprises current income tax and deferred tax.

#### Current tax

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

#### Deferred tax

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

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

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

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

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

### **3.20 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.

### **3.21 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:

#### **Expected credit losses**

In determining an allowance for expected credit losses for accounts receivable, 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. 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 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.



## 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
<u>Related person</u>		
Mrs. Wipaporn Chantarasereekul		Shareholder/Co-Director

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

Unit : Baht

	Pricing Policy	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<u>Transaction in the statements of comprehensive income</u>					
<u>Subsidiary company</u>					
Revenue :					
Income on sale of cars	At cost	-	-	345,948.00	-
Expenses :					
Commission expenses	Agreed price	-	-	17,331,775.66	17,200,934.58
Sales promotion expenses	Agreed price	-	-	13,432,000.00	14,960,000.00
Interest expenses	Interest rate financial institutions	-	-	53,812.78	36,266.06
	Interest rate of 2.60% per annum	-	-	-	397,814.18
Purchase of assets :					
Cars for leases	Market price for major buyer	-	-	604,714.02	1,955,700.93
<u>Related companies</u>					
Revenue :					
Income on sale of cars					
Car Loft Import Co., Ltd.	At cost after deduct special discount	7,836,698.14	4,718,429.91	-	-
Commission income					
Toyota Krungthai Co., Ltd.	Agreed price	8,426,000.00	10,760,000.00	8,426,000.00	10,760,000.00
Show room for rent					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 350 sqm., rental charge at 83,000 Baht/Month	996,000.00	996,000.00	996,000.00	996,000.00

	Pricing Policy	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Service center income					
Siam Nissan Krungthai Co., Ltd.	Agreed price	4,538,766.40	5,338,032.67	4,538,766.40	5,338,032.67
Rental fee					
Car Loft Import Co., Ltd.	Rental charge at 86,290 Baht/Month	2,700,000.00	1,312,900.00	-	-
Expenses :					
Commission expense					
Car Loft Import Co., Ltd.	Agreed price	168,224.30	2,042,763.64	168,224.30	2,042,763.64
Repair expense					
Siam Nissan Krungthai Co., Ltd.	Market price	855,405.64	838,100.63	738,873.00	825,446.38
Toyota Krungthai Co., Ltd.	Market price	9,117,818.36	6,737,857.76	7,673,415.68	5,752,244.87
Car Loft Import Co., Ltd.	Market price	239,533.88	147,492.12	185,750.50	141,572.12
Mitsu Impresstion Co.,Ltd.	Market price	316,976.54	173,782.65	316,976.54	173,782.65
		10,529,734.42	7,897,233.16	8,915,015.72	6,893,046.02
Purchase of assets :					
Car for leases					
Siam Nissan Krungthai Co., Ltd.	Market price net of special fleet discount	-	1,367,385.98	-	1,367,385.98
Toyota Krungthai Co., Ltd.	Market price net of special fleet discount	547,658,346.54	624,752,414.48	547,658,346.54	624,752,414.48
Car Loft Import Co., Ltd.	Market price for major buyer	103,601,761.68	83,270,093.46	103,601,761.68	83,270,093.46
Mitsu Impresstion Co., Ltd.	Market price net of special fleet discount	22,754,511.21	19,144,514.96	22,754,511.21	19,144,514.96
Go Automobile Co.,Ltd.	Market price net of special fleet discount	1,447,663.55	-	1,447,663.55	-
		675,462,282.98	728,534,408.88	675,462,282.98	728,534,408.88
<b>Related person</b>					
Interest expenses	Interest rate of 3.22% per annum	-	1,632,054.79	-	1,632,054.79

The outstanding between the Company, subsidiary and related companies as at December 31, 2021 and 2020 are as follows:-

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Outstanding balances at the statements of financial position</b>				
<b>Subsidiary company</b>				
Receivable - down payment	-	-	664,846.00	1,184,646.00
Subsidiary payable	-	-	50,945,377.37	56,535,245.30
Accrued expenses - commission	-	-	5,889,000.00	6,151,000.00
Accrued interest expenses	-	-	5,224.03	5,527.30
Short-term loans from :				
Balance beginning	-	-	-	-
Additional loans	-	-	-	50,000,000.00
Return loans	-	-	-	(50,000,000.00)
Balance forward	-	-	-	-

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Related companies</b>				
Accrued income				
Toyota Krungthai Co., Ltd.		6,720,000.00		6,720,000.00
Other current receivables				
Siam Nissan Krungthai Co., Ltd.	988,078.13	498,383.80	988,078.13	498,383.80
Right-of-use assets				
Siam Nissan Krungthai Co., Ltd.	6,287,364.32	7,306,936.92	6,287,364.32	7,306,936.92
Lease liabilities				
Siam Nissan Krungthai Co., Ltd.	6,535,082.40	7,448,980.93	6,535,082.40	7,448,980.93
Trade and other current payables				
Siam Nissan Krungthai Co., Ltd.	166,187.84	233,812.97	75,619.84	15,134.08
Toyota Krungthai Co., Ltd.	1,857,432.19	1,598,312.66	1,718,836.34	1,582,109.37
Car Loft Import Co., Ltd.	28,681.41	212,349.64	28,681.41	212,349.64
Mitsu Impresstion Co.,Ltd.	49,330.46	60,021.06	49,330.46	60,021.06
Total	2,101,631.90	2,104,496.33	1,872,468.05	1,869,614.15
Payables - purchase assets for leases				
Toyota Krungthai Co., Ltd.	27,207,506.00	65,845,819.51	27,207,506.00	65,845,819.51
Car Loft Import Co., Ltd.	6,770,000.00	-	6,770,000.00	-
Go Automobile Co.,Ltd.	1,549,000.00	-	1,549,000.00	-
Total	35,526,506.00	65,845,819.51	35,526,506.00	65,845,819.51
Accrued expenses - commission				
Car Loft Import Co., Ltd.	-	168,224.30	-	168,224.30
Siam Nissan Krungthai Co., Ltd.	1,041,173.83	-	1,041,173.83	-
Total	1,041,173.83	168,224.30	1,041,173.83	168,224.30

### Directors and executive remuneration

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

Directors and executive remuneration for the years ended December 31, 2021 and 2020 consisted of:

Unit : Baht

	Consolidated/Separate financial statements	
	2021	2020
Directors	1,725,987.13	1,643,798.03
Executive directors	9,899,526.04	9,497,407.56
Executives	10,387,446.24	11,622,693.80
Total	22,012,959.41	22,763,899.39

## 5. CASH AND CASH EQUIVALENTS

This account consisted of:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash on hand	369,390.85	277,492.10	210,263.14	108,365.18
Cash at banks - current accounts	886,056.51	1,103,948.27	738,791.44	1,103,948.27
Cash at banks - savings accounts	30,036,829.77	37,809,465.71	30,036,829.77	37,645,248.12
Cash at banks - fixed 3 months	21,076.96	-	21,076.96	-
Total	31,313,354.09	39,190,906.08	31,006,961.31	38,857,561.57

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, 2021 and 2020, the Company has cash at banks - savings and fixed 3 months accounts has interest rate of 0.05% - 0.80% per annum and 0.10% - 0.375% per annum, respectively.

## 6. TRADE AND OTHER CURRENT RECEIVABLES

This account consisted of:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade receivables classified by aging</u>				
Undue	129,896,836.59	124,371,566.95	116,342,851.23	118,097,634.29
Over 0 months to 3 months	43,432,224.92	24,888,370.58	43,432,224.92	24,888,370.58
Over 3 months to 6 months	893,301.82	1,895,970.17	893,301.82	1,895,970.17
Over 6 months to 12 months	611,674.92	1,561,239.88	611,674.92	1,561,239.88
Over 12 months	4,231,834.08	2,933,822.59	4,231,834.08	2,933,822.59
Total	179,065,872.33	155,650,970.17	165,511,886.97	149,377,037.51
<u>Less Allowance for expected credit losses</u>	(7,163,244.45)	(6,364,469.82)	(7,117,997.86)	(6,343,116.25)
Trade receivables - net	171,902,627.88	149,286,500.35	158,393,889.11	143,033,921.26
<u>Other current receivables</u>				
Accrued incomes	8,519,720.36	17,601,147.23	7,229,108.28	17,300,206.75
Prepaid expenses	26,949,758.43	26,736,688.65	26,882,680.90	26,437,696.02
Insurance receivables	3,026,891.78	2,785,812.00	3,026,891.78	2,785,812.00
Other	5,282,360.36	4,767,679.89	3,035,997.20	2,442,958.56
Total other current receivables	43,778,730.93	51,891,327.77	40,174,678.16	48,966,673.33
Total trade and other current receivables	215,681,358.81	201,177,828.12	198,568,567.27	192,000,594.59
<u>Trade receivables-net consisted of:</u>				
Trade receivables of car leases	112,903,314.30	98,364,986.98	112,903,314.30	98,364,986.98
Trade receivables of sale of cars	58,999,313.58	50,921,513.37	45,490,574.81	44,668,934.28
Total	171,902,627.88	149,286,500.35	158,393,889.11	143,033,921.26



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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	6,364,469.82	3,677,091.67	6,343,116.25	3,677,091.67
Increase during the year	798,774.63	3,208,985.08	774,881.61	3,187,631.51
Written off during the year	-	(521,606.93)	-	(521,606.93)
Ending balance	7,163,244.45	6,364,469.82	7,117,997.86	6,343,116.25

## 7. INVENTORIES

This account consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Car	156,756,346.31	143,684,213.51	94,974,871.26	101,414,525.02
Spare parts of car	1,336,390.98	2,112,091.31	1,336,390.98	1,369,089.31
Total	158,092,737.29	145,796,304.82	96,311,262.24	102,783,614.33

## 8. OTHER CURRENT FINANCIAL ASSETS

This account consisted of:

	Unit : Baht	
	Consolidated/Separate financial statements	
	2021	2020
Financial assets designated to measure at fair value through profit or loss		
Unit trust - Mutual fund	227,014,800.51	13,391.03
<u>Add</u> Unrealized gain on measurement	59,214.03	0.47
Other current financial assets	227,074,014.54	13,391.50

## 9. CASH AT BANK USING FOR GUARANTEE

As at December 31, 2021 and 2020, the Company has fixed deposit accounts with a local commercial banks 2 credit lines, respectively, and fixed deposit accounts was guaranteed as follows:-

Credit Line No.	Credit amount (Million Baht)	Guaranteed
1	20	- The letter of guarantee issued by the bank for rental contracts, bidding envelope and using electricity of the company credit line of Baht 100 million.
2	20	- Short - term loans in promissory note in credit line of Baht 80 million (see Note 17).
	10	- Bank overdrafts credit line of Baht 20 million (see Note 17).
	50	

As at December 31, 2021 and 2020, the fixed deposit accounts has interest rate of 0.15% - 0.35% per annum and 0.25% - 0.95% per annum, respectively.

## 10. INVESTMENT IN SUBSIDIARY COMPANY

This account consisted of:

Unit : Baht

	Number of shares		Percentage of holding		Value of investment under the equity method		Separate financial statements at cost	
	2021	2020	2021	2020	2021	2020	2021	2020
<u>Subsidiary company</u>								
Krungthai Automobile Co., Ltd.	400,000	400,000	100	100	299,530,254.74	285,313,006.57	48,812,300.00	48,812,300.00
					299,530,254.74	285,313,006.57	48,812,300.00	48,812,300.00

## 11. ASSETS FOR LEASES

This account consisted of:

Unit : Baht

	Consolidated/Separate financial statements			
	Balance per book Dec. 31, 2020	Transaction during the year		Balance per book Dec. 31, 2021
		Additions	Transferred in (Transferred out)	
<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	6,599,197,073.79	1,266,412,100.89	(993,445,826.87)	6,872,163,347.81
<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	2,335,805,952.52	871,506,160.83	(624,330,428.02)	2,582,981,685.33
Assets for leases - net	4,263,391,121.27			4,289,181,662.48

Unit : Baht

	Consolidated/Separate financial statements			
	Balance per book Dec. 31, 2019	Transaction during the year		Balance per book Dec. 31, 2020
		Additions	Transferred in (Transferred out)	
<u>At cost</u>				
Car	6,220,714,663.87	1,221,650,800.31	(1,018,152,695.87)	6,424,212,768.31
Car accessories	182,714,908.59	13,931,857.63	(21,662,460.74)	174,984,305.48
Total	6,403,429,572.46	1,235,582,657.94	(1,039,815,156.61)	6,599,197,073.79
<u>Less</u> Accumulated depreciation				
Car	2,011,063,355.87	836,616,714.19	(628,024,973.13)	2,219,655,096.93
Car accessories	100,672,897.83	33,904,336.32	(18,426,378.56)	116,150,855.59
Total	2,111,736,253.70	870,521,050.51	(646,451,351.69)	2,335,805,952.52
Assets for leases - net	4,291,693,318.76			4,263,391,121.27

As at December 31, 2021 and 2020, the Company has cars for leases liabilities as follow:-

	Amount (Cars)		Net Value (Baht)	
	2021	2020	2021	2020
Cars	1,225	414	839,700,363.33	278,439,287.36

As at December 31, 2021 and 2020, the Company has transferred the right of 1,643 and 1,968 cars' registers, respectively as collateral for long-term loans from 3 and 2 local financial institutions, respectively. (see Note 18).

As at December 31, 2021 and 2020, the Company has minimum amounts on car leases under uncanceled operating lease agreements, presented by amounting in contracts as follow :-

	Unit : Baht	
	2021	2020
Under 1 year	1,129,865,620.58	1,127,575,591.98
Over 1 year to 5 years	1,651,904,047.84	1,656,904,457.71
Total	2,781,769,668.42	2,784,480,049.69

As at December 31, 2021 and 2020, the Company has been fully depreciated cars for leases but they are still in used at total amounting cost of Baht 802.53 million and Baht 348.30 million, respectively.

## 12. PROPERTY, PLANT AND EQUIPMENT

This account consisted of:

	Consolidated financial statements				Unit : Baht	
	Balance per book Dec. 31, 2020	Transaction during the year				Balance per book Dec. 31, 2021
		Additions	Deductions	Transfer in (Transfer out)		
<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	215,556,159.30	1,209,648.04	(2,907,040.70)	-	213,858,766.64	

Unit : Baht

	Consolidated financial statements				
	Balance per book Dec. 31, 2020	Transaction during the year			Balance per book Dec. 31, 2021
		Additions	Deductions	Transfer in (Transfer out)	
<u>Less</u> Accumulated depreciation					
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	41,867,543.25	3,920,468.47	(2,907,040.70)	-	42,881,027.02
Property, plant and equipment - net	173,688,616.05				170,977,739.62

Unit : Baht

	Consolidated financial statements				
	Balance per book Dec. 31, 2020	Transaction during the year			Balance per book Dec. 31, 2021
		Additions	Deductions	Transfer in (Transfer out)	
<u>At cost</u>					
Land	143,650,000.00	-	-	-	143,650,000.00
Building	27,591,810.02	-	-	-	27,591,810.02
Equipment	9,881,233.21	192,531.92	-	-	10,073,765.13
Furniture & fixture and office equipment	33,891,636.73	1,282,696.99	(2,134,410.65)	979,256.35	34,019,179.42
Vehicles	260,003.74		(38,599.01)		221,404.73
Work in progress	947,657.00	31,599.35	-	(979,256.35)	-
Total	216,222,340.70	1,506,828.26	(2,173,009.66)	-	215,556,159.30
<u>Less</u> Accumulated depreciation					
Building	2,737,741.11	1,379,590.50	-	-	4,117,331.61
Equipment	7,918,432.69	660,441.21	-	-	8,578,873.90
Furniture & fixture and office equipment	29,209,538.07	1,856,751.64	(2,116,349.73)	-	28,949,939.98
Vehicles	259,996.77		(38,599.01)	-	221,397.76
Total	40,125,708.64	3,896,783.35	(2,154,948.74)	-	41,867,543.25
Property, plant and equipment - net	176,096,632.06				173,688,616.05



Unit : Baht

	Separate financial statements			
	Balance per book Dec. 31, 2020	Transaction during the year		Balance per book Dec. 31, 2021
		Additions	Deductions	
<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	30,943,909.35	576,137.27	(2,907,040.70)	28,613,005.92
<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	27,029,008.86	1,555,267.56	(2,906,984.70)	25,677,291.72
Property, plant and equipment - net	3,914,900.49			2,935,714.20

Unit : Baht

	Separate financial statements			
	Balance per book Dec. 31, 2019	Transaction during the year		Balance per book Dec. 31, 2020
		Additions	Deductions	
<u>At cost</u>				
Equipment	8,462,884.93	189,786.30	-	8,652,671.23
Furniture & fixture and office equipment	23,041,234.22	1,123,030.03	(2,094,429.89)	22,069,834.36
Vehicles	260,003.74	-	(38,599.98)	221,403.76
Total	31,764,122.89	1,312,816.33	(2,133,029.87)	30,943,909.35
<u>Less</u> Accumulated depreciation				
Equipment	6,705,374.58	601,286.88	-	7,306,661.46
Furniture & fixture and office equipment	20,688,672.96	888,648.62	(2,076,371.94)	19,500,949.64
Vehicles	259,996.77	-	(38,599.01)	221,397.76
Total	27,654,044.31	1,489,935.50	(2,114,970.95)	27,029,008.86
Property, plant and equipment - net	4,110,078.58			3,914,900.49

As at December 31, 2021 and 2020, equipment are fully depreciated but still in use are presented in the consolidated financial statements at cost of Baht 29.93 million and Baht 31.21 million, respectively and in the separate financial statements at the cost of Baht 21.07 million and Baht 22.89 million, respectively.

## 13. RIGHT-OF-USE ASSETS

### 13.1 Right-of-use assets consists of:

Unit : Baht

	Consolidated financial statements			
	Balance as at Dec. 31, 2020	Transactions during the year		Balance as at Dec. 31, 2021
		Addition reassessment lease term	Change in conditions written-off	
<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	197,856,675.23	3,667,052.68	(1,757,879.58)	199,765,848.33
<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	16,713,614.58	-	546,199.00
Total	110,285,944.05		(1,757,879.58)	125,241,679.05
Right-of-use assets - net	87,570,731.18			74,524,169.28

Unit : Baht

	Consolidated financial statements			
	Balance as at Jan. 1, 2020	Transactions during the year		Balance as at Dec. 31, 2020
		Addition/ reassessment lease term	Change in conditions/ written-off	
<u>At cost</u>				
Land and land improvements	101,839,098.74	-	-	101,839,098.74
Buildings on leasehold right	95,436,376.49	35,000.00	-	95,471,376.49
Land improvement on leasehold	5,974,161.96	-	(5,427,961.96)	546,200.00
Total	203,249,637.19	35,000.00	(5,427,961.96)	197,856,675.23
<u>Less Accumulated depreciation</u>				
Land and land improvements	13,568,201.67	13,688,539.92		27,256,741.59
Buildings on leasehold right	78,859,708.25	3,623,295.21		82,483,003.46
Land improvement on leasehold	5,973,507.87	643.09	(5,427,951.96)	546,199.00
Total	98,401,417.79	17,312,478.22	(5,427,951.96)	110,285,944.05
Right-of-use assets - net	104,848,219.40			87,570,731.18

Unit : Baht

	Separate Financial Statements			
	Balance as at Dec. 31, 2020	Transactions during the year		Balance as at Dec. 31, 2021
		Addition/ reassessment lease term	Change in conditions/ written-off	
<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	45,883,399.49	-	-	45,883,399.49
<u>Less Accumulated depreciation</u>				
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	30,724,848.66	3,153,746.17	-	33,878,594.83
Right-of-use assets - net	15,158,550.83			12,004,804.66

Unit : Baht

	Separate Financial Statements			
	Balance as at Jan. 1, 2020	Transactions during the year		Balance as at Dec. 31, 2020
		Addition/ reassessment lease term	Change in conditions/ written-off	
<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	5,974,161.96	-	(5,427,961.96)	546,200.00
Total	51,311,361.45	-	(5,427,961.96)	45,883,399.49
<u>Less Accumulated depreciation</u>				
Land and land improvements	6,954,533.36	927,258.34	-	7,881,791.70
Buildings on leasehold right	20,067,059.73	2,229,798.23	-	22,296,857.96
Land improvement on leasehold	5,973,507.87	643.09	(5,427,951.96)	546,199.00
Total	32,995,100.96	3,157,699.66	(5,427,951.96)	30,724,848.66
Right-of-use assets - net	18,316,260.49			15,158,550.83

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.

13.2 Amounts recognized in the statement of comprehensive income for the years ended December 31, 2021 and 2020 are comprise;

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Depreciation - right-of-use assets	16,713,614.58	17,312,478.22	3,153,746.17	3,157,699.66
Interest expenses	14,439,777.31	7,639,135.13	11,183,489.18	4,253,915.03
Expense relating to short-term leases	1,705,857.90	2,754,078.56	255,552.00	2,080,394.05
	32,859,249.79	27,705,691.91	14,592,787.35	9,492,008.74

For the years ended December 31, 2021 and 2020, the total cash outflow for leases on consolidated financial statements amount to Baht 141.91 million and Baht 81.48 million, respectively separated financial statements amount to Baht 131.56 million and Baht 71.52 million, respectively.

## 14. INTANGIBLE ASSETS

This account consisted of:

Unit : Baht

	Consolidate financial statements				Balance per book Dec. 31, 2021
	Balance per book Dec. 31, 2020	Transactions during the year			
		Additions	Deductions	Transfer in (Transfer out)	
<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	19,551,525.13	2,993,358.00	-	-	22,544,883.13
<u>Less</u> Accumulated amortization	7,067,908.21	386,886.00	-	-	7,454,794.21
Intangible assets - net	12,483,616.92				15,090,088.92

Unit : Baht

	Consolidate financial statements				
	Balance per book Dec. 31, 2019	Transactions during the year			Balance per book Dec. 31, 2020
		Additions	Deductions	Transfer in (Transfer out)	
<u>At cost</u>					
Computer software	8,124,720.23	134,610.00	-	160,910.00	8,420,240.23
Computer software in progress	6,804,375.00	3,983,147.00	-	(160,910.00)	10,626,612.00
Copyright	504,672.90	-	-	-	504,672.90
Total	15,433,768.13	4,117,757.00	-	-	19,551,525.13
<u>Less</u> Accumulated amortization	6,735,024.75	332,883.46	-	-	7,067,908.21
Intangible assets - net	8,698,743.38				12,483,616.92

Unit : Baht

	Separate financial statements			
	Balance per book Dec. 31, 2020	Transactions during the year		Balance per book Dec. 31, 2021
		Additions	Deductions	
<u>At cost</u>				
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
<u>Less</u> Accumulated amortization	5,851,374.03	116,540.56	-	5,967,914.59
Intangible assets - net	11,276,968.66			13,563,786.10

Unit : Baht

	Separate financial statements			
	Balance per book Dec. 31, 2019	Transactions during the year		Balance per book Dec. 31, 2021
		Additions	Deductions	
<u>At cost</u>				
Computer software	6,471,320.69	30,410.00	-	6,501,730.69
Computer software in progress	6,804,375.00	3,822,237.00	-	10,626,612.00
Total	13,275,695.69	3,852,647.00	-	17,128,342.69
<u>Less</u> Accumulated amortization	5,728,842.69	122,531.34	-	5,851,374.03
Intangible assets - net	7,546,853.00			11,276,968.66



As at December 31, 2021 and 2020, intangible assets are fully amortization but still in use are presented in the consolidated financial statements at cost of Baht 6.30 million and Baht 6.02 million respectively and in the separate financial statements at the cost of Baht 5.54 million and Baht 5.26 million, respectively.

## 15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

Unit : Baht

	Consolidate financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	126,797,717.94	151,699,139.36	140,730,795.81	172,301,908.81
Deferred tax liabilities	-	-	(15,320,301.10)	(21,564,641.91)
	<b>126,797,717.94</b>	<b>151,699,139.36</b>	<b>125,410,494.71</b>	<b>150,737,266.90</b>

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2021 and 2020, are summarized as follows:

Unit : Baht

	Consolidated financial statements			
	Balance as at Dec. 31, 2020	Revenue (expenses) during the year		Balance as at Dec. 31, 2021
		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
Provision for employee benefit	5,220,377.08	493,656.72	-	5,714,033.80
Leases liabilities	491,295.26	408,210.63	-	899,505.89
Tax losses carry forward	167,329,386.29	(31,846,810.13)	-	135,482,576.16
Total	<b>173,263,781.27</b>	<b>(30,944,942.78)</b>	<b>(200,819.45)</b>	<b>142,118,019.04</b>
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	<b>21,564,641.91</b>	<b>6,244,340.81</b>	<b>-</b>	<b>15,320,301.10</b>

Unit : Baht

	Consolidated financial statements			
	Balance as at Dec. 31, 2019	Revenue (expenses) during the year		Balance as at Dec. 31, 2020
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Loss from remeasuring of derivative instruments	-	-	222,722.64	222,722.64
Accrued expense - rental	29,642.11	(29,642.11)	-	-
Provision for employee benefit	2,898,230.26	463,581.22	1,494,997.40	5,220,377.08
Leases liabilities	-	491,295.26	-	491,295.26
Tax losses carry forward	133,232,052.10	34,097,334.19	-	167,329,386.29
<b>Total</b>	<b>136,523,492.67</b>	<b>35,022,568.56</b>	<b>1,717,720.04</b>	<b>173,263,781.27</b>
Deferred tax liabilities:				
Investment in available-for-sale securities	6,376.10	-	6,376.10	-
Inventories	2,384,390.93	246,009.87	-	2,138,381.06
Assets for leases	23,471,446.82	4,045,185.97	-	19,426,260.85
Equipment	6,654.90	6,654.90	-	-
<b>Total</b>	<b>25,868,868.75</b>	<b>4,297,850.74</b>	<b>6,376.10</b>	<b>21,564,641.91</b>

Unit : Baht

	Separate financial statements			
	Balance as at Dec. 31, 2020	Revenue (expenses) during the year		Balance as at Dec. 31, 2021
		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
Provision for employee benefit	4,687,006.46	424,055.63	-	5,111,062.09
Leases liabilities	62,793.42	52,460.95	-	115,254.37
Tax loss carry forward	167,329,386.29	(31,846,810.13)	-	135,482,576.16
<b>Total</b>	<b>172,301,908.81</b>	<b>(31,370,293.55)</b>	<b>(200,819.45)</b>	<b>140,730,795.81</b>
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
<b>Total</b>	<b>21,564,641.91</b>	<b>6,244,340.81</b>	<b>-</b>	<b>15,320,301.10</b>

Unit : Baht

	Separate financial statements			Balance as at Dec. 31, 2020
	Balance as at Dec. 31, 2019	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	222,722.64
Accrued expense-rental	29,642.11	(29,642.11)	-	-
Provision for employee benefit	2,898,230.26	411,900.56	1,376,875.64	4,687,006.46
Leases liabilities	-	62,793.42	-	62,793.42
Tax loss carry forward	133,232,052.10	34,097,334.19	-	167,329,386.29
<b>Total</b>	<b>136,159,924.47</b>	<b>34,542,386.06</b>	<b>1,599,598.28</b>	<b>172,301,908.81</b>
Deferred tax liabilities:				
Investment in available-for-sale securities	6,347.24	-	6,347.24	-
Inventories	2,384,390.93	246,009.87	-	2,138,381.06
Assets for leases	23,471,446.82	4,045,185.97	-	19,426,260.85
Equipment	6,654.90	6,654.90	-	-
<b>Total</b>	<b>25,868,839.89</b>	<b>4,297,850.74</b>	<b>6,347.24</b>	<b>21,564,641.91</b>

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

Unit : Baht

	Consolidated/Separate financial statements	
	2021	2020
December 31, 2021	-	5,146,154.46
December 31, 2022	-	121,873,976.78
December 31, 2023	219,289,746.25	251,503,665.62
December 31, 2024	287,636,463.70	287,636,463.70
December 31, 2025	170,486,670.89	170,486,670.89
<b>Total</b>	<b>677,412,880.84</b>	<b>836,646,931.45</b>

## 16. OTHER NON - CURRENT ASSETS

This account consisted of:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deposit	3,887,424.73	4,420,018.74	85,975.20	618,569.20
Withholding tax deducted at source	179,027,846.28	234,440,965.67	178,874,736.38	234,279,690.27
<b>Less</b> Allowance for the refund	(29,270,301.48)	(43,233,692.29)	(29,270,301.48)	(43,233,692.29)
Withholding tax deducted at source - net	149,757,544.80	191,207,273.38	149,604,434.90	191,045,997.98
<b>Total</b>	<b>153,644,969.53</b>	<b>195,627,292.12</b>	<b>149,690,410.10</b>	<b>191,664,567.18</b>

On January 20 and 26, 2022, the Company received a refund of withholding tax for the years 2020 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.

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

This account consisted of:

Unit : Baht

	Consolidated/Separate financial statements	
	2021	2020
Promissory notes	-	120,000,000.00
<b>Total</b>	<b>-</b>	<b>120,000,000.00</b>

As at December 31, 2021 and 2020, 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, 2021 and 2020, the Company has short-term loans in promissory notes with five local commercial banks total of 6 credit lines, are as follows :-

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

## 18. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consisted of:

Unit : Baht

	Consolidated/Separate financial statements	
	2021	2020
Long-term loan from financial institutions	837,321,971.17	1,079,947,749.32
<u>Less</u> Current portion due within one year	(314,888,146.24)	(242,707,937.87)
Long-term loan from financial institutions - net	522,433,824.93	837,239,811.45

As at December 31, 2021, the Company has 4 credit lines of 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 1st 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



As at December 31, 2020, the Company has 3 credit lines of long-term loans with two local financial institutions. Each credit line has been withdrawn to several loans and the details are as follows:

Credit line No.	Credit line using (Million Baht)	Withdraw loan (Million Baht)	Interest rate (per annum)	Monthly installment (Million Baht)	The first installment date of 1st loan and the final installment date of final loan	Guaranteed The right of car's registers of the company
1	630	630.00	Fixed Rate	2.24	Aug. 16 - Jul. 21	472
2	1,000	677.82	Fixed Rate	15.74	Jan. 18 - Apr. 24	1,145
3	300	300.00	THBFIX 6M +1.65%	4.79	Mar. 20 - Nov. 24	351
	1,930	1,607.82		22.77		1,968

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)

As at December 31, 2021 and 2020, the movements of long-term loans from financial institutions are as follows:-

	Consolidated/Separate financial statements	
	2021	2020
Balance beginning of the year	1,079,947,749.32	1,020,874,590.17
<u>Add</u> Loan increase during the year	120,000,000.00	570,951,856.50
<u>Less</u> Repayment during the year	(362,625,778.15)	(511,878,697.35)
Balance ending of the year	837,321,971.17	1,079,947,749.32

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, 2021, 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 32.3)

## 19. LEASE LIABILITIES

Movements of the lease liabilities account for the years ended December 31, 2021 and 2020 are summarized as follows.

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
As at January 1,	353,530,096.29	145,804,270.81	282,584,003.88	64,312,739.36
Additions during the year	651,055,929.14	289,790,531.68	647,481,754.46	289,790,531.68
Accretion of interest	14,453,535.43	7,644,714.12	11,197,247.30	4,259,494.04
Payments during the year	(156,358,923.12)	(89,122,386.20)	(142,759,923.12)	(75,778,761.20)
Difference from rental reduction	-	(587,034.12)	-	-
As at December 31,	862,680,637.74	353,530,096.29	798,503,082.52	282,584,003.88
<b>Less:</b> Current portion due within one year	(230,986,015.07)	(81,046,941.09)	(220,065,138.48)	(71,852,239.74)
Lease liabilities - net	631,694,622.67	272,483,155.20	578,437,944.04	210,731,764.14

As at December 31, 2021 and 2020, the Company and subsidiary have lease liabilities to be paid as follows:

Unit : Baht

	Consolidated financial statements					
	2021			2020		
	Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts
Payment due within 1 year	230,986,015.07	20,243,993.04	251,230,008.11	81,046,941.09	10,840,763.88	91,887,704.97
Payment due over 1 year to 5 years	599,846,551.84	31,485,725.35	631,332,277.19	233,708,841.06	18,395,686.38	252,104,527.44
Payment due over 5 years	31,848,070.83	3,686,682.17	35,534,753.00	38,774,314.14	5,370,834.87	44,145,149.01
Total	862,680,637.74	55,416,400.56	918,097,038.30	353,530,096.29	34,607,285.13	388,137,381.42

	Separate financial statements					
	2021			2020		
	Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts
Payment due within 1 year	220,065,138.48	17,457,026.63	237,522,165.11	71,852,239.74	7,696,465.22	79,548,704.96
Payment due over 1 year to 5 years	576,330,148.01	23,839,611.18	600,169,759.19	206,847,105.66	9,615,456.78	216,462,562.44
Payment due over 5 years	2,107,796.03	52,703.96	2,160,499.99	3,884,658.48	177,841.52	4,062,500.00
Total	798,503,082.52	41,349,341.77	839,852,424.29	282,584,003.88	17,489,763.52	300,073,767.40

## 20. DEBENTURES

This account consisted of:

	Unit : Baht	
	Consolidated/Separate financial statements	
	2021	2020
Unsecured debentures - at face value	1,400,000,000.00	1,400,000,000.00
<u>Less</u> Deferred expenses on debentures issuance	(685,986.28)	(1,421,825.45)
	1,399,314,013.72	1,398,578,174.55
<u>Less</u> Current portion due within one year	(599,916,356.16)	-
Debentures - net	799,397,657.56	1,398,578,174.55

As at December 31, 2021, 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, 2020
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

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.

## 21. PROVISION FOR EMPLOYEE BENEFIT

Provision for employee benefits are as follows

### The statements of financial position

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for employee benefit beginning of the year	26,101,885.48	16,308,992.31	23,435,032.39	14,491,151.31
Actuarial loss	-	7,474,987.08	-	6,884,378.28
Benefits paid by the plan	(108,640.00)	(218,390.00)	-	-
Current service costs and interest	2,576,923.51	2,536,296.09	2,120,278.04	2,059,502.80
Provision for employee benefit ending of the year	28,570,168.99	26,101,885.48	25,555,310.43	23,435,032.39

### The statements of comprehensive income

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current service costs and interest				
Service costs	2,155,960.12	2,051,340.00	1,742,974.02	1,715,356.73
Interest expenses	420,963.39	484,956.09	377,304.02	344,146.07
Total	2,576,923.51	2,536,296.09	2,120,278.04	2,059,502.80

### Expense recognized in other comprehensive income:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Actuarial loss - net income tax	-	5,979,989.66	-	5,507,502.62

### Principal actuarial assumptions in the estimates based on the actuarial principles

Unit : Percentage

	Consolidated financial statements		Separate financial statement	
	2021	2020	2021	2020
Discount rate	1.61 - 1.69	1.61 - 1.69	1.61	1.61
Salary increase rate	6.00	6.00	6.00	6.00
Employee turnover rate	5.73 - 34.38	5.73 - 34.38	5.73 - 34.38	5.73 - 34.38

### 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, 2021 and 2020 are summarized below:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate				
0.50% increase	(1,054,354.85)	(1,079,076.28)	(923,760.17)	(955,299.62)
0.50% decrease	1,114,175.49	1,146,514.01	975,186.57	1,014,304.56
Salary increase rate				
1% increase	2,699,523.51	2,222,867.16	2,375,633.51	1,945,349.26
1% decrease	(2,440,718.81)	(2,014,939.89)	(2,152,016.90)	(1,767,472.56)
Turnover rate				
20% increase	(3,488,428.01)	(2,857,644.94)	(3,054,105.12)	(2,485,570.84)
20% decrease	4,146,672.58	3,367,532.40	3,605,614.02	2,905,004.78



## 22. OTHER INCOME

This account consisted of:-

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest income	138,247.37	383,314.17	138,247.37	383,242.39
Penalty of cancelled contract	3,999,413.36	7,550,996.31	3,999,413.36	7,550,996.31
Repair service income	4,538,766.40	5,338,032.67	4,538,766.40	5,338,032.67
Commission income	8,806,073.64	10,590,936.57	-	-
Sale promotion income	14,351,863.40	16,920,360.00	13,192,140.00	16,920,360.00
Others	43,263,619.50	40,297,249.11	29,741,323.27	29,532,964.90
Total	75,097,983.67	81,080,888.83	51,609,890.40	59,725,596.27

## 23. EXPENSES BY NATURE

Expenses by nature are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Change in inventories	12,296,432.47	(89,223,971.92)	(6,472,352.09)	(60,063,696.80)
Cost of sale of cars from assets-for-leases	387,978,316.18	459,066,903.82	387,978,316.18	459,066,903.82
Purchase of used cars	202,860,072.85	96,913,331.86	-	-
Employee benefit costs	78,204,691.88	88,808,745.64	54,523,252.58	64,537,645.76
Depreciation and amortization	892,527,129.88	891,343,670.55	876,331,715.12	875,291,217.01
Others	220,321,322.59	228,422,635.36	220,321,322.59	228,422,635.36

## 24. (INCOME) TAX EXPENSES

24.1 Major components of (income) tax expenses for the years ended December 31, 2021 and 2020 consisted of:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Income (income) tax expenses shown in profit or loss :				
Current tax expenses:				
Income tax expenses for the year	3,932,757.00	1,019,035.00	-	-
Deferred tax expenses:				
Changes in temporary differences relating to the original recognition and reversal	24,700,601.97	(39,320,419.30)	25,125,952.74	(38,840,236.80)
Total	28,633,358.97	(38,301,384.30)	25,125,952.74	(38,840,236.80)
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Gain (loss) from remeasuring of derivative instruments	200,819.45	(222,722.64)	200,819.45	(222,722.64)
Loss from remeasuring available-for-sale investments	-	(6,376.10)	-	(6,347.24)
Actuarial loss	-	(1,494,997.40)	-	(1,376,875.64)
Total	200,819.45	(1,724,096.14)	200,819.45	(1,605,945.52)

24.2 A numerical reconciliation between (income) tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2021 and 2020 which are summarized as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit for the year	254,746,695.15	182,945,171.31	237,022,040.74	178,712,161.78
The applicable tax rate (%)	20	20	20	20
Tax expense at the applicable tax rate	50,949,339.03	36,589,034.26	47,404,408.15	35,742,432.36
Reconciliation items				
Tax effect of expenses that are not deductible in determining tax profit:				
Expenses not allowed as expenses in determining taxable profit	1,197,474.59	575,453.09	962,883.83	560,099.68
Tax effect of income or profit that are not required in determining taxable profit:				
Expenses as expenses in determining tax	(23,360,047.99)	(75,419,898.25)	(23,087,932.58)	(75,096,795.44)
Other	(153,406.66)	(45,973.40)	(153,406.66)	(45,973.40)
Total reconciliation items	(22,315,980.06)	(74,890,418.56)	(22,278,455.41)	(74,582,669.16)
Total (income) tax expenses	28,633,358.97	(38,301,384.30)	25,125,952.74	(38,840,236.80)

24.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2021 and 2020 are summarized as follows:

Unit : Baht

	Consolidated financial statements			
	2021		2020	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	254,746,695.15		182,945,171.31	
Tax expense at the applicable tax rate	50,949,339.03	20.00	36,589,034.26	20.00
Reconciliation items	(22,315,980.06)	(8.76)	(74,890,418.56)	(40.94)
(Income) tax expenses at the average effective tax rate	28,633,358.97	11.24	(38,301,384.30)	(20.94)

Unit : Baht

	Separate financial statements			
	2021		2020	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	237,022,040.74		178,712,161.78	
Tax expense at the applicable tax rate	47,404,408.15	20.00	35,742,432.36	20.00
Reconciliation items	(22,278,455.41)	(9.40)	(74,582,669.16)	(41.73)
(Income) tax expenses at the average effective tax rate	25,125,952.74	10.60	(38,840,236.80)	(21.73)

## 25. 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.

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit for the year attributable to ordinary shareholders (Baht)	226,113,336.18	221,246,555.61	211,896,088.00	217,552,398.58
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)	0.90	0.88	0.85	0.87

## 26. LEGAL RESERVE

### The Company

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

### A subsidiary company

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



## 27. APPROPRIATED OF RETAINED EARNINGS

### The 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 to the shareholders with Baht 0.44 per share, in the amount of Baht 110 million. The dividend paid in the amount of Baht 55 million, appropriated for 250,000,000 shares of Baht 0.22 each was paid on September 9, 2020, and the remaining in the amount of Baht 55 million, appropriated for 250,000,000 shares of Baht 0.22 each was paid on May 24, 2021.

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 in the amount of Baht 42.50 million, (appropriated for 250,000,000 shares of Baht 0.17 each) was paid on September 10, 2021.

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

### The year 2020

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

And at the Board of Director' meeting No. 3/2020 held on August 10, 2020, the Board of Directors unanimously approved to pay interim dividend from the Company operation for the period ended June 30, 2020 in the amount of Baht 55.00 million, (appropriated for 250,000,000 shares of Baht 0.22 each) was paid on September 9, 2020.

Total dividend for the year 2020 in the amount of Baht 140 million.

## 28. 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, 2021 and 2020 in the amount of Baht 1.57 million and Baht 1.70 million, respectively (The separate amount of Baht 1.45 million and Baht 1.53 million, respectively).

## 29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2021 and 2020 are as follows:

Unit : Baht

	Consolidated financial statements			
	Balance as at Jan. 1, 2021	Cash flows Increase (decrease)	Non-cash transaction Increase	Balance as at Dec. 31, 2020
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
<b>Total</b>	<b>2,953,169,633.36</b>	<b>(505,644,779.04)</b>	<b>651,901,284.21</b>	<b>3,099,426,138.53</b>

Unit : Baht

	Consolidated financial statements			
	Balance as at Jan. 1, 2020	Cash flows Increase (decrease)	Non-cash transaction Increase	Balance as at Dec. 31, 2020
Bank overdrafts	1,880,056.54	(1,880,056.54)	-	-
Short-term loan from financial institutions	40,000,000.00	80,000,000.00	-	120,000,000.00
Bill of exchange	199,669,730.18	(200,741,005.25)	1,071,275.07	-
Long-term loan unsecured debenture	1,020,874,590.17	59,073,159.15	1,113,613.20	1,081,061,362.52
Lease liabilities	145,804,270.81	(81,477,672.08)	289,203,497.56	353,530,096.29
Debentures	1,847,885,911.29	(450,000,000.00)	692,263.26	1,398,578,174.55
<b>Total</b>	<b>3,256,114,558.99</b>	<b>(595,025,574.72)</b>	<b>292,080,649.09</b>	<b>2,953,169,633.36</b>
	Separate financial statements			
	Balance as at Jan. 1, 2021	Cash flows Increase (decrease)	Non-cash transaction Increase	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
<b>Total</b>	<b>2,882,223,540.95</b>	<b>(495,302,067.17)</b>	<b>648,327,109.53</b>	<b>3,035,248,583.31</b>
	Separate financial statements			
	Balance as at Jan. 1, 2020	Cash flows Increase (decrease)	Non-cash transaction Increase	Balance as at Dec. 31, 2020
Bank overdrafts	1,880,056.54	(1,880,056.54)	-	-
Short-term loan from financial institutions	40,000,000.00	80,000,000.00	-	120,000,000.00
Bill of exchange	199,669,730.18	(200,741,005.25)	1,071,275.07	-
Long-term loan unsecured debenture	1,020,874,590.17	59,073,159.15	1,113,613.20	1,081,061,362.52
Lease liabilities	64,312,739.36	(71,519,267.16)	289,790,531.68	282,584,003.88
Debentures	1,847,885,911.29	(450,000,000.00)	692,263.26	1,398,578,174.55
<b>Total</b>	<b>3,174,623,027.54</b>	<b>(585,067,169.80)</b>	<b>292,667,683.21</b>	<b>2,882,223,540.95</b>

## 30. COMMITMENTS AND CONTINGENT LIABILITIES

### 30.1 Commitments of services contracts

As at December 31, 2021, the Company has 2 services contracts for the periods 1-2 years, the total rate of service charge of Baht 0.76 million per year.

### 30.2 Commitments of capital expenditure

As at December 31, 2021, the Company has the commitment about installation and software development system agreement, which the Company will pay under the agreement in the amount of Baht 1.26 million (included VAT).

### 30.3 Guarantee

As at December 31, 2021, the Company has letters of guarantee issued by three local commercial bank for rental bidding guarantee in the amount of Baht 119.69 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.

Principal amount	Interest income rate swap agreement (percent)	Interest expenses rate swap agreement (percent)	Termination date
92.02 Million Baht	THBFIX 6M + 1.65	FIXED 2.45	March 2024
80.00 Million Baht	THBFIX 6M + 1.65	FIXED 2.45	September 2024

## 31. 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, 2021 and 2020 as follows:-

	Consolidated financial statements (Thousand Baht)					
	Car rent of operating		Used car distribution		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Income on car leases	1,311,351	1,297,121	-	-	1,311,351	1,297,121
Income on sale of cars	607,208	674,607	212,023	140,593	819,231	815,200
Total	1,918,559	1,971,728	212,023	140,593	2,130,582	2,112,321
Cost						
Cost of car leases	1,135,829	1,145,476	-	-	1,135,829	1,145,476
Cost of sales of cars	387,978	459,067	191,094	131,684	579,072	590,751
Total	1,523,807	1,604,543	191,094	131,684	1,714,901	1,736,227
Gross profit	394,752	367,185	20,929	8,909	415,681	376,094
<u>Total assets as of December 31,</u>						
Assets for leases - net	4,289,182	4,263,391	-	-	4,289,182	4,263,391
Fixed assets - net	2,936	3,915	168,042	169,774	170,978	173,689
Right-of-use asset - net	12,005	15,159	62,519	72,412	74,524	87,571
Intangible assets - net	13,564	11,277	1,526	1,207	15,090	12,484
Other assets	1,115,972	869,262	37,638	9,620	1,153,610	878,882
Total	5,433,659	5,163,004	269,725	253,013	5,703,384	5,416,017

### Major customers

In 2021 and 2020, the Company and its subsidiary have no major customer (with revenue of 10 percent or more of an entity's revenue).



## 32. DISCLOSURE OF FINANCIAL INSTRUMENTS

### 32.1 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.

### 32.2 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.

### 32.3 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, 2021 and 2020, the significant financial assets and financial liabilities (part of these are under derivative instruments as described in Note 18) classified by types of interest rates were as follows:

Unit : Baht

	Consolidated financial statements as at December 31, 2021				Effective Interest rate (% per annum)
	Floating interest rate	Fixed interest rate	No interest	Total	
<b>Financial assets</b>					
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	-
Revenue department account receivable	-	-	692,314.76	692,314.76	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.15 - 0.35
<b>Financial liabilities</b>					
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

Unit : Baht

	Consolidated financial statements as at December 31, 2020				Effective Interest rate (% per annum)
	Floating interest rate	Fixed interest rate	No interest	Total	
<b>Financial assets</b>					
Cash and cash equivalents	37,809,452.04	-	1,381,440.37	39,190,892.41	0.10 - 0.375
Trade and other current receivables	-	-	201,177,841.79	201,177,841.79	-
Other current financial assets	-	-	13,391.50	13,391.50	-
Revenue department account receivable	-	-	13,909,328.24	13,909,328.24	-
Cash at banks using for guarantee	-	50,021,040.52	-	50,021,040.52	0.25 - 0.95
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	-	120,000,000.00	-	120,000,000.00	MMR
Trade and other current payables	-	-	75,099,125.46	75,099,125.46	-
Long-term loans from financial institutions	-	1,079,947,749.32	-	1,079,947,749.32	Fixed
Lease liabilities	-	353,530,096.29	-	353,530,096.29	2.66 - 4.79
Debenture	-	1,398,578,174.55	-	1,398,578,174.55	2.46 - 3.10

Unit : Baht

	Separate financial statements as at December 31, 2021				Effective Interest rate (% per annum)
	Floating interest rate	Fixed interest rate	No interest	Total	
<b><u>Financial assets</u></b>					
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	-
Revenue department account receivable	-	-	692,314.76	692,314.76	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.15 - 0.35
<b><u>Financial liabilities</u></b>					
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

Unit : Baht

	Separate financial statements as at December 31, 2020				Effective Interest rate
	Floating interest rate	Fixed interest rate	No interest	Total	
<b><u>Financial assets</u></b>					
Cash and cash equivalents	37,645,234.45	-	1,212,313.45	38,857,547.90	0.10 - 0.375
Trade and other current receivables	-	-	192,000,608.26	192,000,608.26	-
Other current financial assets	-	-	13,391.50	13,391.50	-
Revenue department account receivable	-	-	13,909,328.24	13,909,328.24	-
Cash at banks using for guarantee	-	50,021,040.52	-	50,021,040.52	0.25 - 0.95
<b><u>Financial liabilities</u></b>					
Bank overdrafts and short-term loans from financial institutions	-	120,000,000.00	-	120,000,000.00	MMR
Trade and other current payables	-	-	133,070,659.40	133,070,659.40	-
Long-term loans from financial institutions	-	1,079,947,749.32	-	1,079,947,749.32	Fixed
Lease liabilities	-	282,584,003.88	-	282,584,003.88	2.66 - 4.25
Debenture	-	1,398,578,174.55	-	1,398,578,174.55	2.46 - 3.10

## Interest rate swap contracts

As at December 31, 2021 and 2020, 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 18 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 and 2020, the nominal and carrying amounts of the derivative financial instruments are presented in the following table in Thai Baht.

	Type of hedge	Hedging instruments		Carrying amount of hedging instruments Liabilities (Baht)	Maturity date	Interest swap rate received	Interest swap rate paid
		Derivative	Contractual amount (Baht)			(percent)	(percent)
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
2020	Cash flow hedge	Interest rate swap transaction agreement	172,021,276.60	161,808,510.66	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 and 2020, in the consolidated and separate financial statements are as follow:

	Type of hedge	Change in the fair value of the hedge items for determining ineffectiveness (Baht)	Presentation of the hedged items in the statement of financial position
2021	Cash flow hedge	(109,515.90)	Financial liabilities
2020	Cash flow hedge	(1,113,613.20)	Financial liabilities

### 32.4 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:

Unit : Baht

	Consolidated financial statements			
	As at December 31, 2021			
	Book Value			Fair Value
	FVPL	Amortized cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	31,313,354.09	31,313,354.09	31,313,354.09
Trade and other current receivables	-	215,681,358.81	215,681,358.81	215,681,358.81
Other current financial assets	227,074,014.54	-	227,074,014.54	227,074,014.54
Revenue department account receivable	-	692,314.76	692,314.76	692,314.76
Fixed deposit using for guarantee	-	50,000,000.00	50,000,000.00	50,000,000.00
	227,074,014.54	297,687,027.66	524,761,042.20	524,761,042.20



Unit : Baht

Consolidated financial statements				
As at December 31, 2021				
	Book Value			Fair Value
	Fair value – Derivatives	Amortized cost	Total	
<b>Financial liabilities</b>				
Trade and other current payables	-	80,451,159.71	80,451,159.71	80,451,159.71
Accounts payable-purchase assets for leases	-	67,558,313.26	67,558,313.26	67,558,313.26
Long-term loans from financial institutions	-	837,431,487.07	837,431,487.07	837,431,487.07
Lease liabilities	-	862,680,637.74	862,680,637.74	862,680,637.74
Debentures	-	1,399,314,013.72	1,399,314,013.72	1,414,085,051.00
Derivative liabilities	109,515.90	-	109,515.90	109,515.90
Deposits for car lease from clients	-	157,858,345.19	157,858,345.19	157,858,345.19
	109,515.90	3,405,293,956.69	3,405,403,472.59	3,420,174,509.87

Unit : Baht

Consolidated financial statements				
As at December 31, 2020				
	Book Value			Fair Value
	FVPL	Amortized cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	39,190,892.41	39,190,892.41	39,190,892.41
Trade and other current receivables	-	201,177,841.79	201,177,841.79	201,177,841.79
Other current financial assets	13,391.50	-	13,391.50	13,391.50
Revenue account receivable	-	13,909,328.24	13,909,328.24	13,909,328.24
Fixed deposit using for guarantee	-	50,021,040.52	50,021,040.52	50,021,040.52
	13,391.50	304,299,102.96	304,312,494.46	304,312,494.46

Unit : Baht

Consolidated financial statements				
As at December 31, 2020				
	Book Value			Fair Value
	Fair value – Derivatives	Amortized cost	Total	
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans from financial institutions	-	120,000,000.00	120,000,000.00	120,000,000.00
Trade and other current payables	-	75,099,125.46	75,099,125.46	75,099,125.46
Accounts payable-purchase assets for leases	-	119,142,579.76	119,142,579.76	119,142,579.76
Long-term loans from financial institutions	-	1,081,061,362.52	1,081,061,362.52	1,081,061,362.52
Lease liabilities	-	353,530,096.29	353,530,096.29	353,530,096.29
Debentures	-	1,398,578,174.55	1,398,578,174.55	1,410,981,389.00
Derivative liabilities	1,113,613.20	-	1,113,613.20	1,113,613.20
Deposits for car lease from clients	-	106,174,709.62	106,174,709.62	106,174,709.62
	1,113,613.20	3,253,586,048.20	3,254,699,661.40	3,267,102,875.85

Unit : Baht

Separate financial statements				
As at December 31, 2021				
	Book Value			Fair Value
	FVPL	Amortized cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	31,006,961.31	31,006,961.31	31,006,961.31
Trade and other current receivables	-	198,568,567.27	198,568,567.27	198,568,567.27
Other current financial assets	227,074,014.54	-	227,074,014.54	227,074,014.54
Revenue department account receivables	-	692,314.76	692,314.76	692,314.76
Fixed deposit using for guarantee	-	50,000,000.00	50,000,000.00	50,000,000.00
	227,074,014.54	280,267,843.34	507,341,857.88	507,341,857.88

Unit : Baht

Separate financial statements				
As at December 31, 2021				
	Book Value			Fair Value
	Fair value – Derivatives	Amortized cost	Total	
<u>Financial liabilities</u>				
Trade and other current payables	-	131,843,807.06	131,843,807.06	131,843,807.06
Accounts payable-purchase assets for leases	-	67,558,313.26	67,558,313.26	67,558,313.26
Long-term loans from financial institutions	-	837,431,487.07	837,431,487.07	837,431,487.07
Lease liabilities	-	798,503,082.52	798,503,082.52	798,503,082.52
Debentures	-	1,399,314,013.72	1,399,314,013.72	1,414,085,051.00
Derivative liabilities	109,515.90	-	109,515.90	109,515.90
Deposits for car lease from clients	-	157,858,345.19	157,858,345.19	157,858,345.19
	109,515.90	3,392,509,048.82	3,392,618,564.72	3,407,389,602.00

Unit : Baht

Separate financial statements				
As at December 31, 2020				
	Book Value			Fair Value
	FVPL	Amortized cost	Total	
<u>Financial assets</u>				
Cash and cash equivalents	-	38,857,547.90	38,857,547.90	38,857,547.90
Trade and other current receivables	-	192,000,608.26	192,000,608.26	192,000,608.26
Other current financial assets	13,391.50	-	13,391.50	13,391.50
Revenue department account receivable	-	13,909,328.24	13,909,328.24	13,909,328.24
Fixed deposit using for guarantee	-	50,021,040.52	50,021,040.52	50,021,040.52
	13,391.50	294,788,524.92	294,801,916.42	294,801,916.42

Unit : Baht

	Separate financial statements			
	As at December 31, 2020			
	Book Value			Fair Value
	Fair value – Derivatives	Amortized cost	Total	
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institutions	-	120,000,000.00	120,000,000.00	120,000,000.00
Trade and other current payables	-	133,070,659.40	133,070,659.40	133,070,659.40
Accounts payable-purchase assets for leases	-	119,142,579.76	119,142,579.76	119,142,579.76
Long-term loans from financial institutions	-	1,081,061,362.52	1,081,061,362.52	1,081,061,362.52
Lease liabilities	-	282,584,003.88	282,584,003.88	282,584,003.88
Debentures	-	1,398,578,174.55	1,398,578,174.55	1,410,981,389.00
Derivative liabilities	1,113,613.20	-	1,113,613.20	1,113,613.20
Deposits for car lease from clients	-	106,174,709.62	106,174,709.62	106,174,709.62
	1,113,613.20	3,240,611,489.73	3,241,725,102.93	3,254,128,317.38

Financial assets mandatorily measured at FVPL include the following:

Unit : Baht

	Consolidated/Separate financial statements	
	2021	2020
<u>Other current financial assets</u>		
Mutual funds	227,074,014.54	13,391.50
Total Other current financial assets	227,074,014.54	13,391.50

### 32.5 Fair value hierarchy

As at December 31, 2021 and 2020, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	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

	2020			
	Consolidated/Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current financial assets - Mutual funds	-	13,391.50	-	13,391.50
Financial liabilities measured at fair value				
Other non-current financial liabilities - Derivative liabilities	-	1,113,613.20	-	1,113,613.20



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.

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.

### **33. 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, 2021, the Company and its subsidiary debt-to-equity ratio was 1.53:1 (December 31, 2020 : 1.55:1) and the Company's was 1.72:1 (December 31, 2020 : 1.64:1).

### **34. EVENT AFTER THE REPORTING PERIOD**

At the Board of Directors' meeting of the Company held on February 24, 2022, the directors approved to pay dividends for Baht 0.43 per share in the amount of Baht 107.50 million, from 2021 operations. The interim dividends were paid on June 2021 for Baht 0.17 per share, amount of Baht 42.50 million. And the remaining is Baht 0.26 per share, in the amount of Baht 65 million, will be pay within May 2022 subject to approval by the Annual General Meeting of Shareholders of the Company.

### **35. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Board of Directors of the Company on February 24, 2022.

**2021**  
**ANNUAL REPORT**  
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