

**MOVING
FORWARD**



ANNUAL REPORT 2023



Krungthai Car Rent & Lease PLC.
บริษัท กรุงเทพคาร์เร็นท์ แอนด์ ลีส จำกัด (มหาชน)

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Mr. Pithep Chantarasreekul
The Chairman of the Board of Directors



Mr. Pichit Chantarasreekul
Managing Director

Message from Chairman of the Board

The overall automobile industry and related businesses in the year 2023 saw adjustments and reductions compared to the previous year 2022. This was due to the economic slowdown, high household debt, and delayed car purchases by businesses. Meanwhile, financial institutions tightened their lending for car leasing, and loan interest rates were raised. However, the increasing popularity of electric vehicles (EVs) in the past year, supported by government price support measures, was a positive factor. The automotive industry's trend in 2024 is expected to gradually recover, aligning with the overall economy.

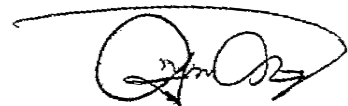
Within the car rental business, a downturn was observed, mirroring the broader automotive industry downturn. The used car market experienced a substantial downturn, particularly towards the end of 2023, attributed to an oversupply of repossessed vehicles by financial institutions stemming from non-performing loans (NPLs). This prompted financial institutions to further tighten car leasing lending practices, compounded by heightened competition from new car models and EVs.

Amid the challenging circumstances in 2023, the company adjusted its operations, incorporating technology to support various functions, including marketing and expanding car sales networks through online channels. Continuous employee development was emphasised, along with a focus on EVs. The company closely monitored the EV market, swiftly adapting to changes and managing risks in transitioning from internal combustion engines to electric systems. As a result, the company was well-positioned for sustained growth and profitability. In the past year, despite the overall downturn in the automotive industry, the company generated a net profit of 193 million baht, a 5% increase from the previous year. Total rental revenue saw a slight decrease, with rental revenue at 1.3 billion baht, down 3% from the previous year. This was primarily due to customers choosing to extend existing lease contracts rather than entering into new ones.

There was an increased focus on scrutinising new customer selection to mitigate the risk of future bad debts. Nevertheless, the company saw an increase in the sale of used cars from the previous year by 2%. This was attributed to the efficient management of car sales at the end of lease contracts, resulting in a profit from car sales totalling 290 million baht, representing a 37% increase from the previous year.

In 2024, the company continued to set goals for business growth while seeking additional business opportunities through collaboration with partners and exploring new technologies to enhance customer experiences. This is coupled with the development of services, maintaining a sustainable growth-oriented operational approach, considering stakeholders comprehensively across all dimensions: environmental, social, and corporate governance, as well as establishing practices to foster organisational sustainability.

Lastly, as chairman of the board of directors, and on behalf of the board and management team, I extend sincere gratitude to all who have supported the company's endeavours. This includes our shareholders, customers, business partners, and financial institutions. Your unwavering support and dedication are instrumental in our journey towards sustainable growth, creating value for society, shareholders, customers, and all stakeholders alike.



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)	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Income on car leases	1,311.35	59.45	1,347.06	59.08	1,300.65	59.88
Income on sale of cars	819.23	37.14	873.52	38.31	805.83	37.10
Other income	75.10	3.4	59.61	2.61	65.57	3.02
Total expenses	1,870.11	84.79	1,970.01	86.4	1,845.20	84.95
Profit before income tax expenses	335.57	15.21	310.17	13.6	326.85	15.05
Finance cost	80.82	3.66	77.7	3.41	83.99	3.87
Income tax expenses	28.63	1.3	49.25	2.16	50.17	2.31
Profit for the year	226.11	10.25	183.23	8.04	192.69	8.87

STATEMENT OF FINANCIAL POSITION (Million Baht)	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	5,703.38	100.00	5,595.76	100.00	5,881.51	100.00
Total liabilities	3,446.59	60.43	3,266.93	58.38	3,500.08	59.51
Total shareholders' equity	2,256.79	39.57	2,328.83	41.62	2,381.43	40.49

KEY FINANCIAL RATIOS	2021	2022	2023
Authorized share capital (Million shares)	250	250	250
Book value per share	9.93	9.32	9.53
Profit (Loss) per share (Baht)	0.90	0.73	0.75
Dividends per share (Baht)	0.43	0.49	0.37
Dividend Payout Ratio	50.73	49.77	49.51
Profitability Ratio			
Gross Profit Margin (Excluding Profit on Sale of Rental Assets)	13.38	13.67	11.03
Gross Profit Margin (Including Profit on Sale of Rental Assets)	19.51	19.31	20.94
Operating Margin	15.21	13.60	15.05
Net Profit Margin	10.25	8.04	8.87
Liquidity Ratios			
Current Ratio	0.63	0.47	0.61
Asset Turnover	0.40	0.40	0.58
Efficiency Ratio			
Return on Assets (ROA)	4.58	4.11	4.23
Return on Equity (ROE)	10.31	8.22	11.78
Leverage Ratio			
Debt/Equity Ratio	1.53	1.40	1.44
Interest Coverage Ratio	4.15	3.99	2.69
Debt service coverage ratio : DSCR	3.04	1.26	1.15
Net interest bearing debt to EBITDA ratio	2.50	2.30	2.58
Interest bearing debt to equity : IBD/E ratio	1.39	1.37	1.32
Current portion of long-term interest bearing debt to interest bearing debt	0.37	0.47	0.26
Loan from investment institutions to interest bearing debt	0.47	0.46	0.24

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 Chantaraseeeku

1992

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

registered as a company with registered capital of Bath 4 million which belonged to Chantaraseeeku 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 Krungthai Use Car
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 five branches of used car outlet

1. Headquarters on Kanchanabhisek road
2. Srinagarindra road branch
3. Kaset branch
4. Kanchanaphisek-Baromarachachonani Branch
5. Ramindra road (KM7) 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 Kungthai, Kaset branch)
4. Srinagarindra counter (Toyota Sure Kungthai, Srinagarindra branch)
5. Taling Chan counter (Toyota Kungthai, Taling Chan branch)

2023

November 2023

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).



Vision & Corporate Policy



Vision

“Service and Quality Excellence”

Mission

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

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-liked while nourishing them the morality, community, social and environment responsibilities under the good corporate governance practices.”



Organizational 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

KCARway
วิถีแห่งการ



Organization'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.

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 serve customers in an 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 its vicinity every day Including a replacement car service in the event of an accident.



The Company established service center at Head Office located on Rama III road including the contract service centers more than 1,100 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.

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.

1.4 Nature of Business

Structure of Income

The revenue structure of the Company's consolidated financial statements for the year 2021 - 2023 can be summarized as follows:

Source of Income	By	% Shares of the Company	2021		2022		2023	
			Million Bath	%	Million Bath	%	Million Bath	%
1. Rental Cars	Company		1,311.35	59.45	1,347.06	59.08	1,300.64	59.88
2. . Sale of Used Cars	Company		607.21	27.53	554.78	24.33	719.39	33.12
3. Sale of Used Cars	subsidiary	100	212.02	9.61	318.74	13.98	86.44	3.98
4. Other sources ^{1/}	Company /Subsidiary		75.10 ^{2/}	3.40	59.61	2.61	65.56	3.02
Total			2,205.68	100	2,280.19	100	2,172.04	100

Note: ^{1/} Income from other sources e.g. service centers, received interests, termination fee, and sales promotion.

^{2/} Other income for the year 2022 is part of the income from the reversal of the reserve for tax refund. because it has been returned from the Revenue Department

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 and other spot centers including the contract center with more than 1,100 locations.

Car insurance services

The company partners with leading insurance companies and all cars for rent are available. Type 1 car insurance for customers

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 the lease expires. By retailing directly to car buyers under the subsidiary's distribution, which will get a better selling price than wholesale. For deciding whether to sell a car that is out of lease or not. The company will consider from various factors such as the number of cars remaining of the company, vehicle condition, useful life. repair value and repair time If you decide to sell

The company will recondition the cars before selling in order to get a higher price. By setting the selling price, the company will consider the price of used cars in the market. The nature of business of the subsidiary or Krungthai Automobile Co., Ltd. ("Krungthai Automobile") is buying and selling used cars. Under the center name "Toyota Krungthai Use Car", which currently has 5 distribution centers, the first branch is the Kanchanaphisek branch. Located on Kanchanapisek Road, Bang Khae District, Bangkok

The second one, Srinakarin branch located on Srinakarin Road, Prawet District, Bangkok; the third Agricultural Branch located on Phaholyothin Road, Bang Khen District, Bangkok; the fourth Kanchanaphisek-Boroma Branch Located on Kanchanapisek Road, Taling Chan District, Bangkok and the 5th Ram Inthr (Km. 7) located on Ram Inthra 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 Toyata 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.

Used Car Market in 2023

The used car market in 2023 was impacted by an economic situation marked by increasing bad debts, making loan approval for customers significantly more challenging. Additionally, there was a notable increase in the volume of seized vehicles entering the market, leading to oversupply surpassing demand. Consequently, price competition intensified, resulting in a continuous decline in second-hand car prices. Moreover, the first-hand car sales scenario experienced heightened competition in terms of pricing, promotions, and the introduction of Electric Vehicles (EVs), causing a narrower price gap between first-hand and second-hand cars.

However, in the third quarter of 2023, financial institutions began showing trends towards easing credit approval conditions, coupled with a decrease in the volume of seized vehicles entering the market, indicating a gradual recovery for the second-hand car business.



In response to these circumstances, the company adopted a profit-oriented sales management approach, ensuring pricing alignment and competitiveness in the market. Stock turnover was accelerated to minimise losses from price fluctuations. Furthermore, there was an expansion of online sales channels to enhance customer engagement and offer benefits in warranties and financing. A new quality assurance format for used cars covering vehicles aged from 1 to 12 years was introduced. Efforts were made to improve the financing network to increase loan approval rates, alongside continuous sales team development initiatives. Consequently, there was a 2% increase in second-hand car sales compared to the previous year.

Car Rental Market in the Year 2023

An overview of the car rental business in the year 2023 revealed a contraction due to economic slowdown, high household debts, elevated interest rates on loans, and high production costs. Consequently, several companies postponed investments and focused on internal cost management. This led clients with lease agreements nearing completion to opt for contract renewals instead of entering new lease agreements. Simultaneously, there was a shift in policy for first-time renters, moving towards long-term leasing instead of purchasing, offering cost-effectiveness and better cost control, resulting in greater tax savings. Therefore, it remained an opportunity for the company to expand their long-term car rental market, given the continuous increase in demand.

The introduction of Electric Vehicles (EVs) also attracted interest from the company due to fuel savings and increased awareness of climate change issues, promoting sustainability. Moreover, government support for EV usage further incentivised the company. However, challenges such as insufficient charging stations and limited driving range per charge, particularly for inter-provincial use, hindered the company from promptly deciding to rent EVs.

Amid the challenging circumstances of the year 2023, the company adapted their operational processes, continuously enhancing employee capabilities and integrating technology to efficiently manage costs. Improving customer experience alongside service development was prioritised, with a focus on EVs. Market studies on electric cars enabled rapid adoption and risk management in transitioning from internal combustion engines to electric systems, positioning companies on the path for sustainable growth.

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	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Shareholders' equity	2,256.79	42.13	2,328.83	45.19	2,381.43	40.49
Liabilities from under financial lease agreements ¹						
Current portion	218.71	4.14	267.13	5.26	487.69	8.96
Over 1 years	569.64	10.79	545.82	10.75	1,180.29	21.70
Total Liabilities from under financial lease agreements	788.35	14.93	812.95	16.02	1,667.98	30.66
Loans from financial institutions and issuance of debt instruments						
Short-term loans and debt instruments	-	-	-	-	-	-
Current portion	314.89	5.96	251.03	4.95	330.76	6.08
Debentures due within one year	599.92	11.36	799.78	15.76	-	-
Total current portion	914.81	17.32	1,050.80	20.70	330.76	6.08
Debentures	799.4	15.14	449.38	8.85	748.99	13.77
Long-term loans	522.43	9.89	433.68	8.54	311.02	5.72
Long term total	1,321.83	25.03	883.06	17.40	1,060.01	19.48
Total Loans from financial institutions and Bill of Exchange/Debentures	3,024.99	57.27	2,746.81	54.12	3,058.75	56.23
Total	5,281.78	100	5,075.64	100	5,440.18	100

¹ Loans under hire-purchase agreements It is part of the financial lease items shown in the financial statements.

The company's total source of funds consists of 30.66 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 56.23 percent of the total source of funds. The remainder of 43.77 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 2023, the company borrowed money to invest in procuring cars for rent in the proportion of 81 percent of the investment value of purchasing a car to be rented out as of December 31, 2023.

The company purchased cars under financial lease agreements from 3 companies, representing 100% 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 9,736 cars and car accessories worth 4,727.03 million baht in book value. Of which, 2,864 cars are under financial lease agreements with financial institutions. The net book value is 1,866.69 million baht.

The company has made a power of attorney to transfer the vehicle registrations totalling 1,471 cars as registered collateral for long-term loans from 4 Thai commercial banks, amounting to 7 credit lines, with a total credit line of 2,115 million baht.

Assets awaiting sale

The company has 694 lease-expired vehicles awaiting sale, with a total book value of 202.94 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, 2023	unit: (million baht)
Land and land improvements	219.29
Building on leasehold	33.85
Total	253.14

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

Equipment and Vehicles

December 31, 2023	Obligation and right	unit: (million baht)
Equipment	Proprietor	0.33
Fixtures and office equipment	Proprietor	3.11
programmes	Proprietor	9.0
Computer programmes under development	Proprietor	13.58
Licences	Proprietor	0.50
Total		26.52

Accounts Receivable

December 31, 2023	unit: (million baht)
Receivable from rental car	108.43
Receivable from selling car	14.21
Total	122.64

Note : Amount before deducted Deposits for car lease from clients

Trade receivables classified by aging

December 31, 2023	unit: (million baht)
Undue	96.71
Not exceed 3 months	23.77
3 – 6 months	4.53
Over than 6 months	3.44
Total	134.43
Less: Allowance for doubtful accounts	(11.79)
Net	122.64

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, 2023 the company has set aside allowance for doubtful accounts in the amount of 11.76 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 August 22, 2022, with an area of approximately 900 square Wa, with details of the land lease agreement as follows:

Party/Lessor	:	Mrs Vallaya Srivanaphirom Mr Santiphap Phanseua Mr Krissada Phanseua
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	:	3 years: from January 22, 2023 to January 21, 2026. , and can be renewed for 3 years, 2 times and 1 time for 1 year
Rental rate ^{1/}	:	236,135.35 baht per month
Leasehold ^{1/}	:	The cost of land leasing fee in the amount of 4,352,725.13 baht is recorded as a leasehold right. The company is responsible for half of the expenses in the amount of 2,176,362.56 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

^{1/} 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 January 1, 2023 to December 31, 2025.
Rental rate	:	100,000 baht per month
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 90 days 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 Sirichaoenchaisakul	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 July31, 2023. The total area is 6 Rai, 3 Ngan, 11 square Wa, with the land lease agreement as follow:

Party/Lessor	:	Boonraksa Holdings Company Limited
Tenant	:	Krungthai Automobile Company Limited
Relationship between the parties	:	The parties to the contract are not related.
Contract period	:	3 years: August 1, 2023 to July 31, 2026.
Rental rate	:	585,338 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 25,000 baht per day until the lessee delivers the leased land back in good condition.

3) Lease agreement of the land area of 400 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, 2024
Rental rate	:	141,173.75 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	:	3 year: January 1, 2023 to December 31, 2026
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 December 27, 2022, 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: January 20, 2023 to December 31, 2025
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 30% 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, 2023 - October 31, 2024
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.

3) The subsidiary rents space for commercial purposes in the category of a car showroom at No. 64 Kanchanaphisek Road, Bang Ramat Subdistrict, Taling Chan District, Bangkok. An area of approximately 2,300 square meters as of December 1, 2022, with the details of the lease agreement as follows:

Party	:	Metro Mobile Company Limited
Relationship between the parties	:	Shareholders and directors are the same group of people.
Contract period	:	3 years: December 1, 2022 - November 30, 2025
Rental rate	:	270,000 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, 2023 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 31 August 2023

No.	Names	Number of Shares Held	%
1	The Chantarasereekul Family/ ¹	183,733,400	73.49
2	Saha Pathana Inter-Holding Public Company Limited	14,359,000	5.74
3	Mr. Prinya Thieanworn	6,410,000	2.56
4	The Khunsongkiat Family/ ²	2,328,900	0.93
5	Thai NVDR Company Limited	1,982,801	0.79
6	The Terdtoontaveedej Family/ ³	1,805,200	0.72
7	Ms.Duangchada Leekranchai	1,700,000	0.68
8	DBS BANK LTD. AC DBS NOMINEES-PB CLIENTS	1,385,400	0.55
9	The Saguansintukul Family includes/ ⁴	1,200,000	0.48
10	The Rungthanapirom Family/ ⁵	890,100	0.36
	Total	215,794,801	86.32

^{1/} 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

^{2/} The Khunsongkiat Family includes

1. Dr. Prajuab Khunsongkiat holds 1,172,400 shares represent 0.47
2. Ms. Piyada Khunsongkiat holds 824,400 shares represent 0.33
3. Mrs. Laddawan Khunsongkiat holds 331,100 shares represent 0.13

^{3/} The Terdtoontaveedj Family includes

1. Mr. Somkiat Terdtoontaveedj holds 1,605,200 shares represent 0.64
2. Mr. Roengchai Terdtoontaveedj holds 100,000 shares represent 0.04
3. Mrs. Darunee Terdtoontaveedj holds 100,000 shares represent 0.04

^{4/} The Saguansintukul Family includes

1. Mr. Ittichai Saguansintukul holds 1,000,000 shares represent 0.40
2. Mrs. Kannika Saguansintukul holds 200,000 shares represent 0.08

^{5/} The Rungthanapirom Family includes

1. Mr. Thanapat Rungthanapirom holds 600,000 shares represent 0.24
2. Mr. Tanawat Rungthanapirom holds 290,000 shares represent 0.12

1.5 Issuing of Other Securities

The company issued two (2) sets of debentures* on behalf of Krungthai Car Rent and Lease Public Company Limited at the amount of 750 million baht, with the following detail:

Lots of Debentures	Total Issue Amount (Million Baht)	Outstanding Debenture (Million Baht)	Maturity Date	Interest Rate (%)	credit rating
1/2022	450	450	10 February 2025	2.32	A-
1/2023	300	300	9 November 2026	4.23	A-
Total	750	750			

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

	2018	2019	2020	2021	2022
Net Profit Ratio per Share (Baht)	1.00	0.87	0.87	0.90	0.73
Dividend Ratio per Share (Baht)	0.80	0.70	0.44	0.43	0.49
Dividend Payout Ratio to Net Profit (%)	80%	80%	51%	51%	50%

2. Risk Management

Risk Management Policy

The company operates under acceptable risks so as to achieve the company's objectives and respond to the stakeholders' expectations. The company designated the risk management as part of the creation of the yearly business plan, the day-to-day management and the decision making, including the management processes of various projects.

1. All executives and employees of the company own the risks. They are responsible for identifying and assessing the risks of the departments for which they are responsible, including the creation of appropriate measures to mitigate the risks.
2. The risks affecting the achievement of all company objectives must be carried out as follow:
 - Identify risks in a timely manner.
 - Assess the likelihood of the risk occurring and its possible impact if such an event occurs.
 - Manage risks in accordance with established risk management guidelines by taking into account the costs involved and the benefits that can be obtained from managing such risks.
 - Follow up to ensure that the company's risks are managed.
 - Monitor to ensure that company risks are properly managed.
 - Risks that may affect the company's business plans and strategies have high and very high risks must be reported to the Risk Management Committee, the Audit Committee and the Board of Directors acknowledged.

Risk Management Process

- Have profound understanding of clients and cover wider markets.
- Selection of clients with good car use and give precedence to service rendering.
- Big Lot Project

- Add a cross check system
- Employees can work interchangeably.
- Car policy, quantity and age of stock.



- Review customer credit whenever bidding (Review, Revised, Reconsider)
- Credit Conditions – (Deposit, L/G, Guaranteed by Director/ / Shareholder)

- Maintain D/E ratio
- Use more lease contracts.
- Raise the level of debt collection.

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 of December 31, the details are as follows:

Type of Interest	December 31, 2021		December 31, 2022		December 31, 2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Fixed	2,937.56	94.8	2,387.84	84.5	2,793.17	88.6
Floated	161.76	5.2	437.02	15.5	358.44	11.4
Total	3,099.32	100.0	2,824.86	100.0	3,151.61	100.0

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. Kanchanapisek-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 1,100 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 2023 and 2022 the company had sold away a total of 1,449 lease-expired cars, and 1,131 lease-expired cars, respectively. The profit of lease-expired car sales in 2023 totalled 317.27 million baht, and in 2022 totalling 212.38 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.

883.80 million of short-term capital, and 4,699.33 million baht of long-term capital (comprising 2,317.81 million baht of long-term debt and 2,381.52 million baht of shareholders' part) or to put it in simple terms, the company's debt structure is 16 : 84 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 pool 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 2023, they were 1,170.86 million baht and 1,794.49 million baht respectively, while the current portion of liabilities of 833.80 million baht is due to be paid back within one year; and of the long-term liabilities of 2,317.81 million baht

Consolidated financial statements	2021		2022		2023	
	Million Bath	%	Million Bath	%	Million Bath	%
Short-term capital						
• Loans from financial institutions and Bill of Exchange	-	-	-	-	-	-
• Financial lease agreements	230.99	4.31	278.85	5.41	503.04	9.09
• Long-term loans	314.89	5.88	251.03	4.87	330.76	5.98
• Debentures	599.92	11.20	799.78	15.52	-	0.00
Total short-term capital	1,145.79	21.39	1,329.65	25.80	833.80	15.07
Long-term capital						
• Net - Current portion	1,953.52	36.48	1,495.21	29.01	2,317.81	41.89
• Shareholders' equity	2,256.79	42.13	2,328.83	45.19	2,381.43	43.04
Total long-term capital	4,210.31	78.61	3,824.04	74.20	4,699.25	84.93
Total	5,356.11	100	5,153.69	100	5,533.05	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.

2.6 Economic Risks

Although Thailand's overall economic situation in 2023 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.

2.9 Information Technology Risk

IT risks refers to risks that may arise from using information technology in the operations of the business, which may affect the system or operation of the company, including the risk from cyber threats and external risks.

The Company places importance on information technology risks as the key type of risk and is part of the overall risk management of the organization. The company also provides necessary and sufficient resources to manage information technology risks to keep the risk at an acceptable level under the information technology risk management policy framework.

The company enforces an information technology risk management policy in order to define the company's technology risk management framework that covers the roles, duties, and responsibilities of the Board of Directors and agencies the company develops information technology risk management framework. This is in line with the company's operational risk management framework to ensure that information technology risks which cover risks from cyber threats, the risk of using third party services, and risks in IT project management are identified, assessed, monitored, reviewed, controlled and reported.



The management of Information technology risk is an integral part of operational risk management and information security management that focuses on confidentiality. The accuracy and reliability of work systems and information and availability of information technology including the maintenance and protection of customer information can help increase the clients' confidence in the company's services.

3. Business sustainability development



Scope of Sustainability Policy

Scope of Reporting

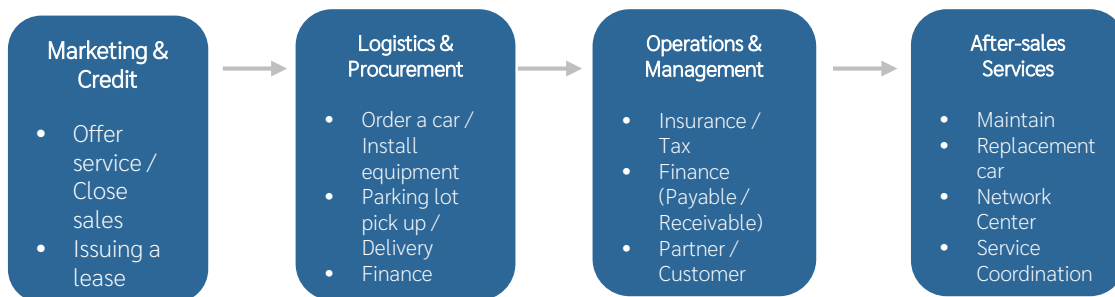
Krungthai Car Rent and Lease Public Company Limited (Company) annually produces a sustainability report annually as a communication channel for business stakeholders to acknowledge the company's commitment and performance of the goals for sustainability plans as approved by the Board of Directors. The 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, 2023. 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, and the reporting framework guidelines by the "Sustainable Business Growth Team" consisting of employees from various departments of the company who are in contact, coordination, data collection, initiation of data collection in other dimensions related to important issues in driving the business to the sustainable growth.

The Company realizes the importance of conducting business with responsibility towards society, community and environment. Along with generating returns or good results in the economy. to lead to the important goal is Business development for sustainable growth.



Value Chain



Marketing & Credit

The Company 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. classified as small car, medium car, big car, van and pickup which are Toyota, Honda, Isuzu, Nissan, European, EV and etc.

Logistics & Procurement

After signing the contract, the company provides the car that the customer needs, including equipment. to deliver the best car

Operations & Management

The company provides first class insurance for all cars and the Company responsible for registration vehicle tax and inspection expense

After-sales Services

The company also provides after-sales service e.g. repair service with replacement cars, including 24 hour-call center to support the customer in case of emergency and car replacement in case of accident. The Company including the contract service centers more than 1,100 centers in order to ensure the good care of customers all times.

For support activities that enable the above activities to achieve their goals include: Accounting, Finance, Legal, Human Resources, Administrative, Business Operations Facilities also contribute to the efficient implementation of key activities to achieve the goals.



การดูแล จัดการ รถยนต์ของลูกค้า



การทำประกันภัย และการคุ้มครอง



การจดทะเบียน และภาษีประจำปี



การจัดการรถทดแทน



การควบคุม ค่าซ่อมบำรุง

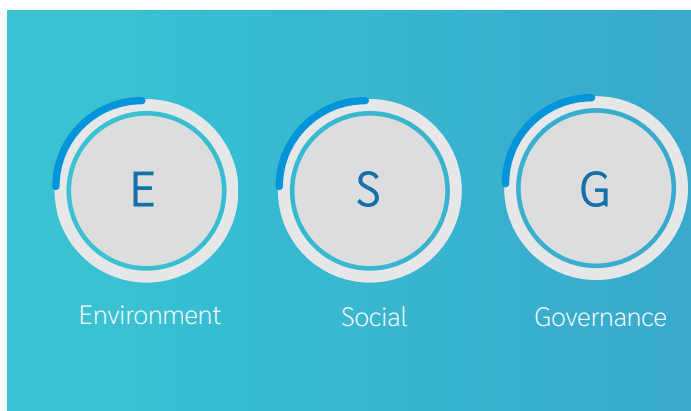


การจัดการรถเมื่อครบกำหนด

Sustainability Operations Policy

From the company's ideology that focuses on customer service excellence and set goals

“ 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-liked while nourishing them the morality, community, social and environment responsibilities under the good corporate governance practices.

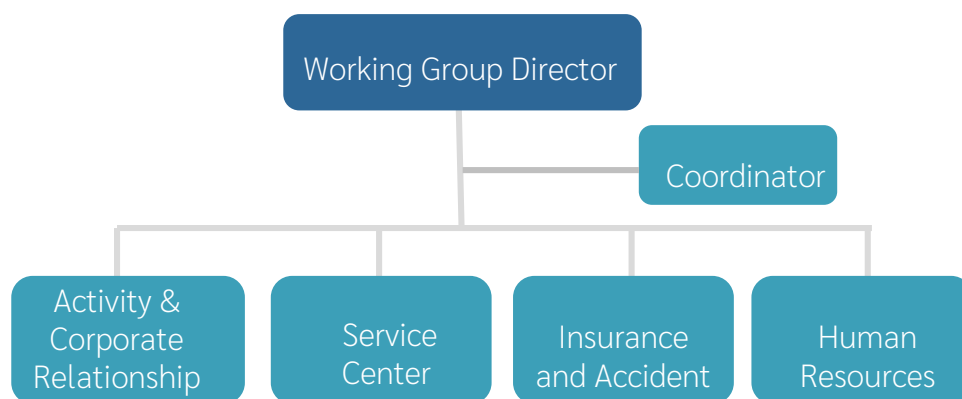


The company has constituted a policy and a set of guidelines for various operations as stated in the following:

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

Sustainable Development Committee

The working group of the Committee for Sustainable Development is as follows:



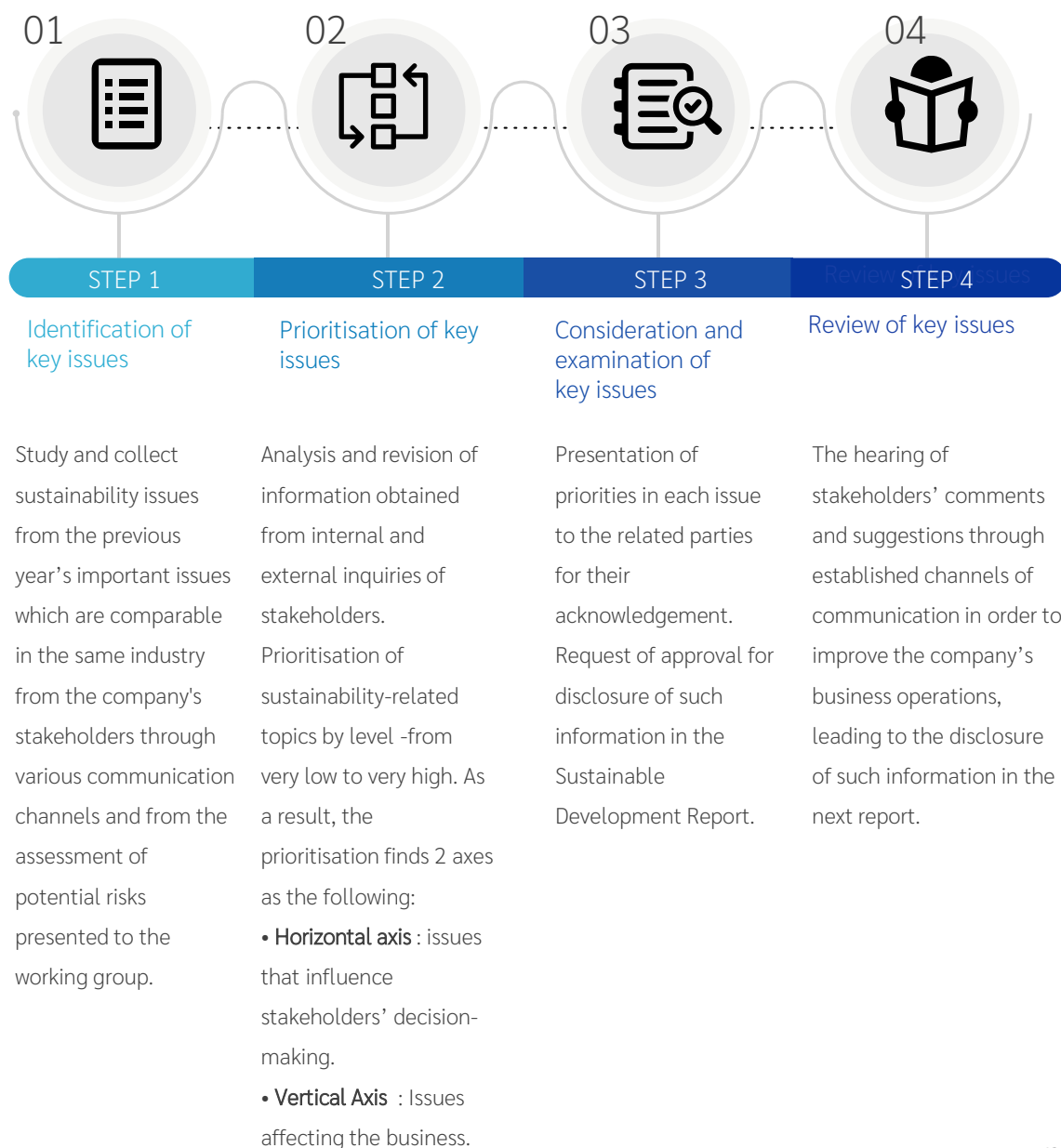
SD Committee member has the following powers and duties:

- To consider the Company activity and policy for society, community and environment in order to present to the Board of Directors.
- To consider and approve for the Company strategy and activity to achieve the SD objective and policy.
- To consider and screen the plan and annual budget for the implementation of SD in order to present to the Board of Directors.
- Consider and monitor the progress in implementation and evaluation of SD as well as the quality of the CSR program.
- Encourage the Board of Directors and employees involved in the operation of SD.
- Consider appointing for a working group to support CSR activity.
- Operate any activity appointed by the Board of Directors concerning SD operation.

Important issues on Sustainability

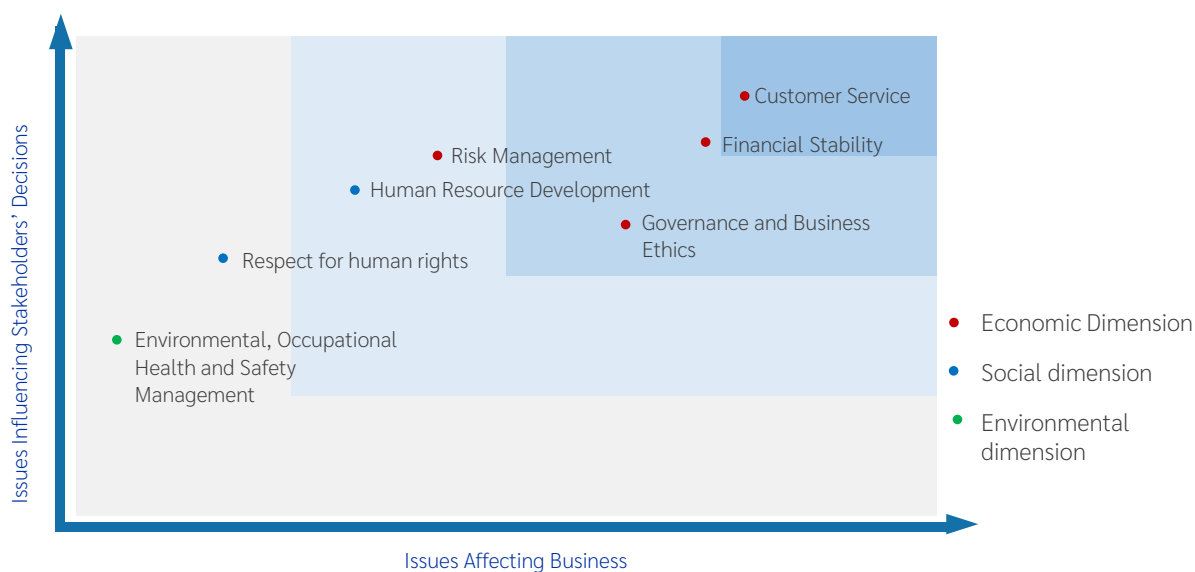
The procedures of assessing the sustainability issue consist of collecting and prioritising issues affecting the economy, society, environment, and issues affecting the decision-making of stakeholders, which come from the revision and comparison of data in the identical industry from the previous year,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

Procedures of Sustainability Assessment:



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		Page	Topics
		Inside	External		
Client service	Economic	Company	Customer	47	Customer Service
Financial Stability	Economic	Company	All Groups	Performance in the annual report	
Governance and Business Ethics	Economic	Company	Customer Shareholders and investors , Regulators	48	Governance and Business Ethics in the Annual Report
				49	Anti-Corruption
Risk Management	Economic	Company	All Groups	52	Risk Management
Human Resource Development	Social	Company	All Groups	53	Human Resource Development
Respect for human rights	Social	Company	All Groups	56	Respect for human rights
Environmental Management Occupational health and Safety	Environmental	Company	Community	57	Environmental Management Occupational health and Safety

Stakeholders' Participation

Group of internal and external stakeholders



Communication channel on sustainable development to stakeholders





Participation Channels	Shareholders and Investor	Customer	Employee	Creditor and Partners	Community	Rival	Regulator
Company website	●	●	●	●	●	●	●
Facebook (@krungthaicarrent)	●	●	●	●	●	●	●
Shareholder meeting	●						
Public relations board			●				
E-mail	●	●	●	●	●	●	●
LINE (@kcar)	●	●	●	●	●	●	●
Telephone	●	●	●	●	●	●	●
Annual report	●	●	●	●	●	●	●
Meet with analysts Investor Relations	●	●	●	●			●

Changes in reporting on key sustainability issues

- Change unavailable

Stakeholders' Participation

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

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.



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 1,100 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 2023, the company has provided Mobile Service for a total of 980 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.



- **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 2023.

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)



As of December 31, 2023, the Company has sub-committees To help filter important tasks in various areas as follows :



The objectives, powers and duties of the sub-committees have been defined in the annual report 2023.

- **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).

The Chairman of the Board received a certificate certifying as a member of Thailand's Private Sector Collective Action Coalition Against Corruption "CAC" from the Committee of the Private Sector Collective Action Coalition Against Corruption (CAC).



This report only reveals certain parts of the “Anti-Corruption Policies”, the full article on anti-corruption policies are available for viewing on the company’s web site www.krungthai.co.th

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

Responsibilities

- The making of policies and supervision of the system that supports
- Review of financial and accounting reporting, internal control, internal audit, and risk management systems.
- Managing Director, Management Team and Executives Designation of a system to promote and support the anti-corruption policies. Communication of such policies among employees and related parties and review of the policies accordingly so that the work is concluded in accordance with the policies in the changing situations.
- Internal Audit Officer Auditing and reviewing of the operations to ensure that the operations are in accordance with the policies, practices, regulations, laws, and regulatory requirements.

Prevention of corruption and anti-corruption working guidelines

Company directors, executives, and employees at all levels must comply with Anti-Corruption Policy and Code of Conduct without being involved in corruption-related activities directly or indirectly. They should not be in negligence and ignorance when they see actions that are considered corruption in the company. They should also cooperate in the investigation accordingly. If in doubt or having inquiries, they are required to consult with their respected supervisor or a person designated to be responsible for monitoring compliance with the Code of Conduct through various channels, without direct and hidden agenda connected to themselves, their families, and friends, etc.

Corruption risk management

The company emphasises the awareness of actions that may cause corruption risks among all employees by analysing the indications, and assessing the risks of corruption on a regular basis to see if it is considered as one of the risks under the compliance risk. The company has established a preventive work system, determined the risk mitigation, and the control methods, responsible personnel, and follow-up measures to review and evaluate risk management results for employees to use as a guideline to prevent corruption. There is an internal audit unit to evaluate and follow up on good governance, Code of Conduct, and anti-corruption policy, together with a summary of the report submitted to the Board of Directors at least once annually.

Training and Communication

Company directors, executives, and employees at all levels must comply with Anti-Corruption Policy and Code of Conduct without being involved in corruption-related activities directly or indirectly. They should not be in negligence and ignorance when they see actions that are considered corruption in the company. They should also cooperate in the investigation accordingly. If in doubt or having inquiries, they are required to consult with their respected supervisor or a person designated to be responsible for monitoring compliance with the Code of Conduct through various channels, without direct and hidden agenda connected to themselves, their families, and friends, etc.



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
- Over the company's web site at 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.

Promotion of Ethics and Honesty Within the Organisation

The company recognises that compliance with the principles set forth in the Code of Conduct, including policies, regulations, and orders relating to anti-corruption is the key to the company's growth and sustainability. The company, therefore, focuses on creating higher level of morality and honesty within the organisation, so that it becomes the company's working culture



• Risk Management

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. Details are shown in Section [2. Risk Management](#). Sub topics can be considered as follows:

- 2.1 Risk from Interest Rate Volatility
- 2.2 The risk of property management that expires the lease agreement
- 2.3 Financial liquidity risk
- 2.4 Operational Risk
- 2.5 Market and competition Risk
- 2.6 Economic risks
- 2.7 Social and community risks
- 2.8 Environmental risks
- 2.9 Information Technology Risk

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 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%.

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.

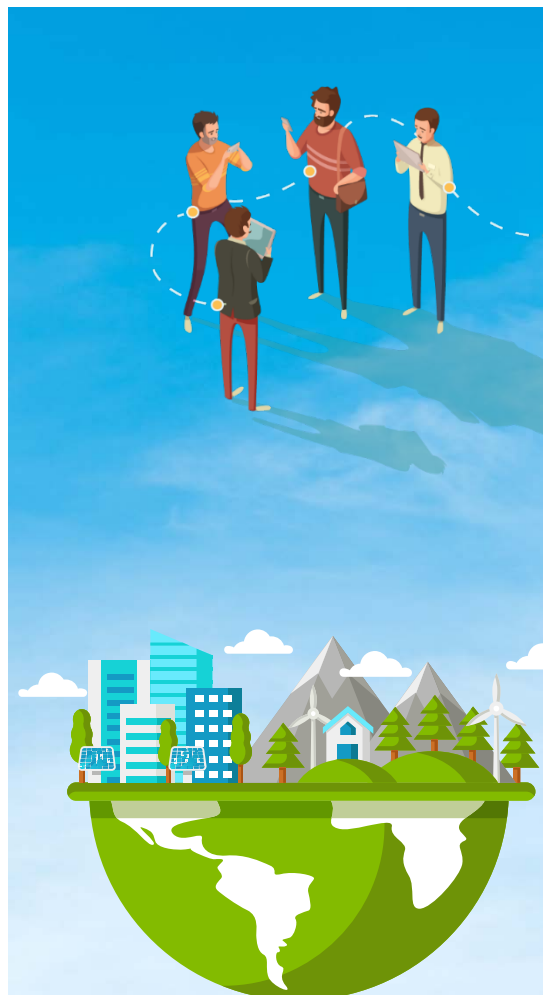
The company aims at developing its employees' knowledge, skills, and abilities, as well as providing them with professional advancement and career path on which they can grow together with the company. Therefore, both executives and staff members are required to attend the compulsory training on Working 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 2023, 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
1	Digital-Edge Fusion	✓		
2	Certificate in Enterprise Risk Management	✓		
3	HR of the Future	✓		
4	CORPORATE FINANCIAL DECISIONS & FUND RAISING IN BOND MARKET	✓		
5	Venture Capital and Angel Investing Into The World of 10x Investment	✓		
6	TFRS for NPAEs, accounting and tax expenditures		✓	✓
7	Team Work Spirit Creation Course		✓	✓
8	CPD TFRS for NPAES update 2023		✓	✓
9	Professional sales closing course			✓
10	Work management techniques For administrative employees, professionals in the new era			✓
11	KAIZEN For Working Continuous Improvement Process			✓
12	Knowing yourself and others with DISC		✓	
13	Excel to create data			✓

• Respect for human rights

- The company places importance on respecting human rights and dignity of stakeholders and all groups relevant persons, as well as focuses on treating all groups of stakeholders with fairness and equality regardless of race, skin tone, religion, gender, age, national or social origins, property or other status, etc., which is the cornerstone of the principle of equality and non-discrimination, which is in line with the Sustainable Development Goals.
- The Company recognises that respect for human rights is one of the main principles that the company adheres to, in order to achieve the corporate mission of sustainable growth and responsibility to society. The goal is to conduct business in accordance with human rights principles throughout the organisation. In the year the company hired one person with disabilities.
- In addition, the company has opened channels to receive complaints of various issues, including issues related to human rights violations. Indirect or external stakeholders can contact the whistleblowing channels through the company's website or internal complaints channels for HR employees at 0-2291 8888 ext 110.



Fair Labour Practices

The Company respects and complies with laws and ethical principles in treating its labour fairly with the system consisting the respect of the right to work according to human rights principles and fundamental rights at work, the compliance with relevant laws and regulations, the provision of appropriate welfare, social protection, working conditions, and health as well as taking care of the work environment so as to be appropriate and safe.

The company also takes care of employees thoroughly, with fairness, and respect for human rights to create a relationship with the organisation. It also encourages the quality of life, participation of employees, strengthening employee bonding to create a sense of unity so as to be ready to advance towards goals and success together, as a corporate culture.

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 2023 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

Health and Environment

Carry out waste management caused by working in a car repair center such as old engine oil. Various used chemicals by the company have collected the waste and delivered to the agency that has the tools to manage the said waste to sort the trash. To properly identify the type of waste and for easy destruction and be recycled properly.

Safety

tool maintenance various appliances continuously according to the maintenance period for maximum efficiency in work and prevent improper energy consumption from appliances ineffective, including providing training to educate employees about the use of tools appropriately, including observing what is wrong with the use of various tools to reduce accidents caused by equipment failure.

Provide internal training for employees who work under dangerous machinery, by specifying the reasons that may arise from negligence. To make employees aware of safety, such as maintenance under a car lift, tool inhaling dangerous liquids or inhaling car smoke while doing repairs, etc. The company also encourages activities in which employees are responsible for the possible causes of work-related hazards, including finding ways to prevent such causes to create cooperation and is a guideline for preventing accidents in the future.

Energy Conservation

The company encourages all to efficiently use energy and resources with full potential, by instructing employees to save their information in electronic form in an effort to reduce the use of paper. It also encourages the use of double-sided papers to reduce the number of pieces of paper used. In addition, the company also raises awareness and encourages employees to realize the importance of resources by instructing them to turn computer monitors off when not in use, as well as to turn off the lights and air conditioning during lunch break.



Environment Care

- Improved environmental management reduces waste and energy use.
- Improving efficiency in reducing business operation costs.
- Indicating compliance in expanding business opportunities.
- Meeting legal obligations for transparency and clients' trust.

Environmental problems

Normal operation:

- Normal working conditions that are performed on a daily basis.
- Incidents that occur regularly.
- Being a condition in which the machine or process is in a normal state and yield normal output.

Conditions that are abnormal and occur from time to time

- Conditions that are different from normal operation but are still under control.
- Happening to have a negative environmental impact but are still under control.
- Leakage of oil during reception due to damaged gaskets.
- Machine or process is in state where operation is not smooth or there is a problem.
- Machine is being set up (Set Up).
- Machine is being started up (Startup).
- Annual tool repair (Overhaul).
- Shutdown of all processes (Shutdown).

Emergency conditions that occur unexpectedly, with time of occurrence unidentifiable, widespread, or having a severe environmental impact.

- Conditions that are different from normal situation and are in a difficult situation or uncontrollable state.
- Emergencies caused by negligence Accident: Large volumes of dangerous chemicals are spilled (5 liters).
- On fire.
- Explosion.
- Riot.
- Emergency due to natural causes; advanced natural disasters such as earthquake, inundation, or volcanic eruption.

Environmental Problem	Impact	Condition
Wastewater from bathroom use	Water pollution	Normal
Use of water	Reduced natural resources	Normal
Noise	Noise pollution	Normal
Automobile exhaust fume	Air pollution	Normal
Chemical fire in storage	Safety	Emergency
Chemical spill	Safety	Emergency
Minimal chemical spill	Soil contamination	Abnormal

Pollution control (Operational control)

- Management of waste.
- Management of chemicals.
- Maintenance of tools, equipment, and machinery that affect the environment.
- Supervision of contractors and subcontractors.



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.



- ✓ Use of tray during collection.
- ✓ Use of lid when closed.
- ✓ Use of signs indicating the properties of chemical.
- ✓ Use of appropriate cleaning apparatus.

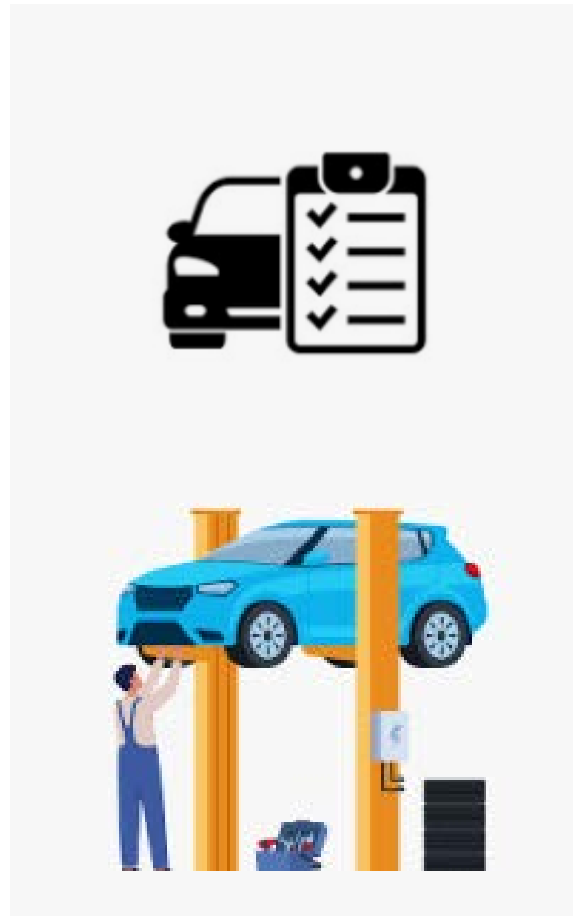
Maintenance of tools, equipment, and machinery that affect the environment

There shall be regular maintenance of tools, 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.



Efficient Resource Management

Throughout the past year, the company has campaigned on efficient use of resources and energy. In addition to encouraging employees to store documents in electronic format and use 2-page papers, the company has developed a computer application for the integrated system both in terms of operation and management, to economise the consumption of energy in terms of time and documents.

In addition, in 2023, the company promoted the use of electric vehicles (EV) to help solve the global warming problem and the PM 2.5 crisis. The company, therefore, has started providing electric car rental services to more clients.

Advantages of Electric Vehicle

1. EV emit less pollution than petrol-powered vehicles

Electric vehicles are powered by electricity kept in its battery, resulting in no exhaust or greenhouse gas emissions and does not create pollution. EVs are different from cars that use internal combustion engines to move the vehicle. The internal combustion engine causes more pollution.

2. Save on fuel costs

Because electric cars do not have internal combustion engines, no fuel is required for combustion. The energy that is used to drive is "electricity" from the battery, which we can charge at home without having to refuel.

3. Engine runs quietly

In addition to less air pollution, EV can also help reduce noise pollution because the work of the electric motor creates noise that is much quieter than internal combustion engines do.

4. Maintenance costs for engines and transmissions

When changing from engine-driven to electricity-powered motor, maintenance of the internal combustion engine and transmission is no longer necessary. Currently, the company has installed two types of EV charging stations — normal charge and quick charge.

1. Normal Charge is to charge with AC (alternating current) which must be charged through the on-board charger inside the vehicle. The on-board charger will convert AC to DC power to store the electricity in the battery. The size of the on-board charger depends on the brand and model of the car, and the size of the on-board charger will affect the charging time of the car battery.
2. Quick Charge is to charge using EV Charging Station that converts AC to DC power and supplies DC power (direct current) directly to the battery. The charging time when charging with DC is shorter than using the normal charger. The socket of the EV Charger will be both AC and DC. The type of charging head will depend on different standards of car manufacturers.



- **KCAR Encourages “Go Green Reduce Global Warming and Energy Saving”**

“KCAR” has recognized that the current problems of global warming and climate variability are globally significant that all sectors need to focus on and work together to solve them, this is the important reason that the Company wishes to participate in the “Care the Bear” program, with the stock Exchange of Thailand by applying the 6 cares principle within the organization. Supporting the reuse of resources such as office suppliers, recycle paper, turn off the air conditioner during break,, carpool, reduce food waste, use own glass no foam, reuse decoration material, etc. These little changes could cultivate good habits which would be beneficial in employee’s daily lives and awareness of global warming problems



2023, the company has operated by using the principle of 6 cares as a practice guideline, such as organizing online meetings and organizing training, which has resulted in the company Reduces the amount of greenhouse gases by 1,841.92 Kg Co2e, equivalent to planting 205 large trees, 10 years old.



The total amount reduces greenhouse gas emissions and is equivalent to planting trees.



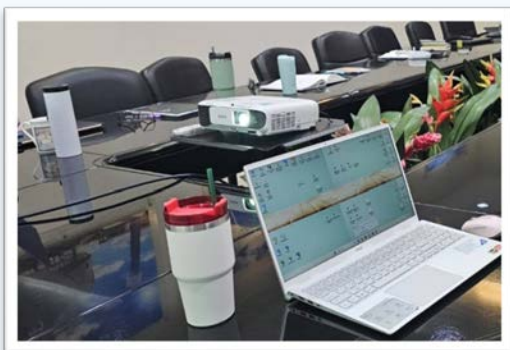
Reduces the amount of greenhouse gases
1,841.92 Kg CO₂e



equivalent to planting 205 trees
205 ต้น



tag signs to save on the use of water, electricity, and paper economically and be aware of the use of natural resources.



REDUCE PLASTIC



Operating Results

Economic

Displays information in the financial statements section and key financial information headings.

Social

Personnel

Data	2021		2022		2023	
	Number of People	%	Number of People	%	Number of People	%
All full time employees	138	100.00	136	100.00	142	100.00
• Man	79	57.25	76	55.88	77	54.23
• Woman	59	42.75	60	44.12	65	45.77
Classified by level						
• Senior management	5	3.63	5	3.68	4	2.82
• Middle management	9	6.52	9	6.62	15	10.56
• Manager	11	7.97	11	8.09	8	5.63
• Operating	113	81.88	111	81.62	115	80.99
Separated by age of employees						
• 55 years over	2	1.45	2	1.47	-	-
• Age 40 – 55 years	66	47.83	57	41.91	73	51.41
• Age 30 – 40 years	53	38.40	51	37.50	49	34.51
• Age 18 – 30 years	17	12.32	26	19.12	20	14.08
Separated by age						
• 0 – 5 years	66	47.82	70	51.47	80	56.34
• 5 – 10 years	25	18.12	24	17.65	17	11.97
• 10 – 15 years	24	17.39	15	11.03	19	13.38
• 15 – 20 years	12	8.70	16	11.76	15	10.56
• 20 years over	11	7.97	11	8.09	11	7.75
provident fund						
Number (people)	96	69.57	82	60.29	87	61.27

Employee training record

Description	2021	2022	2023
Average number of training hours per employee (hour/person)	8	8	8

Health and Safety Information

Average number of days off from employees (days)	2021	2022	2023
Average number of sick days per employee (days/person)	2.98	3.52	2.05
Number of days off from work-related injuries and illnesses (days/person)	0.01	0.02	0.02
Statistics of accidents at work (times)	1	1	1

Environmental

Power Consumption

Data	Units	2021	2022	2023
Save Electricity	Million Baht	1.46	1.62	2.1
Electric Meter	Unit	297,024	297,619	364,705
Save Water	Million Baht	0.070	0.065	0.086
Water Meter	Unit	4,252	4,023	5,319

The amount of waste and waste from business operations

Data	Units	2021	2022	2023
Used engine oil - recycle	liter	19,000	13,800	9,200
Used tires - for sale	line	1,843	1,790	800

4. Management Discussion and Analysis (MD&A)

Overview of the Business

For the fiscal year 2023, both the company and its subsidiaries recorded a net profit of 192.69 million baht, an increase from 2022 by 9.46 million baht, or 5.16 percent. The main reason for the increased net profit was the sales of used cars (from off-lease vehicles), increasing by 2 percent from the previous year. This resulted in an initial profit from car sales from off-lease vehicles totaling 290.25 million baht, an increase from 2022 by 77.87 million baht, or 36.67 percent. However, the initial profit from rentals decreased from the previous year by 40.68 million baht, or 22.09 percent, due to reduced rental prices resulting from several customers extending their lease contracts instead of entering new ones. Additionally, rental maintenance costs increased due to the higher age of leased vehicles, and financial costs increased from the previous year by 6.29 million baht, or 8.10 percent, due to increased interest expenses from the expansion of lease assets and higher interest rates.

	Million Bath		Increase (Decrease)	
	2022	2023	Million Bath	%
Total revenue	2,280.19	2,172.04	(108.14)	(4.74)
Total Cost	98.47	92.61	(5.86)	(5.95)
Profit before tax	232.48	242.86	10.38	4.46
Income tax expenses	49.25	50.17	0.92	1.86
Profit for the year	183.23	192.69	9.46	5.16

Financial Position Summary as of 31 December 2023: The company and its subsidiaries had total assets of 5,881.51 million baht, an increase from the previous year by 285.75 million baht, or 5.11 percent. The increased main assets included inventory, consisting of off-lease vehicles awaiting sale, increasing from the previous year by 55.56 million baht, or 33.32 percent, mostly towards the end of 2566 in accordance with lease contract maturity. Additionally, assets held for leasing increased from the previous year by 427.78 million baht, or 9.95 percent, due to asset expansion for leasing purposes. Total liabilities as of 31 December 2023, amounted to 3,500.08 million baht, an increase from the previous year's total liabilities of 3,266.93 million baht by 233.15 million baht, or 7.14 percent, due to increased borrowing for the expansion of car leasing.

For the shareholders' part as of December 31, 2023 the company recorded a total shareholders' equity of 2,381.43 million baht, an increase of 2.26%. The increase was due to an improvement in the company's operating results after dividend deduction. The company retained earnings before dividend payment amounting to 2,109.07 million baht, with dividend payment of 140 million baht. The retained earnings at the end of 2023 fiscal year amounted to 1,969.07 million baht.

	Million Bath		Increase (Decrease)	
	2022	2023	Million Bath	%
Asset	5,595.76	5,881.51	285.75	5.11
Liabilities	3,266.93	3,500.08	233.15	7.14
Shareholders' Equity	2,328.83	2,381.43	52.60	2.26

Result of Operation

1. Revenue from Car Rental Fees:

In 2023, car rental revenue amounted to 1,300.65 million baht, decreasing from the same period in the previous year by 46.41 million baht, or 3.45 percent. The initial profit margin was 11.03 percent, compared to 13.67 percent in 2022, representing a decrease of 2.64 percent from the previous year. The slight decrease in rental revenue was primarily due to several customers extending their lease contracts, as well as an increased focus on scrutinising new customer selection to mitigate the risk of future bad debts.

2. Revenue from Sales of Lease-Expired Cars:

In 2023, there were 719.39 million baht, compared to the previous year with the amount of 554.78 million baht, a Increase of 164.61 million baht, or 29.67 percent, because the number of cars sold increased from 1,450 cars compared to the previous year with 1,131 cars, a increase of 319 cars. representing 28.21 percent.

3. Revenue from Car Sales Operated by Subsidiary Company:

The subsidiary company therefore increased the number of used cars that are in demand in the market for sale, resulting in the year 2022 enjoying the sales revenue of 318.74 million baht, signifying an increase of 106.72 million baht from the previous year, or 50.33 percent. In the previous year, the amount was 212.02 million baht, with the number of cars sold in 2022 amounted to 485 units, compared to 363 units last year, an increase of 122 units or 60.41 percent Due to a significant inventory of off-lease cars, the subsidiary reduced its vehicle procurement for sale.

	Million Bath		Increase (Decrease)	
	2022	2023	Million Bath	%
Revenue from Car Rental Fees	1,347.06	1,300.65	(46.41)	(3.45)
Revenue from Sales of Lease-Expired Cars	554.78	719.39	164.61	29.67
Revenue from Car Sales Operated by Subsidiary Company	318.74	86.44	(232.30)	(72.88)
Other income	59.61	65.56	5.95	9.98
Total	2,280.19	2,172.04	(108.15)	(4.74)

Costs and Expenses

1. The Cost of Car Lease

In 2023, the cost of car rental accounted for 1,157.19 million baht, an decrease of 5.73 million baht against the previous year or 0.49 percent compared to 2022's figure of 1,162.92 million baht. The reduction in car rental costs was less pronounced compared to the decrease in rental income. This was attributed to increased maintenance expenses due to the ageing of vehicles, while rental income declined from customer contract extensions.

2. The Cost of Sales of Lease-Expired Cars

In 2023, there were 429.14 million baht, a increase from the previous year's figure of 342.40 million baht, signifying a increase of 86.74 million baht or 25.33 percent, all of which is in line with the increase in the number of cars sold.

3. The Cost of Sales of Used Cars by Subsidiaries

In 2023, the amount was 79.07 million baht, compared to the previous year's figure which was 286.38 million baht, signifying an decrease of 207.31 million baht or 72.39 percent. The reduced cost was caused by the decrease in sales.

	Million Bath		Increase (Decrease)	
	2022	2023	Million Bath	%
The Cost of Car Lease	1,162.92	1,157.19	(5.73)	(0.49)
The Cost of Sales of Lease-Expired Cars	342.40	429.14	86.74	25.33
The Cost of Sales of Used Cars by Subsidiaries	286.38	79.06	(207.32)	(72.39)
Total	1,791.70	1,665.39	(126.31)	(7.05)

4. The Cost of Sales and Administrative Expenses

Sales and management expenses in the year 2023 amounted to 179.81 million baht, compared to the same period in the previous year, which totaled 178.32 million baht, reflecting a decrease of 1.49 million baht, or 0.84 percent. Although sales expenses increased from the previous year by 8.38 million baht, or 14.46 percent, attributed to commissions, advertising, and sales promotion to stimulate car sales, management expenses decreased by 6.90 million baht, or 5.73 percent. This reduction was due to a more stringent credit management approach, resulting in a decrease in credit loss expenses by 14.08 million baht in the year 2023. The intensified debt management efforts led to a reduction in credit loss expenses, resulting in a reversal of 2.82 million baht in provisions.

	Million Bath		Increase (Decrease)	
	2022	2023	Million Bath	%
Selling expenses	57.97	66.35	8.38	14.46
Administrative expenses and compensation for directors and executives	120.35	113.46	(6.89)	(5.72)
Total	178.32	179.81	1.49	0.84

Net Profit and Rate of Return

The company's net profit in 2023 was 192.69 million baht, an increase from the previous year in the amount of 9.46 million baht or 5.16 percent with a net profit ratio in 2023 of 8.87 percent, an increase of 8.87 percent from the previous year.

This increase was primarily due to profits from the sale of used cars (from off-lease vehicles), increasing by 77.87 million baht, or 36.67 percent, from the same period of the previous year. Meanwhile, the initial profit from rentals decreased from the previous year by 40.68 million baht, or 22.09 percent, due to reduced rental prices resulting from several customers extending their lease contracts instead of entering new ones. Additionally, rental maintenance costs increased due to the higher age of leased vehicles. Management expenses decreased due to reversing losses in credit, while financial costs increased from the previous year by 6.29 million baht, or 8.10 percent, due to increased interest expenses from the expansion of lease assets and higher interest rates.

	Million Bath		Increase (Decrease)	
	2022	2023	Million Bath	%
Pre-tax profits	232.48	242.86	10.38	4.46
Income tax expenses	49.25	50.17	0.92	1.86
Profit for the year	183.23	192.69	9.46	5.16



Financial Status

Asset

As of December 31, 2023, the company and its subsidiary companies have total assets of 5,881.51 million baht, The main increase in assets consisted of inventory, comprising off-lease vehicles awaiting sale, which increased by 55.56 million baht, or 33.32 percent, from the previous year, primarily due to most leases reaching maturity towards the end of 2023

The number of cars in the portfolio recorded at the end of year 2023 was 10,430 units an increase of 565 from the number recorded in 2022's figure of 9,865. The year 2023 saw the purchase of 2,015 new cars, an increase of 286 cars compared to the previous year, representing an increase of 16.54 percent The number of cars sold in 2023 was recorded at 1,450 units , representing a decrease of 319 units or 23.27%

The number of cars for lease

Description	For the year ended 31 December		
	2021	2022	2023
Cars at the beginning of the periods (units)	9,340	9,267	9,865
Purchased during periods (units)	1,401	1,729	2,015
Sold during periods (units)	1,474	1,131	1,450
Cars at the ended of the periods (units)			
- cars held for sales	328	512	694
- cars held for leased	8,939	9,353	9,736
Total cars at the ended of periods	9,267	9,865	10,430
Net book value at ended of periods (Million Baht)			
- cars held for sales	94.97	142.57	202.94
- cars held for leased	4,289.18	4,299.25	4,727.03
Total Net book value at ended of periods	4,384.15	4,441.82	4,929.97

Accounts Receivable

Considering the quality of the company's trade accounts receivable (before deducting expected losses) as of December 31, 2023, the amount was 134.43 million baht, an decrease from the previous year in the amount of 80.02 million baht, or 37.31 percent, while At the end of 2022, the amount of receivables was 214.45 million baht, of which net trade receivables amounted to 122.64 million baht (after deducting expected losses in 2023), divided into receivables from the sale of cars in the amount of 14.21 million baht and receivables from giving. Rent a car in the amount of 108.43 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 82.43 million baht or equivalent to 76.07 percent 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 percent 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 2023.

Account Receivable Details Classified by debt aging as of December 31

(Million Bath)

Description	2021	2022	2023
• Undue	129.90	182.30	96.71
• Not exceed 3 months	43.43	19.70	23.77
• 3 – 6 months	0.89	6.56	4.53
• Over than 6 months	4.84	5.89	9.42
Total	179.06	214.45	134.43
Less: Allowance for doubtful accounts	(7.16)	(15.07)	(11.79)
Total	171.90	199.38	122.64

Details of accounts receivable ledger

(Million Bath)

Description	2021	2022	2023
• Receivable from rental car	112.90	159.40	108.43
• Receivable from selling car	59.00	39.97	14.21
Total	171.90	199.37	122.64

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, 2023, the company had total liabilities of 3,500.08 million baht, an increase of 233.15 million baht from the previous year, or 7.14 percent of total liabilities at the end of 2022 at 3,266.93 million baht. The increase in liabilities came from acquiring vehicles for leasing, which increased during the year, with a significant portion towards the end of the year, as a result of delivering vehicles according to lease agreements to major customers.

The total liabilities as of December 31, 2023 accounted for 59.51 percent of total assets, of which are current liabilities and non-current liabilities of 28.35 percent and 71.65 percent (loan from financial institutions and stocks due sending the proportion of total current liabilities to increase by 10.55 percent) and 58.38 percent respectively, in comparison with total liabilities as of December 31, 2022, of 60.43 percent of total assets, which are current liabilities and non-current liabilities of 48.46 percent and 51.54 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, 2023 amounted to 2,328.83 million baht, an increase of 52.60 million baht against the year 2022's figure of 2,328.83 million baht. The total comprehensive income amounted to 192.69 million baht, while dividends were paid to shareholders in 2023 in 2 rounds, amounting to 140 million baht, consisting of

According to the minutes of the Company's board of Directors on February 28, 2024, the Board of Directors resolved to pay dividends from the 2023 operating results to shareholders at the rate of 0.37 baht per share, amounting to 92.50 million baht. The dividend of 65.00 million baht (equivalent to 0.26 baht per share) was paid on September, 2023 and the remaining amount of 27.50 million baht (equivalent to 0.11 baht per share) was paid to shareholders on May 24, 2024. This must be approved by the annual general meeting of the company's shareholders.

And according to the minutes of the Annual General Meeting of Shareholders for the year 2023 held on April 25, 2023, the shareholders resolved to pay dividends from the operating results for the year 2022 to shareholders at the rate of 0.49 baht per share, amounting to 122.50 million. The dividend amount of 47.50 million baht (equivalent to 0.19 baht per share) was paid on September 13, 2022 and the remaining amount of 75.00 million baht (equivalent to 0.30 baht per share) was paid to the shareholders. shares on May 24, 2023

Capital Structure

In 2023, 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 2023, accounting for 88.28 percent 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 2023, the company had net cash flows from operating activities of 1,011.68 million baht, an increase of 345.25 million baht when compared to the year 2022 with net cash used in operating activities of 666.43 million baht. It is because there was a decrease in cash paid for purchasing cars for rent in the amount of 308.05 million baht in 2023.

The company's cash flows used in investing activities in 2023 amounted to 112.0 million baht, a increase of 4.12 million baht when compared to 2022 with net cash flows from investing activities of 107.88 million baht from less cash paid to purchase investment units than the previous year. Amount 6.43 million baht.

And as for the cash flow from financing activities spent in 2023 in the amount of 1,139.07 million baht, compared to the year 2022 spent in the amount of 731.64 million baht, the net increase in the amount of 407.44 million baht, This increase came from net repayments of loans, which were higher than the previous year by 350.00 million baht, payments of financial costs, and repayment of loans, which increased by 29.94 million baht from the previous year. Additionally, there was an increase in dividend payments from the previous year by 27.50 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	2021	2022	2023
- Not exceed 1 year	1,129.87	1,103.61	1,170.86
- Over 1 year but not exceed 5 years	1,651.90	1,634.89	1,794.49
Total	2,781.77	2,738.50	2,965.35

5. General Information and other material facts



Company Name	:	Krungthai Car Rent and Lease Public Company Limited
Stock Code	:	KCAR
Nature of Business	:	Operating lease services and short-term car rental
Registered Capital	:	Paid-up capital of 250,000,000 shares, with a par value of Baht 1.00 per share
Head Office	:	455/1 Rama 3 Road., Bangkhlo, Bang Kho Laem Bangkok 10120
Registration No.	:	Bor. Mor. Jor. 0107547000761
Telephone	:	66 (0) 2291-8888
Fax	:	66 (0) 2291-4488
Website	:	www.krungthai.co.th
Registrar	:	Thailand Securities Depository Company Limited. 93 Ratchadaphisek Road, Din Daeng, Bangkok Thailand Tel: 66 (0) 2009-9000 Fax: 66 (0) 2009-9991
Auditor	:	Miss Nannaphat Wannasomboon, Certified Public Accountant No. 7793
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



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, 10160
Srinakarindra Branch	:	41/2 Srinakarindra Road, Pravet, Bangkok, 10250
Kaset Branch	:	2368 Phahon Yothin Road, Bangkhen, Bangkok, 10900
Kanchanaphisek Baromarachachonani Branch	:	64 Kanchanaphisek Road, Banglamad, Talingchan, Bangkok, 10170
Telephone	:	66 (0) 2455-4455
Fax	:	66 (0) 2455-4441
Website	:	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 organization 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

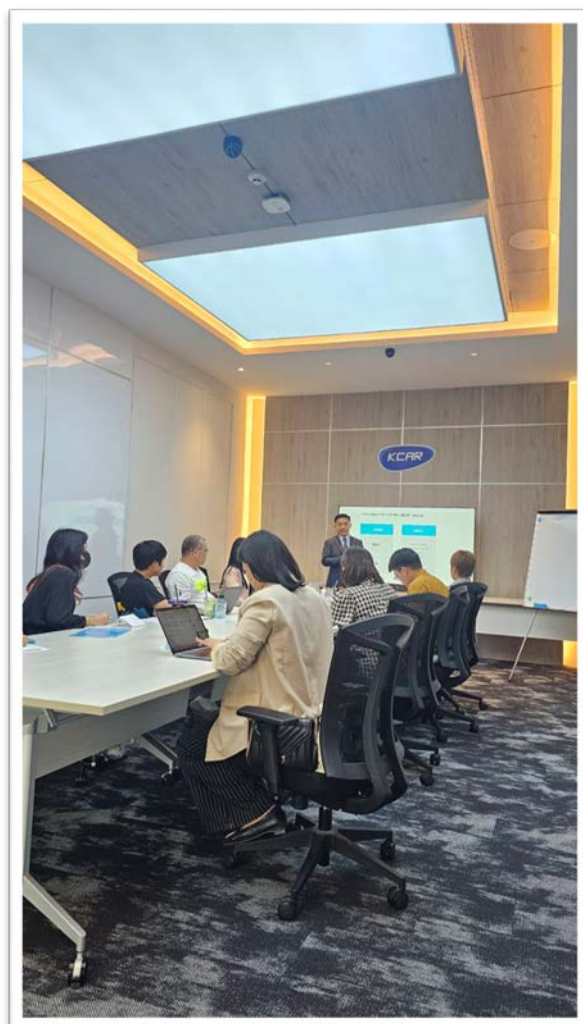
The Company will ensure equality of rights of stakeholders in all groups -- members of executives, shareholders, competitors, suppliers, creditors, debtors, public and private agencies, and communities -- for these individuals or entities will help forging stability in the Company's operations, employment, 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 :** The Company wishes all employees to have good health and abundance, therefore, organizes an annual health event once a year to monitor, follow up and promote employee health care.
- **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 organizes 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 organized 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 Transparence

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. 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 2023, the company presented information and welcomed investors and analysts to be reported on the company's earnings

- through online channels in the total of 2 sessions
- visit the company 2 sessions.



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, 1992.
- 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, 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 summarizing 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 realize 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
- Over the company's web site at 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.
- 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.

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.

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.

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.

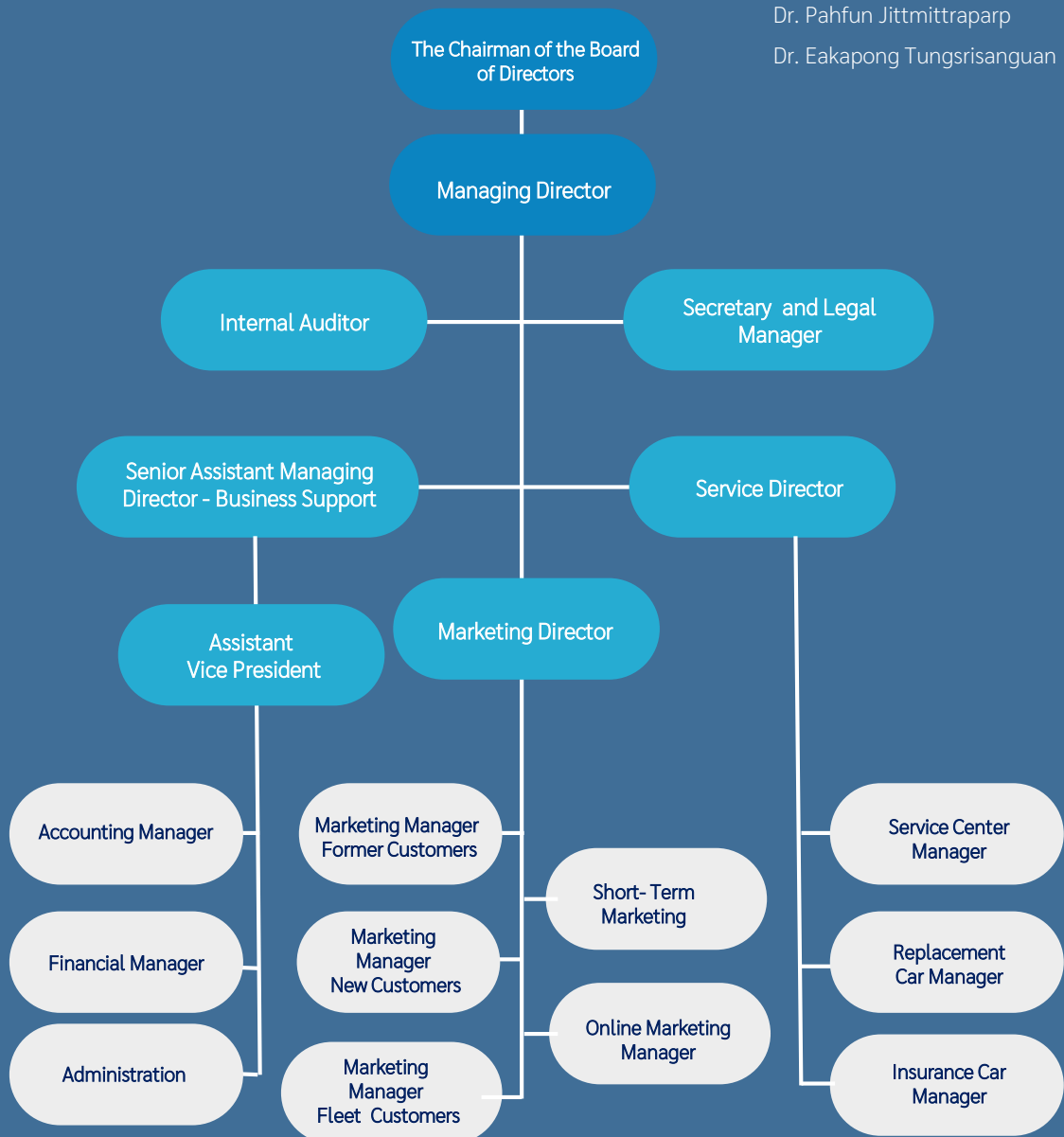
- The Company operates legal business, does not engage in unlawful business operations, and encourage employees to abide by the law.
- The Company operates its business with integrity, including accurate accounting records. It also spends budget economically and with transparency, while evaluating investment 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 organization's ethical principles.
- Details of the Statement of Business Conduct and the Code of Conduct can be found on website, 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, 2023

Directors

Mr. Pithep Chantarasereekul
 Mr. Pichit Chantarasereekul
 Mr. Chaiwat Atsawintarangkun
 Mr. Karoon Laoharajatanand
 Dr. Pahfun Jittmittraparp
 Dr. Eakapong Tungsrisinguan



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 organization 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 5 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 Annual Report (56-1 one report), 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

- (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 Atsawintarakun			/	/
4. Mr. Karoon Laoharatanun			/	/
5. Dr..Pahfun Jittmittraparp			/	/
6. Dr. Eakapong Tungsrangan	/			/
Total	2	2	3	4

Independent Directors and Audit Committee consists of 3 persons: 1) Mr Chaiwat Aswintrangkun, 2) Mr Karun Laoharatchatanan, 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 2023, 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 Atsawintarakun	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 Tungsrangan	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 held by a spouse
	As at December 31, 2022	Increase / (decrease)	As at December 31, 2023	
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 2023 , 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 tasks as assigned by the Board of Directors with the approval of the Audit Committee in performance of the above duties The Audit Committee is directly responsible to the Board of Directors. And the Board of Directors of the Company remains responsible for the Company's operations to third parties.

2. Nominating and Remunerating Committee

The members of the nominating and remunerating committee as of 31 December 2023 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 2023 comprised of 3 persons, they are:

ลำดับ	Name		Position
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 2023 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 analyzing, 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	Miss Sirima	Cha-emkun	Director of Service
3	Miss Pornpan	Sattawatkul	Assistant Vice President

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.

	2022		2023	
	Number (Person)	Amount (Million Baht)	Number (Person)	Amount (Million Baht)
Remuneration of the Executives				
- Salary and remuneration	5	14.63	4	13.23
- Bonus	5	3.03	4	2.94
- Provident fund	5	0.53	4	0.39
Total		18.19		16.56

7.5 Details of Employees

As of December 31, 2023, the Company and its subsidiary had 220 employee , consisted of ;

Department		Number of Employees
1.	Executive	4
2.	Marketing	33
3.	Service	41
4.	Business Support	142
	Total	220

number of employees	man	woman
221	123	98

Number of employees by age

By Age	number of employees	%
0 – 5years	132	59.73
5 – 10 years	33	14.93
10 – 15 years	28	13.12
15 – 20 years	16	7.24
20 years or more	11	4.98

Employee remuneration

In 2023, The Company and Subsidiary paid totaling of Baht 70.52 million, and Baht 87.39 million in 2022, 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 Ms. Pornpan Sattawatkul Position Assistant Vice President Telephone: 0 2291 8888 Fax: 0 2291 4488 E-mail: account@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 2023, the Company appointed Miss Nannaphat Wannasomboon, CPA No. 7793 from Dharmniti Auditing Company Limited to serve as the Company's auditors and appointed Mrs. Rungthip Changsririk CPA No. 11930 to serve as its subsidiaries's auditors. The total audit fees for the year 2023 of Baht 1,452,500 divided into the audit fees for Company of Baht 1,080,000 and its subsidiaries of Baht 372,500. In 2023, 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.

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 organization.

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 organization 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:

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

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 organizational 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 organization, 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 2023, 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	96.50	95.81
2. The Audit Committee	97.50	97.00
3. The Remuneration Committee	96.75	96.90
4. The Corporate Governance Committee	95.00	94.82
5. The Risk Management Committee	96.50	96.80

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

Remuneration Policy for the Board of 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 2023 Annual General Meeting of Shareholders held on April 25, 2023 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 3.21 as following:

(In Thousand Baht)

Name/Position	2022		2023	
	Meeting Fee	Others	Meeting Fee	Others
1. Mr. Pithep Chantarasereekul Chairman of the Board of Directors	352.76	-	370.40	-
2. Mr. Pichit Chantarasereekul Director and Managing Director	317.41	-	333.29	-
3. Mr. Chaiwat Atsawintarangkun The Chairman of the Audit	367.42	372.2	385.79	390.81
4. Mr. Karoon Laoharatanun Audit Committee member	280.12	297.76	294.13	312.65
5. Dr. Pahfun Jittmittraparp Audit Committee member	303.74	297.76	318.93	312.65
6. Dr. Eakapong Tungsrisinguan Director	173.39	297.76	182.06	312.65
Total	1,794.84	1,265.48	1,884.60	1,328.76

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 2023, there were persons involved in the corporate governance system having attended courses or participated in the seminar activities as follows:

No	Independent Director	Topics of Training/Seminar/Workshop
1	Mr. Chaiwat Atsawintarangkun	<ul style="list-style-type: none"> ▪ EY- Seminar TFRS 17 on insurance contracts ▪ The Role of Audit Committee ▪ Climate Governance ▪ IOD Leadership Amidst Volatility and Distrust ▪ EY – Fraud in decorating financial statements ▪ SET- TFRS year 2023 ▪ IOD: Preventing corruption in organizations ▪ SET:The importance of the audit committee to the confidence of the Thai capital market
2	Dr. Eakapong Tungsrisanguan	<ul style="list-style-type: none"> ▪ Financial statement analysis ▪ Cash Flow Statement ▪ Cost theory ▪ Accounting standards related to land, buildings, and equipment ▪ Ethics of accounting professionals ▪ CFO Conference 2023 Embracing Change & Unveiling the Path to Business Resilience and Success ▪ Accounting Profession Committee on Management Accounting ▪ Chief Financial Officer Certification Program, Class '24 ▪ Financial statements for executives ▪ Accounting shows the path to wealth ▪ Income difference between accounting and taxes ▪ Accounting information System ▪ Conceptual framework for financial reporting ▪ Know about collateral, know about business ▪ Data analytics for retailers

No	Director and Management	Topics of Training/Seminar/Workshop
1	Mr. Pichit Chantarasereekul	<ul style="list-style-type: none"> • CXO: Chief Exponential Officer 2023 • HR of the Future Class 1 by Disrupt • Venture Capital and Angel Investing Into The World of 10x Investment Class 5
2	Miss Sirima Cha-embun	<ul style="list-style-type: none"> • Good personality • Business Canvas • Team Building • Product Knowledge • Making VDO clips using a mobile phone • People management • Sale Unleash • Administration management
3	Miss Pornpan Sattawatkul	<ul style="list-style-type: none"> • Simple ways to manage business finances that accountants should know • CFO Refresher Course 2023 (Online Class by WebEx) • Principles of business management to make a profit • Update tax issues and new laws • Ethics for accounting professionals and case studies • Enterprise Risk Management • Corporate Financial Decisions & Fund Raising in Bond • Prepare to deal with financial, investment, and accounting issues that affect listed companies • TFRS for NPAs, accounting and tax expenditures

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. 1992. 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 2023, a meeting without the Management was held on February 28, 2024.

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 2022 and year 2023, the Board met total 12 times a year the list of attendance of each of directors is follows:

Directors	2022		2023	
	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	6	6	6	6
2. Mr. Pichit Chantarasereekul	7	7	7	7
3. Mr. Chaiwat Atsawintarangkun	11	11	11	11
4. Mr Karoon Laoharatanun	10	10	10	10
5. Mrs.Pahfun Jittmittraparp	11	11	11	11
6. Dr Eakapong Tungsrisinguan	6	6	6	6

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 transactions 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 2023, 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 no. 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
Metro Mobile Company Limited	Mr. Pithep Chantarasereekul	Authorized Director	37.25
	Mr. Pichit Chantarasereekul	Authorized Director	37.25

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

Nature	Conflict of Interest Parties	Pricing Policy	Amount (Million Baht)	
			Period ended December 31,	
			2022	2023

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. The rental agreement has 3 years – December 2025	Siam Nissan Krungthai Co.,Ltd.	Monthly rental fee of 100,000 baht (22.27 baht per square metre per month)	1.20	1.20
The subsidiary company has signed a lease of a plot of land of 400 square wa located in Ramindra Road, Kannayao, Bangkok. Contract to lease a new area of 400 square wa, the lease term is 2 year, starting from July 1, 2022 – May 31, 2024.	Thanapat Property Co.,Ltd	New rental rates 141,173.75 baht (352.93 baht per square metre)	1.62	1.67
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 June 1, 2023 to June 1, 2026.	Toyota Krungthai Co.,Ltd	New rental rates 105,000.00 baht	1.26	1.26

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.	Siam Nissan Krungthai Co.,Ltd.	Monthly rental fee of 83,000 baht (237.14 baht per square metre per month)	0.83	1.00
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 3 years starting from November 1, 2022 to October 31, 2025	Carloft Auto Import Co., Ltd.	New rental rates 225,000 bath (187.50 baht per square metre)	2.70	2.78

Nature	Conflict of Interest Parties	Pricing Policy	Amount (Million Baht)	
			Period ended December 31, 2022	2023

List of Assets leased out

Subsidiary has rented an office space of 2,300 square meters for use as a car showroom located at 64 Kanchanaphisek Road, Bang Ramat Subdistrict, Taling Chan District, Bangkok. Lease contract for 3 years from 30 November 2025	Metro Mobile Co.,Ltd.	Monthly rental fee of 270,000 baht (117.39 baht per square metre per month)	0.27	3.56
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Purchasing Assets Transactions

1. The company purchased car for being leased out Account payables – Car purchasing	Toyota Krungthai Company Limited	The Company purchased cars at cost price after deduct special discount.	479.65 63.56	1,189.45 15.83
2. The company purchased car for being leased out Account payables – Car purchasing	Siam Nissan Krungthai Company limited	The Company purchased cars at cost price after deduct special discount.	5.47 0.53	0.85 0.53
3. The company purchased car for being leased out Account payables – Car purchasing	Carloft Auto Import Company limited	Market price for major buyer	32.03 6.48	33.48 -
4. The company purchased car for being leased out Account payables – Car purchasing	Mitsu Impresstion Company Limited	The Company purchased cars at cost price after deduct special discount	49.13 -	1.44 -
5. The company purchased car for being leased out Account payables – Car purchasing	Go Automobile Company Limited	The Company purchased cars at cost price after deduct special discount	2.36 -	4.81 -
6. The company purchased car for being leased out Account payables – Car purchasing	Metromobile Company Limited	The Company purchased cars at cost price after deduct special discount	- -	51.06 1.55

Nature	Conflict of Interest Parties	Pricing Policy	Amount (Million Baht)	
			Period ended December 31, 2021	2022

List of Guarantee for loan from banks

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 use as an office service and showroom for distributing 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 this agreement and will end on 31 December 2025

- 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 .Pithep 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	Assistant Vice President	Assistant Vice President
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	Assist Vice President	Assist Vice President
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

1/ Transactions that the Company conducts in the normal course of business or normal business support transactions, that do not have general commercial conditions or other transactions that are not the business of the Company

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)

10.1 Audit Report Summary

Period	Name	
December 31,2022 - December 2023	Miss Nannaphat Wannasomboon	Certified Public Accountant Registration No. 7793 Dharmniti Auditing Company Limited
December 31, 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 2021-2023 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	2021		2022		2023	
	Baht	%	Baht	%	Baht	%
Cash and cash equivalents	31,313,354	0.55	73,992,078	1.37	58,608,854	1.00
Other current financial assets	227,074,015	3.98	116,061,836	2.07	223,192	0.00
Trade and other receivables	215,681,359	3.78	243,987,646	4.36	166,708,119	2.83
Current portion of receivables under finance lease contracts	-	-	1,438,082	0.03	9,242,015	0.16
Prepaid insurance premium	61,192,010	1.07	58,281,645	1.04	65,623,784	1.12
Inventories	158,092,737	2.77	166,754,274	2.98	222,313,153	3.78
Other current asset	129,814,129	2.28	78,060,166	1.39	80,780,692	1.37
Total current assets	823,167,603	14.43	738,575,726	13.20	603,499,809	10.26
Receivables under finance lease contracts	-	-	19,817,855	0.35	42,918,371	0.73
Fixed deposit using for guarantee	50,000,000	0.88	50,000,000	0.89	50,000,000	0.85
Assets-for-leases	4,289,181,662	75.20	4,299,251,886	76.83	4,727,028,232	80.37
Property, plant and equipment	170,977,740	3.00	168,382,784	3.01	166,427,513	2.83
Intangible assets	74,524,169	1.31	14,720,478	0.26	14,803,611	0.25
Leasehold right	15,090,089	0.26	75,935,046	1.36	93,304,918	1.59
Deferred tax assets	126,797,718	2.22	79,152,219	1.41	30,589,573	0.52
Other non-current asset	153,644,970	2.69	149,927,234	2.68	152,940,188	2.60
Total non-current assets	4,880,216,348	85.57	4,857,187,501	86.80	5,278,012,406	89.74
Total assets	5,703,383,951	100.00	5,595,763,227	100.00	5,881,512,215.19	100.00

STATEMENT OF FINANCIAL POSITION (CONT.)

Unit : Baht

Transection	2021		2022		2023	
	Baht	%	Baht	%	Baht	%
Bank overdrafts and short-term loans from financial institutions	-	-	-	-	-	-
Bill of exchange	-	-	-	-	-	-
Trade and other payables	80,451,160	1.41	92,873,701	1.66	70,342,807	1.20
Accounts payable-purchase assets for leases	67,558,313	1.18	145,536,282	2.60	76,790,754	1.31
Current portion of debentures	599,916,356	10.52	799,778,497	14.29	-	0.00
Current portion of long-term loans from financial institutions	314,888,146	5.52	251,025,381	4.49	330,757,231	5.62
Current portion Liabilities under financial lease agreements	230,986,015	4.05	278,845,737	4.98	503,044,411	8.55
Other current liabilities	12,730,352	0.22	15,177,437	0.27	11,289,257	0.19
Total current liabilities	1,306,530,343	22.91	1,583,237,035	28.29	992,224,461	16.87
Debentures	799,397,658	14.02	449,382,658	8.03	748,985,020	12.73
Long-term loans from financial institutions	522,433,825	9.16	433,681,264	7.75	311,022,323	5.29
lease liabilities	631,694,623	11.08	612,146,392	10.94	1,257,805,283	21.39
Liabilities under financial lease agreements	109,516	0.00	-	-	107,676.86	0.00
Deposits for car lease from clients	157,858,345	2.77	160,877,203	2.87	159,388,541	2.71
Employee benefit obligations	28,570,169	0.50	27,609,883	0.49	30,546,363	0.52
Total non-current liabilities	2,140,064,135	37.52	1,683,697,400	30.09	2,507,855,208	42.64
Total liabilities	3,446,594,478	60.43	3,266,934,434	58.38	3,500,079,668	59.51

STATEMENT OF FINANCIAL POSITION (CONT.)

Unit : Baht

Transaction	2021		2022		2023	
	Baht	%	Baht	%	Baht	%
Issued and paid-up share capital	250,000,000	4.38	250,000,000	4.47	250,000,000	4.25
Premium on share capital	162,450,370	2.85	162,450,370	2.90	162,450,370	2.76
Retained earnings – Appropriated - legal reserve	30,000,000	0.53	30,000,000	0.54	30,000,000	0.51
Retained earnings – Unappropriated	1,814,426,716	31.81	1,886,378,422	33.71	1,939,068,318	32.97
Gain from investment in available for sale	-	-	-	-	-	-
Loss from remeasuring of derivatives instruments	(87,613)	(0.00)	-	-	(86,141)	(0.00)
Total shareholders' equity	2,256,789,473	39.57	2,328,828,792	41.62	2,381,432,546	40.49
Total liabilities and shareholders' equity	5,703,383,951	100.00	5,595,763,227	100.00	5,881,512,215	100.00

STATEMENT OF COMPREHENSIVE INCOME

Unit : Baht

Transaction	Consolidated financial statements					
	2021	%	2022	%	2023	%
Income on car leases	1,311,351,338	59.45	1,347,055,610	59.08	1,300,645,069	59.88
Income on sale of cars	819,231,214	37.14	873,519,725	38.31	805,829,231	37.10
Other income	75,097,984	3.40	59,610,915	2.61	65,569,689	3.02
Total income	2,205,680,536	100.00	2,280,186,251	100.00	2,172,043,989	100.00
Cost of car leases	1,135,828,600	51.50	1,162,920,291	51.00	1,157,190,078	53.28
Cost of sales of cars	579,073,296	26.25	628,774,088	27.58	508,205,137	23.40
Selling expenses	155,210,186	7.04	178,318,561	7.82	179,805,237	8.28
Finance cost	80,821,758	3.66	77,696,839	3.41	83,987,317	3.87
Total expenses	1,950,933,840	88.45	2,047,709,778	89.80	1,929,187,771	88.82
Profit before (income) tax expenses	254,746,695	11.55	232,476,473	10.20	242,856,218	11.18
(Income) tax expenses	28,633,359	1.30	49,249,990	2.16	50,166,322	2.31
Profit for the year	226,113,336	10.25	183,226,483	8.04	192,187,771	8.87
Basic earnings per share	0.90		0.73		0.77	

STATEMENT OF CASH FLOWS

Unit : Baht

Transaction	Consolidated financial statements		
	2021	2022	2023
<u>Cash flows from operating activities</u>			
Profit before (income) tax expenses	254,746,695	232,476,473	242,856,218
Adjustments to reconcile profit before (income) tax expenses			
to net cash provided by (used in) operating activities			
Doubtful accounts (reverse)	798,775	7,907,339	(3,274,594)
Depreciation and amortization	892,527,130	885,827,969	874,046,339
Written-off withholding tax	3,060,522	153,110	-
Allowance for the refund of the withholding tax	(13,963,391)	-	-
Loss from rental reduction	-	16,008	-
Loss on disposal of assets	2,576,924	2,601,859	2,936,480
Gain on sale of investments in available-for-sale securities	(105,623)		
Employee benefits expenses	56	3,566	
Interest income	(138,247)	(126,541)	(479,310)
Finance cost	80,821,758	77,696,839	83,987,317
Profit from operating before changing in operating			
assets and liabilities	1,220,324,598	1,206,181,677	1,198,099,441
(Increase) decrease in operating assets			
Trade and other receivables	(15,359,613)	(36,212,157)	80,745,965
Decrease in cash at banks using for guarantee	-	(21,255,937)	(30,904,449)
Prepaid insurance premium	(2,410,600)	2,910,366	(7,342,139)
Inventories	356,818,966	365,370,825	409,944,887
Revenue account receivable	13,217,013	-	-
Other current assets	7,691,080	592,606	(6,319,650)
Other non-current assets	532,594	(43,168)	(315,182)
Increase (decrease) in operating liabilities			
Trade and other payables	6,697,698	12,385,617	(14,614,224)
Deposits for car lease from clients	51,683,636	3,018,857	(1,488,661)
Other current liabilities	1,193,224	5,039,174	(3,909,110)
Cash generated for operation	1,640,388,596	1,536,802,648	1,623,896,876
Cash received from interest income	30,491	49,991	212,321
Cash paid for purchase of assets for leases	(670,514,613)	(919,818,088)	(611,765,442)
Cash paid for Employee benefits obligations	(108,640)	(2,030,713)	-
Cash received from the refund of the withholding tax	-	114,146,128	61,799,559
Cash paid for income tax	(63,145,858)	(62,716,536)	(62,459,416)
Net cash provided by operating activities	906,649,977	666,433,429	1,011,683,898

Transaction	Consolidated financial statements		
	2021	2022	2023
<u>Cash flows from investing activities</u>			
Cash received from interest income	165,063	75,082	75,144
Cash received from short-term loans to related companies	-	-	-
Cash paid for short-term loans to related companies	-	-	-
Cash received from sale of investment in available-for-sale securities	572,045,000	1,371,380,000	1,103,811,654
Cash paid for investment in available-for-sale securities	(799,000,000)	(1,260,000,009)	(986,000,000)
Increase in cash at banks using for guarantee	21,041	-	-
Cash received from sale of fixed assets	-	3,738	-
Cash paid for purchase of fixed assets	(1,209,648)	(1,315,848)	(1,197,921)
Cash paid for purchase of intangible assets	(2,993,358)	(86,060)	(541,437)
Cash paid for purchase of building on leasehold right	(92,878)	(2,176,363)	(4,142,897)
Net cash provided by (used in) investing activities	(231,064,780)	107,880,541	112,004,543
<u>Cash flows from financing activities</u>			
Cash paid for finance cost	(81,431,583)	(77,288,554)	(92,080,121)
Increase (decrease) in bank overdrafts	-	-	-
Cash received from short-term loans from financial institutions	270,000,000	200,000,000	340,000,000
Cash paid from short-term loans from financial institutions	(390,000,000)	(200,000,000)	(340,000,000)
Cash received from issuing of bill of exchange	-	179,475,781	-
Cash paid for bill of exchange due	-	(180,000,000)	-
Cash received from issuing of debenture	-	450,000,000	300,000,000
Cash paid for debenture maturity	-	(600,000,000)	(800,000,000)
Cash received from long-term loans from financial institutions	120,000,000	240,000,000	236,424,281
Cash paid for long-term loans from financial institutions	(362,625,778)	(392,615,326)	(279,351,372)
Cash paid for hire-purchase contract payables	(141,905,388)	(238,707,225)	(364,064,452)
Cash paid for dividend	(97,500,000)	(112,499,922)	(140,000,000)
Net cash used in financing activities	(683,462,749)	(731,635,246)	(1,139,071,664)
Net increase (decrease) in cash and cash equivalents	(7,877,552)	42,678,724	(15,383,223)
Cash and cash equivalents, beginning of the year	39,190,906	31,313,354	73,992,077
Cash and cash equivalents, ending of the year	31,313,354	73,992,078	58,608,854

— 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	53	<ul style="list-style-type: none"> - MBA-Faculty of Finance, Seattle University, United States - BBA- Business Administration, Assumption University - DAP 19 - DCP 201/2015 	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)
					2004 – Present	<u>Positions in non-listed companies</u> Managing Director Toyota Krungthai Company Limited (Toyota Distributor)
					1992 – Present	Director Thanapat Property Company Limited (Rental Building)
					2019– Present	Director Mitsu Impression Company Limited (Mitsu Distributor)
					2022– Present	Director Metro Mobile Company Limited (B.Y.D. Distributor)
2. Mr. Pichit Chantarasereekul Director, Managing Director and Executive Director	51	<ul style="list-style-type: none"> - MBA- Business Administration, University of Toledo, United States - BBA- Business Administration Assumption University - DAP 19 - DCP 85 - CDC 8 - FBS 2/2015 - RNG 7/2015 - RCC 20/2015 	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 Impression Company Limited (Mitsu Distributor)
					2022– Present	Director Metro Mobile Company Limited (B.Y.D. 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	72	<ul style="list-style-type: none"> - MASTER OF EDUCATION CURRICULUM AND TEACHING METHODOLOGY (TEACHING CHINESE AS A FOREIGN LANGUAGE), BEIJING LANGUAGE AND CULTURAL UNIVERSITY - THAI-BARRISTER-AT-LAW - THE THAI BAR ASSOCIATION - (MBA) IN BUSINESS ADMINISTRATION, THAMMASAT UNIVERSITY - (BBA) IN BUSINESS ADMINISTRATION AND FACULTY OF LAW , RAMKHAMHAENG - DAP ' 24 - DCP' 81 - ACP '12 - BOARD NOMINATION AND COMPENSATION PROGRAM (BNCP)2017 	0	No	2004- 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>
					2003 – Present	Chairman of the Audit Committee Syntec Construction Public Company Limited
					2005 – Present	Chairman of the Audit Committee Eastern Printing Public Company Limited
					2014- Present	Chairman of the Nomination and Remuneration Committee Rabbit hole Studio Company Limited
					2022- Present	Chairman of the Audit Committee and Chairman of the Board Master Ad Public Company Limited
					2013- Present	Chairman of the Audit Committee and Member of the Audit Committee Eastern Polymer Group Public Company Limited
					2013- Present	Chairman Nation International Edutainment Public Company Limited
						<u>Positions in non-listed companies</u>
					2007 – Present	Chairman of the Audit Committee Merchant Partners Asset Management Company Limited
					2005- Present	Chairman of the Audit Committee Merchant Partners Securities Public Company Limited
					1997 – Present	Director Boat House Hua Hin Company Limited
					2000 - Present	Director Prospect Consulting Company Limited (Auditing and Finance Advisory)
						Director Bright Lilly (Thailand) Company Limited
4. Mr. Karoon Laoharatanun Director	67	<ul style="list-style-type: none"> - MBA, Kasetsart University - (BBA) Science, Kasetsart University - ISO/IEC 27001 - Automobile financing business at Kuala Lumpur, Malaysia - DAP 32 - DCP 170 	No	No	2013-Present	Director Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) <u>Positions in non-listed companies</u>
					2008-Present	Director Infonet (Thailand) Company Limited
					2008-Present	Director STC Network Corporation Company Limited
					2006-2008	Director SCB Leasing Company Limited

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	57	<ul style="list-style-type: none"> - DOCTOR OF Program in Development Administration Sunandha Rajabhat University - MBA- Faculty of Law, Villanova University , United States - Bachelor of Laws, Chulalongkorn University - DAP '23 - DCP '160 - CAPITAL MARKET ACADEMY PROGRAMS'21 - ADVANCE SECURITY MANAGEMENT PROGRAM'9 - ADVANCED CERTIFICATE COURSE IN POLITICS AND GOVERNANCE IN DEMOCRATIC SYSTEMS FOR EXECUTIVES'22 - ADVANCED CERTIFICATE COURSE IN THAILAND NATIONAL DEFENCE COLLEGE'62 	No	No	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>
					2013-Present	Director
					2002-Present	SF Corporation Public Company Limited Managing Director
					2004-Present	Smart Home System Company Limited (Electronic System and Securities Consulting) Managing Director
					2004-Present	AheadAll Company Limited Managing Director
					2004-Present	PUNNAKHATE Company Limited
6. Dr. Eakapong Tungsrisinguan Director	48	<ul style="list-style-type: none"> - DOCTOR OF ENGINEERING IN TELECOMMUNICATIONS, ASIAN INSTITUTE OF TECHNOLOGY - MASTER OF ENGINEERING IN TELECOMMUNICATIONS, ASIAN INSTITUTE OF TECHNOLOGY - BACHELOR OF ENGINEERING, ELECTRICAL ENGINEERING, CHULALONGKORN UNIVERSITY - BACHELOR OF LAWS, BUSINESS LAW AND TAXATION, CHULALONGKORN UNIVERSITY - BBA- FACULTY OF ACCOUNTING BANGKOK UNIVERSITY - CERTIFIED PUBLIC ACCOUNTANT, CPA - FELLOW MEMBER OF IOD - MEMBER OF STRATEGIC CFO IN CAPITAL MARKETS PROGRAM No.1 - SENIOR EXECUTIVES PROGRAM (BATCH 26), CAPITAL MARKET ACADEMY - PUBLIC ECONOMICS MANAGEMENT FOR EXECUTIVES No.15 - STRATEGIC CFO IN CAPITAL MARKETS PROGRAM No. 1/2015 ,SET - DIRECTOR CERTIFICATION PROGRAM (DCP) No.224/2016 - 2MORROW SCALER No. 2 	No	No	2019 –Present	Director Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) <u>Positions in other listed companies</u>
					2015 –Present	Executive / Risk Management Committee JWD Info Logistics Public Company Limited
					2018 – 2020	Director Modernform Health and Care Public Company Limited <u>Positions in non-listed companies</u>
					2018 –Present	Board of Standard for Analysis and Investment Management Property Market The Stock Exchange of Thailand
					2004 –Present	Audit Partner Mitrpracha Law and Accounting
					2004 –Present	MANAGING PARTNER Yongyout Accountancy 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. Miss Sirima Cha-embun Managing Director of Service	53	- MBA- BUSINESS ADMINISTRATION, SRIPATUM UNIVERSITY - BBA- BUSINESS ADMINISTRATION-FACULTY OF MANAGEMENT, ST.JOHN UNIVERSITY - MINI MBA '57, Thammasat University	No	No	2007 – Present	<i>Service Director</i> Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing)
8. Miss Pornpan Sattawatkul Finance and Accounting Manager	49	- MBA COMPUTER AND TELECOMMUNICATIONS ENGINEERING , DHURAKIJ PUNDIT UNIVERSITY - BBA- FACULTY OF ACCOUNTING, SIAM UNIVERSITY - CPA No. 7287	No	No	August 2023 - Present 2005 – July 2023	<i>Assistant Vice President</i> Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing) <i>Finance and Accounting Manager</i> Krungthai Car Rent and Lease Public Company Limited (Car Operating Leasing)
9. Mr.Noppol Sakthong Secretary	59	- BBA, Faculty of Law Ramkhamheng University - Training “Company SECRETARY PROGRAM” of Thai Institute of Directors	No	No	2004-Present	<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 Impresion Company Limited	Go Automobile Company Limited	Metro Mobile Company Limited
1. Mr. Pithep Chantarasereekul	X S	/ S	/ S		/ S O		/ S	/ S	/ S
2. Mr. Pichit Chantarasereekul	/ S O	/ S	/ S	/ S O			/ S	/ S	/ S
3. Mr. Chaiwat Atsawintarangkun	/ A								
4. Mr. Karoon Laoharajatanand	/ A								
5. Dr. Pahfun Jittmittraparp	/ A								
6. Dr. Eakapong Tungsrisinguan	/								
7. Miss Sirima Cha-embun									
8. Miss Pornpan Sattawatkul									
9. 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, 2023

Internal departments:

Name	Ms Supitcha Kajornchaikul
Position	Internal Auditor
Educational background	<ul style="list-style-type: none">• Master's degree in Business Economics, Thammasat University• Bachelor of Business Administration, Rajamangala Institute of Technology
Professional experience	16 years
Trainings	<ul style="list-style-type: none">• Practice guidelines for internal auditing, Class 4• CPIAT, Class 24
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">• Bachelor's degree in Business Administration (Accounting), Ramkhamhaeng University• Master of Business Administration (General Management), Ramkhamhaeng University
Professional experience	<ul style="list-style-type: none">• Internal audit: 15 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.• Accounting 21 years<ul style="list-style-type: none">• Various tax planning work for the construction industry, manufacturing business, and service industry.• Improvement and design of industrial cost accounting systems, made-to-order system, purchasing system, and accounting system.• Analysis of the work plan of the standard costing system and the actual cost.• Analysis of budgeting plan and projection of cash inflows and outflows.• Experience in auditing, accounting, and financial information.
Trainings	<ul style="list-style-type: none">• Certificate of Certified Internal Auditor, CPIAT 527• Certificate of Internal Auditor, CAC-SME-IOD• CFO Programme, Class 8, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.• New-Generation Manager course, Class 11, Faculty of Commerce and Accountancy, Chulalongkorn University.• Anti-Corruption: the practical guide (ACPG), Class 17/2015• CPIAT, Class 43.

Attachment 4

Details of asset appraisal

-NO-



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. 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 which can be viewed on the first page under the heading of good corporate governance

Report of the Nominating and Remunerating Committee

Report of the Risk Management Committee

Report of the Nominating and Remunerating Committee

Report of the Corporate Governance Committee

The Company has disclosed the full Report of Sub-committee on the Company's website www.krungthai.co.th

which can be viewed on the first page under the heading of Investor Relations

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 2023, 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, 2023, 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 2023.

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" 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 Atsawintarangkun)
Chairman of the Audit Committee

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023



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, 2023, 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, 2023, 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, 2023, 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, 2023, 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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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.

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 Nannaphat Wannasomboon.



(Miss Nannaphat Wannasomboon)

Certified Public Accountant

Registration No. 7793

Dharmniti Auditing Company Limited

Bangkok, Thailand.

February 28, 2024

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		<u>ASSETS</u>				
		Baht				
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
Notes		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
Current assets						
	Cash and cash equivalents	5	58,608,854.45	73,992,077.71	58,319,533.38	73,698,784.51
	Trade and other current receivables	4, 6	166,708,119.15	243,987,645.64	163,606,730.03	238,994,162.27
	Current portion of receivables under					
	finance lease contracts	7	9,242,015.01	1,438,082.05	9,242,015.01	1,438,082.05
	Prepaid insurance premium		65,623,783.89	58,281,644.59	65,623,783.89	58,281,644.59
	Inventories	8	222,313,152.76	166,754,274.16	204,366,600.85	143,630,503.75
	Other current financial assets	9	223,192.11	116,061,835.75	223,192.11	116,061,835.75
	Withholding tax pending for the refund	17	58,200,434.84	61,799,559.30	58,200,434.84	61,799,559.30
	Other current assets		22,580,256.95	16,260,606.56	22,307,499.82	15,220,169.02
	Total current assets		603,499,809.16	738,575,725.76	581,889,789.93	709,124,741.24
Non-current assets						
	Receivables under finance lease contracts	7	42,918,371.19	19,817,854.54	42,918,371.19	19,817,854.54
	Cash at bank using for guarantee	10	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
	Investment in subsidiary company	11	-	-	48,812,300.00	48,812,300.00
	Assets-for-leases	12	4,727,028,231.84	4,299,251,885.64	4,727,028,231.84	4,299,251,885.64
	Property, plant and equipment	13	166,427,513.22	168,382,783.82	2,020,035.50	2,272,878.81
	Right-of-use assets	4, 14	93,304,918.00	75,935,045.68	33,590,199.37	26,948,812.69
	Other intangible assets	15	14,803,611.01	14,720,478.30	13,553,070.20	13,500,576.66
	Deferred tax assets	16	30,589,572.74	79,152,219.04	28,735,987.08	77,558,047.87
	Other non-current assets	17	152,940,188.03	149,927,233.93	149,062,484.11	146,052,530.01
	Total non-current assets		5,278,012,406.03	4,857,187,500.95	5,095,720,679.29	4,684,214,886.22
	Total assets		5,881,512,215.19	5,595,763,226.71	5,677,610,469.22	5,393,339,627.46

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Current liabilities					
Trade and other current payables	4	70,342,807.01	92,873,701.13	129,468,266.25	135,717,282.00
Accounts payable-purchase assets for leases	4	76,790,754.37	145,536,281.81	76,790,754.37	145,536,281.81
Current portion					
Long-term loans from financial institutions	19	330,757,231.21	251,025,381.30	330,757,231.21	251,025,381.30
Lease liabilities	20	503,044,411.13	278,845,737.17	490,261,648.18	269,283,474.97
Debentures	21	-	799,778,496.72	-	799,778,496.72
Other current liabilities		11,289,257.12	15,177,436.67	10,668,689.00	14,318,159.32
Total current liabilities		992,224,460.84	1,583,237,034.80	1,037,946,589.01	1,615,659,076.12
Non-current liabilities					
Long-term loans from financial institutions	19	311,022,323.38	433,681,264.04	311,022,323.38	433,681,264.04
Lease liabilities	20	1,257,805,283.30	612,146,391.97	1,205,718,069.30	568,451,975.53
Debentures	21	748,985,020.01	449,382,657.84	748,985,020.01	449,382,657.84
Other non-current financial liabilities	33	107,676.86	-	107,676.86	-
Deposits for car lease from clients		159,388,540.82	160,877,202.62	159,388,540.82	160,877,202.62
Provisions for employee benefit	22	30,546,363.18	27,609,883.12	27,153,634.67	24,760,868.63
Total non-current liabilities		2,507,855,207.55	1,683,697,399.59	2,452,375,265.04	1,637,153,968.66
Total liabilities		3,500,079,668.39	3,266,934,434.39	3,490,321,854.05	3,252,813,044.78

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Baht				
	Consolidated financial statements		Separate financial statements		
	Notes	2023	2022	2023	2022
Shareholders' equity					
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		1,939,068,318.09	1,886,378,422.12	1,744,924,386.46	1,698,076,212.48
Other components of shareholders' equity		(86,141.49)	-	(86,141.49)	-
Total shareholders' equity		2,381,432,546.80	2,328,828,792.32	2,187,288,615.17	2,140,526,582.68
Total liabilities and shareholders' equity		5,881,512,215.19	5,595,763,226.71	5,677,610,469.22	5,393,339,627.46

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Income on car leases		1,300,645,069.23	1,347,055,610.44	1,300,645,069.23	1,347,055,610.44
Income on sale of cars		805,829,231.03	873,519,725.34	719,390,488.91	554,776,656.06
Dividend income		-	-	-	69,998,950.00
Other income	4,				
	23	65,569,689.12	59,610,915.23	37,043,236.29	36,936,615.82
Total income		2,172,043,989.38	2,280,186,251.01	2,057,078,794.43	2,008,767,832.32
Expenses					
Cost of car leases	4	1,157,190,078.48	1,162,920,290.72	1,157,190,078.48	1,162,920,290.72
Cost of sales of cars		508,205,137.34	628,774,087.72	429,140,030.83	342,396,678.45
Selling expenses	4	66,351,988.18	57,967,520.81	61,347,485.74	33,218,768.82
Administrative expenses		92,610,659.27	98,473,078.73	71,498,143.51	79,605,515.50
Directors and executive remuneration	4	20,842,590.53	21,877,961.29	20,842,590.53	21,877,961.29
Total expenses		1,845,200,453.80	1,970,012,939.27	1,740,018,329.09	1,640,019,214.78
Profit from operating activities		326,843,535.58	310,173,311.74	317,060,465.34	368,748,617.54
Finance cost		(83,987,317.22)	(77,696,839.07)	(81,368,695.20)	(74,947,263.99)
Profit before tax expenses		242,856,218.36	232,476,472.67	235,691,770.14	293,801,353.55
Tax expenses	25	(50,166,322.39)	(49,249,989.63)	(48,843,596.16)	(47,651,230.92)
Profit for the year		192,689,895.97	183,226,483.04	186,848,173.98	246,150,122.63
Other comprehensive income :					
Items that may be reclassified subsequently to profit or loss					
Gain (loss) from remeasuring of derivative instruments					
- net of income tax		(86,141.49)	87,612.72	(86,141.49)	87,612.72
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain on the defined employee benefit plans					
- net of income tax		-	1,225,145.45	-	717,250.97
Other comprehensive gain (loss) for the year		(86,141.49)	1,312,758.17	(86,141.49)	804,863.69
Total comprehensive income for the year		192,603,754.48	184,539,241.21	186,762,032.49	246,954,986.32
Basic earnings per share					
Profit for the year	26	0.77	0.73	0.75	0.98

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

		Baht					
		Consolidated financial statements					
	Notes	Share capital issued and paid-up	Premium on share capital	Retained earnings Appropriated - legal reserve	Unappropriated	Other components of shareholders' equity Gain (loss) from remeasuring of derivative instruments	Total shareholder's equity
Balance as at January 1, 2022		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
Dividend paid	28	-	-	-	(112,499,922.00)	-	(112,499,922.00)
Total comprehensive income for the year		-	-	-	184,451,628.49	87,612.72	184,539,241.21
Ending balance, as at December 31, 2022		250,000,000.00	162,450,370.20	30,000,000.00	1,886,378,422.12	-	2,328,828,792.32
Dividend paid	28	-	-	-	(140,000,000.00)	-	(140,000,000.00)
Total comprehensive income for the year		-	-	-	192,689,895.97	(86,141.49)	192,603,754.48
Ending balance, as at December 31, 2023		<u>250,000,000.00</u>	<u>162,450,370.20</u>	<u>30,000,000.00</u>	<u>1,939,068,318.09</u>	<u>(86,141.49)</u>	<u>2,381,432,546.80</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT).
FOR THE YEAR ENDED DECEMBER 31, 2023

		Baht					
		Separate financial statements					
	Notes	Share capital issued and paid-up	Premium on share capital	Retained earnings Appropriated - legal reserve	Unappropriated	Other components of shareholders' equity Gain (loss) from remeasuring of derivative instruments	Total shareholder's equity
Balance as at January 1, 2022		250,000,000.00	162,450,370.20	30,000,000.00	1,563,708,760.88	(87,612.72)	2,006,071,518.36
Dividend paid	28	-	-	-	(112,499,922.00)	-	(112,499,922.00)
Total comprehensive income for the year		-	-	-	246,867,373.60	87,612.72	246,954,986.32
Ending balance, as at December 31, 2022		250,000,000.00	162,450,370.20	30,000,000.00	1,698,076,212.48	-	2,140,526,582.68
Dividend paid	28	-	-	-	(140,000,000.00)	-	(140,000,000.00)
Total comprehensive income for the year		-	-	-	186,848,173.98	(86,141.49)	186,762,032.49
Ending balance, as at December 31, 2023		250,000,000.00	162,450,370.20	30,000,000.00	1,744,924,386.46	(86,141.49)	2,187,288,615.17

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax expenses	242,856,218.36	232,476,472.67	235,691,770.14	293,801,353.55
Adjustments to reconcile profit before tax expenses to net cash provided by (used in) operating activities				
Expected credit losses (reversal)	(3,274,594.09)	7,907,338.66	(3,274,594.09)	7,949,421.26
Bad debt	456,898.04	6,173,943.88	456,898.04	6,173,943.88
Depreciation and amortization	874,046,339.29	885,827,968.61	857,343,344.51	869,563,114.38
Write-off withholding tax	-	153,109.90	-	-
Loss from rental reduction	-	16,008.25	-	-
Gain on sale of unit trust	(2,007,514.76)	(392,050.44)	(2,007,514.76)	(392,050.44)
Unrealized loss from unit trust	34,503.77	24,238.23	34,503.77	24,238.23
(Gain) loss on write-off fixed assets	2.00	(3,566.32)	2.00	(3,566.32)
Dividend income	-	-	-	(69,998,950.00)
Employee benefits expenses	2,936,480.06	2,601,859.27	2,392,766.04	2,132,835.24
Interest income	(479,310.37)	(126,540.89)	(479,310.37)	(126,540.89)
Interest expenses	83,987,317.22	77,696,839.07	81,368,695.20	74,947,263.99
Profit from operating before changing in operating assets and liabilities	1,198,556,339.52	1,212,355,620.89	1,171,526,560.48	1,184,071,062.88
(Increase) decrease in operating assets				
Trade and other current receivables	80,289,067.26	(42,386,101.06)	78,396,973.01	(54,547,491.83)
Receivables under finance lease contracts	(30,904,449.61)	(21,255,936.59)	(30,904,449.61)	(21,255,936.59)
Prepaid insurance premium	(7,342,139.30)	2,910,365.53	(7,342,139.30)	2,910,365.53
Inventories	409,944,887.77	365,370,824.96	404,767,669.27	326,713,120.32
Other current assets	(6,319,650.39)	(592,606.08)	(7,087,330.80)	(1,460,488.90)
Other non-current assets	(315,182.52)	(43,167.97)	(312,182.52)	(43,167.97)
Increase (decrease) in operating liabilities				
Trade and other current payables	(14,614,224.26)	12,385,616.72	1,667,654.11	3,836,550.24
Other current liabilities	(3,909,110.35)	5,039,174.20	(3,649,470.32)	4,796,241.06
Deposits for car lease from clients	(1,488,661.80)	3,018,857.43	(1,488,661.80)	3,018,857.43
Cash generated for operation	1,623,896,876.32	1,536,802,648.03	1,605,574,622.52	1,448,039,112.17
Cash received from interest income	212,321.43	49,990.58	212,321.43	49,990.58
Cash paid for purchase of assets for leases	(611,765,442.09)	(919,818,088.25)	(611,765,442.09)	(919,818,088.25)
Cash paid for employee benefit obligations	-	(2,030,713.33)	-	(2,030,713.33)
Cash received from the refund of the withholding tax	61,799,559.30	114,146,128.02	61,799,559.30	114,146,128.02
Cash paid for income tax	(62,459,416.34)	(62,716,535.76)	(60,898,206.42)	(58,118,511.24)
Net cash provided by operating activities	1,011,683,898.62	666,433,429.29	994,922,854.74	582,267,917.95

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Cash received from interest income	75,144.22	75,082.00	75,144.22	75,082.00
Cash received from sale of unit trust	1,103,811,654.63	1,371,380,000.00	1,103,811,654.63	1,371,380,000.00
Cash paid for purchase of unit trust	(986,000,000.00)	(1,260,000,009.00)	(986,000,000.00)	(1,260,000,009.00)
Cash received from sale of fixed assets	-	3,738.32	-	3,738.32
Cash paid for purchase of fixed assets	(1,197,921.19)	(1,315,848.24)	(733,386.37)	(794,090.32)
Cash paid for purchase of right-of-use assets	(4,142,897.36)	(2,176,362.57)	(4,142,897.36)	(2,176,362.57)
Cash paid for purchase of intangible assets	(541,437.30)	(86,060.00)	(148,913.94)	(36,000.00)
Dividend received from investment in subsidiary	-	-	-	69,998,950.00
Net cash provided by investing activities	<u>112,004,543.00</u>	<u>107,880,540.51</u>	<u>112,861,601.18</u>	<u>178,451,308.43</u>
Cash flows from financing activities				
Cash paid for interest expenses	(92,080,121.63)	(77,288,554.41)	(89,461,499.61)	(74,538,979.33)
Cash received from short-term loans from financial institutions	340,000,000.00	200,000,000.00	340,000,000.00	200,000,000.00
Cash paid from short-term loans from financial institutions	(340,000,000.00)	(200,000,000.00)	(340,000,000.00)	(200,000,000.00)
Cash received from issuing of bill of exchange	-	179,475,780.88	-	179,475,780.88
Cash paid for bill of exchange	-	(180,000,000.00)	-	(180,000,000.00)
Cash received from issuing of debentures	300,000,000.00	450,000,000.00	300,000,000.00	450,000,000.00
Cash paid for debenture	(800,000,000.00)	(600,000,000.00)	(800,000,000.00)	(600,000,000.00)
Cash received from long-term loans from financial institutions	236,424,281.40	240,000,000.00	236,424,281.40	240,000,000.00
Cash paid for long-term loans from financial institutions	(279,351,372.15)	(392,615,325.83)	(279,351,372.15)	(392,615,325.83)
Cash paid for lease liabilities	(364,064,452.50)	(238,707,224.82)	(350,775,116.69)	(227,848,956.90)
Cash paid for dividend	(140,000,000.00)	(112,499,922.00)	(140,000,000.00)	(112,499,922.00)
Net cash used in financing activities	<u>(1,139,071,664.88)</u>	<u>(731,635,246.18)</u>	<u>(1,123,163,707.05)</u>	<u>(718,027,403.18)</u>
Net increase (decrease) in cash and cash equivalents	(15,383,223.26)	42,678,723.62	(15,379,251.13)	42,691,823.20
Cash and cash equivalents, beginning of the year	73,992,077.71	31,313,354.09	73,698,784.51	31,006,961.31
Cash and cash equivalents, ending of the year	<u>58,608,854.45</u>	<u>73,992,077.71</u>	<u>58,319,533.38</u>	<u>73,698,784.51</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Supplemental disclosures of cash flow information</u>				
1. Transferred assets for leases to inventories	465,503,766.37	374,032,361.83	465,503,766.37	374,032,361.83
2. Acquisition of assets for leases				
Purchase of fixed asset during the year	(1,746,795,495.57)	(1,249,111,049.61)	(1,746,795,495.57)	(1,249,111,049.61)
Increase (decrease) in payables for purchase - fixed assets	(68,745,527.44)	77,977,968.55	(68,745,527.44)	77,977,968.55
Increase in lease liabilities	1,203,775,580.92	251,314,992.81	1,203,775,580.92	251,314,992.81
Cash paid for purchase of fixed assets	<u>(611,765,442.09)</u>	<u>(919,818,088.25)</u>	<u>(611,765,442.09)</u>	<u>(919,818,088.25)</u>
3. Cash paid for lease liabilities transaction				
Increase in lease liabilities	871,761,487.47	28,374,100.06	860,148,189.16	39,232,367.98
Addition lease liabilities during the year	(1,335,728,187.38)	(286,515,511.25)	(1,309,776,461.34)	(286,515,511.25)
Increase in interest expenses	99,902,247.41	19,434,186.37	98,853,155.49	19,434,186.37
Cash paid for lease liabilities	<u>(364,064,452.50)</u>	<u>(238,707,224.82)</u>	<u>(350,775,116.69)</u>	<u>(227,848,956.90)</u>

**KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS
SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. GENERAL INFORMATION

1.1 Corporate information

a) Address and legal status

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

The address of its registered office are as follow:-

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

b) Nature the company's business

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of the financial statements

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

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

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

2.2 Basis for consolidation financial statements

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

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

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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

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

2.3 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiary have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of revenues and expenses

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

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

Interest income under finance lease contracts on an accrual basis, using the effective interest rate method over the term of the agreement.

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

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

Other incomes and expenses are recognized on the accrual basis.

3.2 Cash and cash equivalents

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

3.3 Trade Receivables and Receivables under finance lease contracts

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

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

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

3.4 Financial instruments

Classification and measurement of financial assets

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

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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

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

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

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

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

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

Classification and valuation of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

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

DECEMBER 31, 2023

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.

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

DECEMBER 31, 2023

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

3.6 Inventories

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

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

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

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

3.7 Investment in subsidiary company

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

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

3.8 Assets for leases

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

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

3.9 Property, plant and equipment

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

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

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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

	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 lives of the assets regularly.

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

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

Depreciation is included in determining income.

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

3.10 Intangible assets

Intangible assets are carried at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated by straight-line method over the estimated useful lives of the assets

	Useful lives (years)
Computer software	10
Copyright	10

3.11 Borrowing costs

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

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3.12 Impairment of non-financial assets

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

3.13 Deferred debenture issuing costs

Debenture issuing costs are recorded as deferred financial fees and amortized to be interest expense using the effective interest rate method over the term of the debentures.

Deferred debenture issuing costs are presented as a deduction against the debenture amounts in the statement of financial position.

3.14 Lease

3.14.1 As a lessee

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

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

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.

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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3.14.2 As a lessor

Finance leases

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

Operating leases

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

3.15 Employee benefits

Short - term employment benefits

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

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

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

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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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.

3.16 Related parties

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

officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

3.17 Provisions

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

3.18 Income tax expenses

Income tax comprises current income tax and deferred tax.

Current tax

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

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

Thus, the Company and its subsidiary offset deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

3.19 Fair value of financial instruments

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

Fair value hierarchy

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

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

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

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3.20 Significant accounting judgements and estimates

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

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.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

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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 right-of-use assets and to review estimate useful lives and residual values when there are any changes.

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

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

DECEMBER 31, 2023

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
Metro Mobile Co., Ltd	Selling car and repair service	Shareholder/Co-Director

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

Transaction in the statements of comprehensive income	Pricing Policy	Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<u>Subsidiary company</u>					
Revenue :					
Dividend income	175 Per share	-	-	-	69,998,950.00
Expenses :					
Commission expenses	Agreed price	-	-	20,447,545.48	14,333,770.37
Sales promotion expenses	Agreed price	-	-	19,201,000.00	-
Interest expenses	Interest rate financial institutions	-	-	215,257.89	76,514.07
Purchase of assets :					
Cars for leases	Market price for major buyer	-	-	-	9,519,201.79

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

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Pricing Policy	Baht				
	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	
Related companies					
Revenue :					
Income on sale of cars					
Car Loft Import Co., Ltd.	At cost after deduct special discount	-	13,825,001.00	-	-
Commission income					
Car Loft Import Co., Ltd.	Agreed price	32,710.28	-	-	-
Show room for rent					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 1,490 sqm., rental charge at 83,000 Baht/Month	996,000.00	830,000.00	996,000.00	830,000.00
Metro Mobile Co., Ltd	Agreed price by area 350 sqm., rental charge at 425,000 Baht/Month	-	850,000.00	-	850,000.00
		<u>996,000.00</u>	<u>1,680,000.00</u>	<u>996,000.00</u>	<u>1,680,000.00</u>
Service center income					
Siam Nissan Krungthai Co., Ltd.	Agreed price	-	3,532,073.05	-	3,532,073.05
Metro Mobile Co., Ltd.	Agreed price	4,969,573.98	1,044,592.24	4,969,573.98	1,044,592.24
Total		<u>4,969,573.98</u>	<u>4,576,665.29</u>	<u>4,969,573.98</u>	<u>4,576,665.29</u>
Rental fee					
Car Loft Import Co., Ltd.	Rental charge at 225,000-241,875 Baht/Month	2,784,375.00	2,700,000.00	-	-
Metro Mobile Co., Ltd.	Rental charge at 65,000 - 270,000 Baht/Month	3,560,666.76	270,000.00	-	-
Total		<u>6,345,041.76</u>	<u>2,970,000.00</u>	<u>-</u>	<u>-</u>
Expenses :					
Commission expense					
Siam Nissan Krungthai Co., Ltd.	Agreed price	1,412,591.59	-	1,412,591.59	-
Car Loft Import Co., Ltd.	Agreed price	485,981.31	377,730.86	485,981.31	377,730.86
Total		<u>1,898,572.90</u>	<u>377,730.86</u>	<u>1,898,572.90</u>	<u>377,730.86</u>
Repair expense					
Siam Nissan Krungthai Co., Ltd.	Market price	156,089.35	604,958.22	152,277.10	493,340.03
Toyota Krungthai Co., Ltd.	Market price	16,295,710.72	13,335,418.71	14,564,285.74	10,309,382.49
Car Loft Import Co., Ltd.	Market price	196,787.75	327,838.55	185,485.75	248,370.00
Mitsu Impresstion Co., Ltd.	Market price	1,845,755.12	655,097.66	1,845,755.12	655,097.66
Go Automobile Co., Ltd.	Market price	59,177.00	68,079.60	59,177.00	68,079.60
Total		<u>18,553,519.94</u>	<u>14,991,392.74</u>	<u>16,806,980.71</u>	<u>11,774,269.78</u>
Purchase of assets :					
Car for leases					
Siam Nissan Krungthai Co., Ltd.	Market price net of special fleet discount	854,754.02	5,466,355.14	854,754.02	5,466,355.14
Toyota Krungthai Co., Ltd.	Market price net of special fleet discount	1,189,448,954.86	479,645,131.74	1,189,448,954.86	479,645,131.74
Car Loft Import Co., Ltd.	Market price for major buyer	33,479,906.53	32,033,644.86	33,479,906.53	32,033,644.86
Mitsu Impresstion Co., Ltd.	Market price net of special fleet discount	1,438,798.60	49,134,440.99	1,438,798.60	49,134,440.99
Go Automobile Co., Ltd.	Market price net of special fleet discount	4,809,307.48	2,360,747.66	4,809,307.48	2,360,747.66
Metro Mobile Co., Ltd.	Market price net of special fleet discount	51,059,444.10	-	51,059,444.10	-
Total		<u>1,281,091,165.59</u>	<u>568,640,320.39</u>	<u>1,281,091,165.59</u>	<u>568,640,320.39</u>

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The outstanding between the Company, subsidiary and related companies as at December 31, 2023 and 2022 are as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Outstanding balances at the statements of financial position</u>				
<u>Subsidiary company</u>				
Receivable - down payment	-	-	282,194.00	603,632.00
Other payable	-	-	50,470,356.59	46,485,160.71
Accrued expenses - commission	-	-	1,559,270.01	1,290,000.00
Accrued expenses - rebate	-	-	12,021,000.00	-
Accrued interest expenses	-	-	25,559.54	14,952.08
<u>Related companies</u>				
Right-of-use assets				
Siam Nissan Krungthai Co., Ltd.	9,216,188.70	12,134,737.16	9,216,188.70	12,134,737.16
Lease liabilities				
Siam Nissan Krungthai Co., Ltd.	9,619,779.68	12,441,648.72	9,619,779.68	12,441,648.72
Trade and other current payables				
Siam Nissan Krungthai Co., Ltd.	4,541.08	123,014.59	4,541.08	36,258.81
Toyota Krungthai Co., Ltd.	2,421,624.22	2,614,864.34	2,277,859.74	2,356,399.63
Car Loft Import Co., Ltd.	26,304.88	11,450.40	6,853.14	11,450.40
Mitsu Impresstion Co., Ltd.	774,488.42	304,223.28	774,488.42	304,223.28
Metro Mobile Co., Ltd.	-	8,488.31	-	8,488.31
Total	<u>3,226,958.60</u>	<u>3,062,040.92</u>	<u>3,063,742.38</u>	<u>2,716,820.43</u>
Payables - purchase assets for leases				
Siam Nissan Krungthai Co., Ltd.	-	525,000.00	-	525,000.00
Toyota Krungthai Co., Ltd.	15,834,292.58	63,555,359.36	15,834,292.58	63,555,359.36
Car Loft Import Co., Ltd.	-	6,480,000.00	-	6,480,000.00
Go Automobile Co., Ltd.	1,545,739.98	-	1,545,739.98	-
Total	<u>17,380,032.56</u>	<u>70,560,359.36</u>	<u>17,380,032.56</u>	<u>70,560,359.36</u>
Accrued expenses - commission				
Car Loft Import Co., Ltd.	150,000.00	80,000.00	150,000.00	80,000.00
Siam Nissan Krungthai Co., Ltd.	21,000.00	403,700.00	21,000.00	403,700.00
Total	<u>171,000.00</u>	<u>483,700.00</u>	<u>171,000.00</u>	<u>483,700.00</u>

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Directors and executive remuneration

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

Directors and executive remuneration for the years ended December 31, 2023 and 2022 consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2023	2022
Directors	1,902,900.85	1,812,286.30
Executive directors	10,995,749.09	10,349,142.42
Executives	7,943,940.59	9,716,532.57
Total	20,842,590.53	21,877,961.29

5. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash on hand	303,786.31	214,353.19	138,786.40	68,322.49
Cash at banks - current accounts	1,420,150.77	176,927.91	1,295,829.61	29,665.41
Cash at banks - savings accounts	56,863,717.51	73,579,698.76	56,863,717.51	73,579,698.76
Cash at banks - fixed 3 months	21,199.86	21,097.85	21,199.86	21,097.85
Total	58,608,854.45	73,992,077.71	58,319,533.38	73,698,784.51

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, 2023 and 2022, the Company has cash at banks - savings and fixed 3 months accounts has interest rate of 0.20% - 0.95% per annum and 0.05% - 0.30% per annum, respectively.

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

DECEMBER 31, 2023

6. TRADE AND OTHER CURRENT RECEIVABLES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade receivables classified by aging				
Undue	96,711,237.19	182,293,561.13	95,721,371.59	179,463,974.13
Over 0 months to 3 months	23,773,996.10	19,700,753.67	23,773,996.10	19,700,753.67
Over 3 months to 6 months	4,529,736.07	6,563,156.20	4,529,736.07	6,563,156.20
Over 6 months to 12 months	3,440,942.03	1,956,214.55	3,440,942.03	1,956,214.55
Over 12 months	5,978,465.18	3,934,863.65	5,978,465.18	3,934,863.65
Total	134,434,376.57	214,448,549.20	133,444,510.97	211,618,962.20
<u>Less</u> Allowance for expected credit losses		(15,070,583.11)	(11,792,825.03)	(15,067,419.12)
Trade receivables - net	122,638,387.55	199,377,966.09	121,651,685.94	196,551,543.08
Other current receivables				
Accrued incomes	10,157,333.90	13,970,578.71	10,121,759.59	13,488,150.25
Prepaid expenses	29,002,910.42	25,255,743.72	28,717,525.80	24,949,179.34
Insurance receivables	2,470,810.75	1,546,501.68	2,470,810.75	1,546,501.68
Other	2,438,676.53	3,836,855.44	644,947.95	2,458,787.92
Total other current receivables	44,069,731.60	44,609,679.55	41,955,044.09	42,442,619.19
Total trade and other current receivables	166,708,119.15	243,987,645.64	163,606,730.03	238,994,162.27
Trade receivables-net consisted of:				
Trade receivables of car leases	108,427,059.44	159,403,612.20	108,427,059.44	159,403,612.20
Trade receivables of sale of cars	14,211,328.11	39,974,353.89	13,224,626.50	37,147,930.88
Total	122,638,387.55	199,377,966.09	121,651,685.94	196,551,543.08

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Beginning balance	15,070,583.11	7,163,244.45	15,067,419.12	7,117,997.86
Increase (Decrease) during the year	(2,817,696.05)	14,081,282.54	(2,817,696.05)	14,123,365.14
Written off during the year	(456,898.04)	(6,173,943.88)	(456,898.04)	(6,173,943.88)
Ending balance	11,795,989.02	15,070,583.11	11,792,825.03	15,067,419.12

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

DECEMBER 31, 2023

7. RECEIVABLES UNDER FINANCE LEASE CONTRACTS

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2023	2022
Receivables under finance lease contracts	69,516,852.23	31,367,009.72
<u>Less</u> Unearned interest income from receivables under finance lease contracts	(17,356,466.03)	(10,111,073.13)
Total	52,160,386.20	21,255,936.59
Current portion of receivables under finance lease contracts - net	(9,242,015.01)	(1,438,082.05)
Receivables under finance lease contracts - net	<u>42,918,371.19</u>	<u>19,817,854.54</u>

As at December 31, 2023 and 2022, the Company has Receivables under finance lease contracts and the details were as below:

	Baht			
	Consolidated/Separate financial statements			
	2023			
	Current portion of receivables under finance lease contracts - net	Receivables under finance lease contracts - net of current portion and not exceed 5 years	Receivables under finance lease contracts due over 5 years	Total
Receivables under finance lease contracts	13,714,216.09	42,682,932.07	13,119,704.07	69,516,852.23
<u>Less</u> Unearned interest income from receivables under finance lease contracts	(4,472,201.08)	(10,613,992.37)	(2,270,272.58)	(17,356,466.03)
Receivables under finance lease contracts - net	<u>9,242,015.01</u>	<u>32,068,939.70</u>	<u>10,849,431.49</u>	<u>52,160,386.20</u>

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

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

DECEMBER 31, 2023

8. INVENTORIES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Car	220,882,186.05	165,695,390.25	202,935,634.14	142,571,619.84
Spare parts of car	1,430,966.71	1,058,883.91	1,430,966.71	1,058,883.91
Total	<u>222,313,152.76</u>	<u>166,754,274.16</u>	<u>204,366,600.85</u>	<u>143,630,503.75</u>

9. OTHER CURRENT FINANCIAL ASSETS

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2023	2022
Financial assets designated to measure at fair value through profit or loss		
Unit trust - Mutual fund	222,720.08	116,026,859.95
<u>Add Unrealized gain on measurement</u>	<u>472.03</u>	<u>34,975.80</u>
Other current financial assets	<u>223,192.11</u>	<u>116,061,835.75</u>

10. CASH AT BANK USING FOR GUARANTEE

As at December 31, 2023 and 2022, the Company has fixed deposit accounts with a local commercial banks was guaranteed as follows:-

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

As at December 31, 2023 and 2022, the fixed deposit accounts has interest rate of 0.75% per annum and 0.15% per annum, respectively.

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

DECEMBER 31, 2023

11. INVESTMENT IN SUBSIDIARY COMPANY

This account consisted of:

	Number of shares		Percentage of holding		Baht						
					Value of investment under the equity method		Separate financial statements				
							At cost		Dividend		
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
<u>Subsidiary company</u>											
Krungthai Automobile Co., Ltd.	400,000	400,000	100	100	242,956,231.63	237,115,559.64	48,812,300.00	48,812,300.00	-	-	69,998,950.00
					<u>242,956,231.63</u>	<u>237,115,559.64</u>	<u>48,812,300.00</u>	<u>48,812,300.00</u>	<u>-</u>	<u>-</u>	<u>69,998,950.00</u>

12. ASSETS FOR LEASES

This account consisted of:

	Baht			
	Consolidated/Separate financial statements			Balance per book Dec. 31, 2023
	Balance per book Dec. 31, 2022	Transaction during the year		
Additions		Transferred in (Transferred out)		
<u>At cost</u>				
Car	6,962,098,782.44	1,725,156,836.92	(1,217,395,485.82)	7,469,860,133.54
Car accessories	164,552,114.39	21,638,658.65	(19,821,564.27)	166,369,208.77
Total	<u>7,126,650,896.83</u>	<u>1,746,795,495.57</u>	<u>(1,237,217,050.09)</u>	<u>7,636,229,342.31</u>
<u>Less Accumulated depreciation</u>				
Car	2,711,379,001.75	835,226,339.82	(753,474,889.25)	2,793,130,452.32
Car accessories	116,020,009.44	18,289,043.18	(18,238,394.47)	116,070,658.15
Total	<u>2,827,399,011.19</u>	<u>853,515,383.00</u>	<u>(771,713,283.72)</u>	<u>2,909,201,110.47</u>
Assets for leases - net	<u>4,299,251,885.64</u>			<u>4,727,028,231.84</u>

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

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

DECEMBER 31, 2023

As at December 31, 2023 and 2022, the Company has cars for leases liabilities as follow:-

	Amount (Cars)		Net Value (Baht)	
	2023	2022	2023	2022
Cars	2,864	1,538	1,866,692,566.91	924,670,720.55

As at December 31, 2023 and 2022, the Company has transferred the right of 1,471 and 1,412 cars' registers, respectively as collateral for long-term loans from 4 and 3 local financial institutions, respectively. (see Note 19).

As at December 31, 2023 and 2022, the Company has minimum amounts on car leases under uncanceled operating lease agreements, presented by amounting in contracts as follow :-

	Baht	
	2023	2022
Under 1 year	1,170,863,016.63	1,103,613,027.36
Over 1 year to 5 years	1,794,490,544.79	1,634,892,453.77
Total	2,965,353,561.42	2,738,505,481.13

As at December 31, 2023 and 2022, the Company has been fully depreciated cars for leases but they are still in used at total amounting cost of Baht 1,135.77 million and Baht 1,147.78 million, respectively.

13. PROPERTY, PLANT AND EQUIPMENT

This account consisted of:

	Baht			
	Consolidated financial statements			
	Balance per book	Transaction during the year		Balance per book
	Dec. 31, 2022	Additions	Deductions	Dec. 31, 2023
<u>At cost</u>				
Land	143,650,000.00	-	-	143,650,000.00
Building	27,591,810.02	-	-	27,591,810.02
Equipment	10,235,574.00	146,276.37	-	10,381,850.37
Furniture & fixture and office equipment	30,521,131.49	1,051,644.82	-	31,572,776.31
Vehicles	147,572.95	-	(75,983.18)	71,589.77
Total	212,146,088.46	1,197,921.19	(75,983.18)	213,268,026.47

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

	Baht				
	Consolidated financial statements				
	Balance per book	Transaction during the year			Balance per book
	Dec. 31, 2022	Additions	Deductions		Dec. 31, 2023
<u>Less</u> Accumulated depreciation					
Building	6,876,512.61	1,379,590.50	-	8,256,103.11	
Equipment	9,828,619.46	223,196.21	-	10,051,815.67	
Furniture & fixture and office equipment	26,910,604.59	1,550,403.08	-	28,461,007.67	
Vehicles	147,567.98	-	(75,981.18)	71,586.80	
Total	<u>43,763,304.64</u>	<u>3,153,189.79</u>	<u>(75,981.18)</u>	<u>46,840,513.25</u>	
Property, plant and equipment - net	<u>168,382,783.82</u>			<u>166,427,513.22</u>	

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

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

	Baht				
	Separate financial statements				
	Balance per book	Transaction during the year			Balance per book
	Dec. 31, 2022	Additions	Deductions		Dec. 31, 2023
<u>At cost</u>					
Equipment	8,760,860.26	121,327.37	-	8,882,187.63	
Furniture & fixture and office equipment	17,470,137.58	612,059.00	-	18,082,196.58	
Vehicles	147,571.98	-	(75,983.18)	71,588.80	
Total	<u>26,378,569.82</u>	<u>733,386.37</u>	<u>(75,983.18)</u>	<u>27,035,973.01</u>	
<u>Less</u> Accumulated depreciation					
Equipment	8,438,211.89	183,687.54	-	8,621,899.43	
Furniture & fixture and office equipment	15,519,911.14	802,540.14	-	16,322,451.28	
Vehicles	147,567.98	-	(75,981.18)	71,586.80	
Total	<u>24,105,691.01</u>	<u>986,227.68</u>	<u>(75,981.18)</u>	<u>25,015,937.51</u>	
Property, plant and equipment - net	<u><u>2,272,878.81</u></u>			<u><u>2,020,035.50</u></u>	

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

As at December 31, 2023 and 2022, equipment are fully depreciated but still in use are presented in the consolidated financial statements at cost of Baht 34.18 million and Baht 30.47 million, respectively and in the separate financial statements at the cost of Baht 22.38 million and Baht 21.04 million, respectively.

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

DECEMBER 31, 2023

14. RIGHT-OF-USE ASSETS

Right-of-use assets consists of:

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2022	Transactions during the year		
	Addition	Change in conditions/ write off		
<u>At cost</u>				
Land and land improvements	114,901,071.82	24,902,634.12	-	139,803,705.94
Buildings on leasehold right	102,261,271.15	4,793,857.19	(1,903,922.18)	105,151,206.16
Land improvement on leasehold	546,200.00	3,348,322.52	-	3,894,522.52
Assets under construction on leasehold	-	3,148,442.58	-	3,148,442.58
Total	<u>217,708,542.97</u>	<u>36,193,256.41</u>	<u>(1,903,922.18)</u>	<u>251,997,877.20</u>
<u>Less Accumulated depreciation</u>				
Land and land improvements	51,864,701.75	15,530,229.15	-	67,394,930.90
Buildings on leasehold right	89,362,596.54	1,270,708.07	-	90,633,304.61
Land improvement on leasehold	546,199.00	118,524.69	-	664,723.69
Total	<u>141,773,497.29</u>	<u>16,919,461.91</u>	<u>-</u>	<u>158,692,959.20</u>
Right-of-use assets - net	<u>75,935,045.68</u>			<u>93,304,918.00</u>

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2021	Transactions during the year		
	Addition	Change in conditions/ write off		
<u>At cost</u>				
Land and land improvements	103,655,393.84	11,245,677.98	-	114,901,071.82
Buildings on leasehold right	95,564,254.49	6,697,016.66	-	102,261,271.15
Land improvement on leasehold	546,200.00	-	-	546,200.00
Total	<u>199,765,848.33</u>	<u>17,942,694.64</u>	<u>-</u>	<u>217,708,542.97</u>
<u>Less Accumulated depreciation</u>				
Land and land improvements	38,620,913.97	13,243,787.78	-	51,864,701.75
Buildings on leasehold right	86,074,566.08	3,288,030.46	-	89,362,596.54
Land improvement on leasehold	546,199.00	-	-	546,199.00
Total	<u>125,241,679.05</u>	<u>16,531,818.24</u>	<u>-</u>	<u>141,773,497.29</u>
Right-of-use assets - net	<u>74,524,169.28</u>			<u>75,935,045.68</u>

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

DECEMBER 31, 2023

	Baht			
	Separate Financial Statements			
	Balance per book Dec. 31, 2022	Transactions during the year		
	Addition	Change in conditions/ write off		
<u>At cost</u>				
Land and land improvements	24,117,910.27	-	-	24,117,910.27
Buildings on leasehold right	39,161,983.86	4,793,857.19	(1,903,922.18)	42,051,918.87
Land improvement on leasehold	546,200.00	3,348,322.52	-	3,894,522.52
Assets under construction on leasehold	-	3,148,442.58	-	3,148,442.58
Total	<u>63,826,094.13</u>	<u>11,290,622.29</u>	<u>(1,903,922.18)</u>	<u>73,212,794.24</u>
<u>Less Accumulated depreciation</u>				
Land and land improvements	9,858,044.23	1,414,201.55	-	11,272,245.78
Buildings on leasehold right	26,473,038.21	1,212,587.19	-	27,685,625.40
Land improvement on leasehold	546,199.00	118,524.69	-	664,723.69
Total	<u>36,877,281.44</u>	<u>2,745,313.43</u>	<u>-</u>	<u>39,622,594.87</u>
Right-of-use assets - net	<u>26,948,812.69</u>			<u>33,590,199.37</u>

	Baht			
	Separate Financial Statements			
	Balance per book Dec. 31, 2021	Transactions during the year		
	Addition	Change in conditions/ write off		
<u>At cost</u>				
Land and land improvements	12,872,232.29	11,245,677.98	-	24,117,910.27
Buildings on leasehold right	32,464,967.20	6,697,016.66	-	39,161,983.86
Land improvement on leasehold	546,200.00	-	-	546,200.00
Total	<u>45,883,399.49</u>	<u>17,942,694.64</u>	<u>-</u>	<u>63,826,094.13</u>
<u>Less Accumulated depreciation</u>				
Land and land improvements	8,809,050.06	1,048,994.17	-	9,858,044.23
Buildings on leasehold right	4,523,345.77	1,949,692.44	-	26,473,038.21
Land improvement on leasehold	546,199.00	-	-	546,199.00
Total	<u>33,878,594.83</u>	<u>2,998,686.61</u>	<u>-</u>	<u>36,877,281.44</u>
Right-of-use assets - net	<u>12,004,804.66</u>			<u>26,948,812.69</u>

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.

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

DECEMBER 31, 2023

15. INTANGIBLE ASSETS

This account consisted of:

	Baht				
	Consolidated financial statements				
	Balance per book	Transactions during the year			Balance per book
	Dec. 31, 2022	Additions	Deductions		Dec. 31, 2023
<u>At cost</u>					
Computer software	9,078,980.23	-	-	9,078,980.23	
Computer software in progress	13,047,290.00	541,437.30	-	13,588,727.30	
Copyright	504,672.90	-	-	504,672.90	
Total	22,630,943.13	541,437.30	-	23,172,380.43	
<u>Less</u> Accumulated amortization	7,910,464.83	458,304.59	-	8,368,769.42	
Intangible assets - net	14,720,478.30			14,803,611.01	

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

	Baht				
	Separate financial statements				
	Balance per book	Transactions during the year			Balance per book
	Dec. 31, 2022	Additions	Deductions		Dec. 31, 2023
<u>At cost</u>					
Computer software	6,527,910.69	-	-	6,527,910.69	
Computer software in progress	13,039,790.00	148,913.94	-	13,188,703.94	
Total	19,567,700.69	148,913.94	-	19,716,614.63	
<u>Less</u> Accumulated amortization	6,067,124.03	96,420.40	-	6,163,544.43	
Intangible assets - net	13,500,576.66			13,553,070.20	

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

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

DECEMBER 31, 2023

As at December 31, 2023 and 2022, intangible assets are fully amortization but still in use are presented in the consolidated financial statements at cost of Baht 6.39 million and Baht 6.30 million, respectively and in the separate financial statements at the cost of Baht 5.63 million and Baht 5.54 million, respectively.

16. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets	56,697,076.98	104,918,703.23	43,044,535.89	93,697,564.60
Deferred tax liabilities	(26,107,504.24)	(25,766,484.19)	(14,308,548.81)	(16,139,516.73)
	30,589,572.74	79,152,219.04	28,735,987.08	77,558,047.87

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2023 and 2022, are summarized as follows:

	Baht			
	Consolidated financial statements			Balance as at Dec. 31, 2023
	Balance as at Dec. 31, 2022	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Loss from remeasuring of derivative instruments	-	-	21,535.37	21,535.37
Leases liabilities	15,608,841.87	2,964,698.38	-	18,573,540.25
Provision for employee benefit	5,521,976.63	587,296.00	-	6,109,272.63
Tax losses carry forward	83,787,884.73	(51,795,156.00)	-	31,992,728.73
Total	104,918,703.23	(48,243,161.62)	21,535.37	56,697,076.98
Deferred tax liabilities:				
Inventories	810,709.28	348,555.52	-	462,153.76
Assets for leases	10,568,884.91	2,073,173.32	-	8,495,711.59
Right-of-use assets	14,386,890.00	(2,762,748.89)	-	17,149,638.89
Total	25,766,484.19	(341,020.05)	-	26,107,504.24

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

DECEMBER 31, 2023

	Baht				
	Consolidated financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	Dec. 31, 2021	In profit or loss	In other comprehensive income		Dec. 31, 2022
Deferred tax assets:					
Loss from remeasuring of derivative instruments	21,903.19	-	(21,903.19)	-	
Leases liabilities	14,866,326.86	742,515.01	-	15,608,841.87	
Provision for employee benefit	5,714,033.80	114,229.19	(306,286.36)	5,521,976.63	
Tax losses carry forward	135,482,576.16	(51,694,691.43)	-	83,787,884.73	
Total	<u>156,084,840.01</u>	<u>(50,837,947.23)</u>	<u>(328,189.55)</u>	<u>104,918,703.23</u>	
Deferred tax liabilities:					
Inventories	1,852,027.56	1,041,318.28	-	810,709.28	
Assets for leases	13,468,273.54	2,899,388.63	-	10,568,884.91	
Right-of-use assets	13,966,820.97	(420,069.03)	-	14,386,890.00	
Total	<u>29,287,122.07</u>	<u>3,520,637.88</u>	<u>-</u>	<u>25,766,484.19</u>	

	Baht				
	Separate financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	Dec. 31, 2022	In profit or loss	In other comprehensive income		Dec. 31, 2023
Deferred tax assets:					
Loss from remeasuring of derivative instruments	-	-	21,535.37	21,535.37	
Leases liabilities	4,957,506.14	642,038.72	-	5,599,544.86	
Provision for employee benefit	4,952,173.73	478,553.20	-	5,430,726.93	
Tax loss carry forward	83,787,884.73	(51,795,156.00)	-	31,992,728.73	
Total	<u>93,697,564.60</u>	<u>(50,674,564.08)</u>	<u>21,535.37</u>	<u>43,044,535.89</u>	
Deferred tax liabilities:					
Inventories	810,709.28	348,555.52	-	462,153.76	
Assets for leases	10,568,884.91	2,073,173.32	-	8,495,711.59	
Right-of-use assets	4,759,922.54	(590,760.92)	-	5,350,683.46	
Total	<u>16,139,516.73</u>	<u>1,830,967.92</u>	<u>-</u>	<u>14,308,548.81</u>	

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

DECEMBER 31, 2023

	Baht			
	Separate financial statements			
	Balance as at	Revenue (expenses) during the year		
Dec. 31, 2021	In profit or loss	In other comprehensive income	Dec. 31, 2022	
Deferred tax assets:				
Loss from remeasuring of derivative instruments	21,903.19	-	(21,903.19)	-
Leases liabilities	2,030,815.82	2,926,690.32	-	4,957,506.14
Provision for employee benefit	5,111,062.09	20,424.38	(179,312.74)	4,952,173.73
Tax loss carry forward	135,482,576.16	(51,694,691.43)	-	83,787,884.73
Total	142,646,357.26	(48,747,576.73)	(201,215.93)	93,697,564.60
Deferred tax liabilities:				
Inventories	1,852,027.56	1,041,318.28	-	810,709.28
Assets for leases	13,468,273.54	2,899,388.63	-	10,568,884.91
Right-of-use assets	1,915,561.45	(2,844,361.09)	-	4,759,922.54
Total	17,235,862.55	1,096,345.82	-	16,139,516.73

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

	Baht	
	Consolidated/Separate financial statements	
	2023	2022
December 31, 2024	-	248,452,752.75
December 31, 2025	159,963,643.66	170,486,670.89
Total	159,963,643.66	418,939,423.64

17. OTHER NON - CURRENT ASSETS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deposit	4,245,775.22	3,930,592.70	441,325.69	129,143.17
Withholding tax deducted at source	177,964,714.29	175,266,942.71	177,891,459.90	175,193,688.32
<u>Less Allowance for the refund</u>	<u>(29,270,301.48)</u>	<u>(29,270,301.48)</u>	<u>(29,270,301.48)</u>	<u>(29,270,301.48)</u>
Withholding tax deducted at source - net	148,694,412.81	145,996,641.23	148,621,158.42	145,923,386.84
Total	152,940,188.03	149,927,233.93	149,062,484.11	146,052,530.01

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

DECEMBER 31, 2023

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

On January 24, 2024, the Company received a refund of withholding tax for the years 2022, totaling Baht 58.20 million. The Company therefore reclassified such the refund of withholding tax as current assets in the statement of financial position as at December 31, 2023.

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

As at December 31, 2023 and 2022, 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, 2023 and 2022, the Company has short-term loans in promissory notes with five local commercial banks and the details are as follows:

Credit line No.	Credit amount (Million Baht)		Interest Rate	Guaranteed
	2023	2022		
1	80	80	MMR	- The Company's fixed deposit amount of Baht 20 million
2	50	50	MMR	- Directors of the company
3	30	30	MMR	- No guaranteed
4	50	50	MMR	- No guaranteed
5	40	40	MMR	- No guaranteed
6	30	30	MMR	- No guaranteed
7	200	100	MMR	- No guaranteed
	<u>480</u>	<u>380</u>		

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2023	2022
Long-term loan from financial institutions	641,779,554.59	684,706,645.34
<u>Less</u> Current portion due within one year	<u>(330,757,231.21)</u>	<u>(251,025,381.30)</u>
Long-term loan from financial institutions - net	<u>311,022,323.38</u>	<u>433,681,264.04</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

As at December 31, 2023, the Company has long-term loans with four local financial institutions. Each credit line has been withdrawn to several loans and the details are as follows:

Credit line No.	Credit line using (Million Baht)	Withdraw loan (Million Baht)	Interest rate (per annum)	Monthly installment (Million Baht)	The first installment date of 1 st loan and the final installment date of final loan	Guaranteed The right of car's registers of the company
1	1,005	542.99	Fixed Rate	5.63	Feb. 20 - Jul. 26	435
2	300	300.00	MLR - 2.705%	4.79	Mar. 20 - May. 24	338
3	50	50.00	Fixed Rate	1.04	May. 21 - May. 25	54
4	200	200.00	MLR - 2.805%	3.19	Sep. 21 - May. 26	285
5	160	160.00	MLR - 2.705%	2.55	Nov. 22 - May. 27	204
6	100	100.00	Fixed Rate	2.78	Aug. 23 - Aug. 26	147
7	300	5.00	THOR	0.06	Dec. 23 - Dec. 28	8
			Compound+1.03%			
	<u>2,115</u>	<u>1,357.99</u>		<u>20.04</u>		<u>1,471</u>

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

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

Under the long - term loan agreements, the Company shall have to comply with certain conditions and restrictions as specified in the agreement. The Company has to maintain a proper financial ratio at the agreed rate (not over 3.0 - 3.5 : 1 time)

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

As at December 31, 2023 and 2022, the movements of long-term loans from financial institutions are as follows:-

	Baht	
	Consolidated/Separate financial statements	
	2023	2022
Balance beginning of the year	684,706,645.34	837,321,971.17
<u>Add</u> Loan increase during the year	236,424,281.40	240,000,000.00
<u>Less</u> Repayment during the year	(279,351,372.15)	(392,615,325.83)
Balance ending of the year	641,779,554.59	684,706,645.34

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, 2023, the Company entered into interest rate swap agreements with financial institutions, to swap interest of the debentures issued, totaling in notional amount of Baht 300 million to swap floating Baht interest rates plus margins as specified in agreements for fixed Baht interest rates. The purpose of the certain interest rate swap agreements is to hedge the cashflow of long-term (only the interest portion), which the Company and subsidiary elected to apply hedge accounting for these transactions (See Note 33.3)

20. LEASE LIABILITIES

20.1 Movements of the lease liabilities account for the years ended December 31, 2023 and 2022 are summarized as follows.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
As at January 1,	890,992,129.14	862,680,637.74	837,735,450.50	798,503,082.52
Additions during the year	1,235,825,939.97	267,081,324.88	1,210,923,305.85	267,081,324.88
Decrease from change in lease liabilities	(1,903,922.18)	-	(1,903,922.18)	-
Accretion of interest	32,120,067.43	20,866,870.83	29,501,445.41	18,117,295.75
Payments during the year	(396,184,519.93)	(259,574,095.65)	(380,276,562.10)	(245,966,252.65)
Difference from rental reduction	-	(62,608.66)	-	-
As at December 31,	1,760,849,694.43	890,992,129.14	1,695,979,717.48	837,735,450.50
<u>Less:</u> Current portion due within one year	(503,044,411.13)	(278,845,737.17)	(490,261,648.18)	(269,283,474.97)
Lease liabilities - net	1,257,805,283.30	612,146,391.97	1,205,718,069.30	568,451,975.53

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

DECEMBER 31, 2023

As at December 31, 2023 and 2022, the Company and subsidiary have lease liabilities to be paid as follows:

	Baht					
	Consolidated financial statements					
	2023			2022		
Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts	
Payment due within 1 year	503,044,411.13	48,942,040.19	551,986,451.32	278,845,737.17	21,071,627.52	299,917,364.69
Payment due over 1 year to 5 years	1,225,608,509.26	70,340,065.71	1,295,948,574.97	574,418,736.44	29,451,074.10	603,869,810.54
Payment due over 5 years	32,196,774.04	2,126,416.84	34,323,190.88	37,727,655.53	3,342,456.03	41,070,111.56
Total	<u>1,760,849,694.43</u>	<u>121,408,522.74</u>	<u>1,882,258,217.17</u>	<u>890,992,129.14</u>	<u>53,865,157.65</u>	<u>944,857,286.79</u>

	Baht					
	Separate financial statements					
	2023			2022		
Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts	
Payment due within 1 year	490,261,648.18	46,490,712.94	536,752,361.12	269,283,474.97	18,777,517.72	288,060,992.69
Payment due over 1 year to 5 years	1,192,067,812.63	64,365,993.34	1,256,433,805.97	555,063,091.40	22,792,177.14	577,855,268.54
Payment due over 5 years	13,650,256.67	841,254.20	14,491,510.87	13,388,884.13	1,015,370.42	14,404,254.55
Total	<u>1,695,979,717.48</u>	<u>111,697,960.48</u>	<u>1,807,677,677.96</u>	<u>837,735,450.50</u>	<u>42,585,065.28</u>	<u>880,320,515.78</u>

20.2 Amounts recognized in the statement of comprehensive income for the years ended December 31, 2023 and 2022 are comprise;

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2023	2022	2023	2022
Depreciation - right-of-use assets	16,919,461.91	16,531,818.24	2,745,313.43	2,998,686.61
Interest expenses	31,837,800.93	20,866,870.83	29,219,178.91	18,117,295.75
Expense relating to short-term leases	329,020.13	1,879,868.50	257,020.01	255,552.00
	<u>49,086,282.97</u>	<u>39,278,557.57</u>	<u>32,221,512.35</u>	<u>21,371,534.36</u>

For the years ended December 31, 2023 and 2022, the total cash outflow for leases on consolidated financial statements amount to Baht 396.44 million and Baht 259.83 million, respectively separated financial statements amount to Baht 380.53 million and Baht 246.22 million, respectively.

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

DECEMBER 31, 2023

21. DEBENTURES

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2023	2022
Unsecured debentures - at face value	750,000,000.00	1,250,000,000.00
<u>Less</u> Deferred expenses on debentures issuance	(1,014,979.99)	(838,845.44)
	748,985,020.01	1,249,161,154.56
<u>Less</u> Current portion due within one year	-	(799,778,496.72)
Debentures - net	748,985,020.01	449,382,657.84

As at December 31, 2023, 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. 4

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

Issued No. 5

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

Issued No. 6

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

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

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Issued No. 7

Debenture issued on	:	November 9, 2023
Debentures value	:	Baht 300 million (300,000 units of par value of Baht 1,000 each)
Period and maturity date	:	3 years will mature on November 9, 2026
Interest rate	:	Fixed rate of 4.23% per annum
Interest payment due	:	Every May 9, and November 9, 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.

22. PROVISION FOR EMPLOYEE BENEFIT

Provision for employee benefits are as follows

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Provision for employee benefit beginning of the year	27,609,883.12	28,570,168.99	24,760,868.63	25,555,310.43
Actuarial gain	-	(1,531,431.81)	-	(896,563.71)
Benefits paid by the plan	-	(2,030,713.33)	-	(2,030,713.33)
Current service costs and interest	2,936,480.06	2,601,859.27	2,392,766.04	2,132,835.24
Provision for employee benefit ending of the year	<u>30,546,363.18</u>	<u>27,609,883.12</u>	<u>27,153,634.67</u>	<u>24,760,868.63</u>

The statements of comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current service costs and interest				
Service costs	2,229,515.19	2,148,577.46	1,770,132.00	1,730,617.68
Interest expenses	706,964.87	453,281.81	622,634.04	402,217.56
Total	<u>2,936,480.06</u>	<u>2,601,859.27</u>	<u>2,392,766.04</u>	<u>2,132,835.24</u>

Expense recognized in other comprehensive income:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Actuarial gain - net income tax	-	1,225,145.45	-	717,250.97

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

DECEMBER 31, 2023

Principal actuarial assumptions in the estimates based on the actuarial principles

	Percentage			
	Consolidated financial statements		Separate financial statement	
	2023	2022	2023	2022
Discount rate	2.52 - 2.96	2.52 - 2.96	2.52	2.52
Salary increase rate	6.00	6.00	6.00	6.00
Employee turnover rate	3.58 - 34.38	3.58 - 34.38	3.58 - 34.38	3.58 - 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, 2023 and 2022 are summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate				
0.50% increase	(885,608.60)	(922,026.08)	(751,232.79)	(786,511.83)
0.50% decrease	931,616.88	971,605.28	788,051.92	826,252.33
Salary increase rate				
1% increase	2,100,577.22	1,859,732.33	1,789,610.52	1,597,933.64
1% decrease	(1,931,170.44)	(1,713,901.56)	(1,653,883.34)	(1,480,475.91)
Turnover rate				
20% increase	(505,937.91)	(1,849,524.43)	(151,481.13)	(1,550,913.64)
20% decrease	586,651.32	2,103,034.79	152,418.47	1,737,779.80

23. OTHER INCOME

This account consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest income	479,310.37	126,540.89	479,310.37	126,540.89
Penalty of cancelled contract	5,350,864.72	5,630,098.26	5,350,864.72	5,630,098.26
Repair service income	4,969,573.98	4,576,665.29	4,969,573.98	4,576,665.29
Commission income	12,515,272.35	10,148,659.34	-	-
Sale promotion income	1,744,129.14	5,777,716.05	1,654,328.70	5,777,716.05
Others	40,510,538.56	33,351,235.40	24,589,158.52	20,825,595.33
Total	<u>65,569,689.12</u>	<u>59,610,915.23</u>	<u>37,043,236.29</u>	<u>36,936,615.82</u>

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

DECEMBER 31, 2023

24. EXPENSES BY NATURE

Expenses by nature are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Change in inventories	55,558,878.60	8,939,043.94	60,736,097.10	47,596,748.58
Cost of sale of cars from assets-for-leases	429,140,030.83	342,396,678.45	429,140,030.83	342,396,678.45
Purchase of used cars	67,368,155.07	238,774,146.93	-	-
Employee benefit costs	91,562,004.45	85,728,094.56	59,721,291.00	58,715,888.08
Depreciation and amortization	874,046,339.29	885,827,968.61	857,343,344.51	869,563,114.38
Others	248,211,882.71	245,871,091.47	248,211,882.71	245,871,091.47

25. TAX EXPENSES

25.1 Major components of tax expenses for the years ended December 31, 2023 and 2022 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Tax expenses shown in profit or loss :				
Current tax expenses:				
Income tax expenses for the year	1,582,140.72	1,932,680.27	-	-
Deferred tax expenses:				
Changes in temporary differences relating to the original recognition and reversal	48,584,181.67	47,317,309.36	48,843,596.16	47,651,230.92
Total	<u>50,166,322.39</u>	<u>49,249,989.63</u>	<u>48,843,596.16</u>	<u>47,651,230.92</u>
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Gain (loss) from remeasuring of derivative instruments	(21,535.37)	21,903.19	(21,535.37)	21,903.19
Actuarial gain	-	306,286.36	-	179,312.74
Total	<u>(21,535.37)</u>	<u>328,189.55</u>	<u>(21,535.37)</u>	<u>201,215.93</u>

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

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25.2 A numerical reconciliation between tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2023 and 2022 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit for the year	242,856,218.36	232,476,472.67	235,691,770.14	293,801,353.55
The applicable tax rate (%)	20	20	20	20
Tax expense at the applicable tax rate	48,571,243.67	46,495,294.53	47,138,354.03	58,760,270.71
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,576,665.73	2,893,032.07	1,554,527.14	2,860,684.43
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	-	-	-	(13,999,790.00)
- Expenses as expenses in determining tax	(306,992.69)	(425,263.60)	(174,690.69)	(256,860.85)
Other	325,405.68	286,926.63	325,405.68	286,926.63
Total reconciliation items	1,595,078.72	2,754,695.10	1,705,242.13	(11,109,039.79)
Total tax expenses	50,166,322.39	49,249,989.63	48,843,596.16	47,651,230.92

25.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2023 and 2022 are summarized as follows:

	Consolidated financial statements			
	2023		2022	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	242,856,218.36		232,476,472.67	
Tax expense at the applicable tax rate	48,571,243.67	20.00	46,495,294.53	20.00
Reconciliation items	1,595,078.72	0.66	2,754,695.10	1.18
Tax expenses at the average effective tax rate	50,166,322.39	20.66	49,249,989.63	21.18

	Separate financial statements			
	2023		2022	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	235,691,770.14		293,801,353.55	
Tax expense at the applicable tax rate	47,138,354.03	20.00	58,760,270.71	20.00
Reconciliation items	1,705,242.13	0.72	(11,109,039.79)	(3.78)
Tax expenses at the average effective tax rate	48,843,596.16	20.72	47,651,230.92	16.22

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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26. BASIC EARNINGS PER SHARE

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

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit for the year attributable to ordinary shareholders				
(Baht)	192,689,895.97	183,226,483.04	186,848,173.98	246,150,122.63
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)	0.77	0.73	0.75	0.98

27. LEGAL RESERVE

The Company

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

The subsidiary

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

28. APPROPRIATED OF RETAINED EARNINGS

The Company

Year 2023

At the ordinary shareholders' meeting for the year 2023 held on April 25, 2023, the shareholders unanimously approved to pay dividend from the Company operation year 2022 with Baht 0.49 per share to only shareholders who entitled to receive dividends, in the amount of Baht 122.50 million, was paid

on September 13, 2022 and on May 24, 2023.

And at the Board of Director' meeting No. 3/2023 held on August 15, 2023, the Board of Directors unanimously approved to pay interim dividend from the Company operation for the period ended June 30, 2023 with Baht 0.26 per share to only shareholders who entitled to receive dividends, in the amount of Baht 65 million, was paid on September 13, 2023.

Total dividend for the year 2023 in the amount of Baht 140 million.

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Year 2022

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

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

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

The subsidiary

Year 2022

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

29. PROVIDENT FUND

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

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

The Company and its subsidiary have contributed to the fund for the years ended December 31, 2023 and 2022 in the amount of Baht 1.45 million and Baht 1.55 million, respectively (The separate amount of Baht 1.28 million and Baht 1.38 million, respectively).

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

DECEMBER 31, 2023

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2023 and 2022 are as follows:

	Baht			
	Consolidated financial statements			
	Balance as at Dec. 31, 2022	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at Dec. 31, 2023
Long-term loan unsecured debenture	684,706,645.34	(42,927,090.75)	-	641,779,554.59
Lease liabilities	890,992,129.14	(364,064,452.50)	1,233,922,017.79	1,760,849,694.43
Debentures	1,249,161,154.56	(500,000,000.00)	(176,134.55)	748,985,020.01
Total	<u>2,824,859,929.04</u>	<u>(906,991,543.25)</u>	<u>1,233,745,883.24</u>	<u>3,151,614,269.03</u>

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

	Baht			
	Separate financial statements			
	Balance as at Dec. 31, 2022	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at Dec. 31, 2023
Long-term loan unsecured debenture	684,706,645.34	(42,927,090.75)	-	641,779,554.59
Lease liabilities	837,735,450.50	(350,775,116.69)	1,209,019,383.67	1,695,979,717.48
Debentures	1,249,161,154.56	(500,000,000.00)	(176,134.55)	748,985,020.01
Total	<u>2,771,603,250.40</u>	<u>(893,702,207.44)</u>	<u>1,208,843,249.12</u>	<u>3,086,744,292.08</u>

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

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

DECEMBER 31, 2023

31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Commitments of services contracts

As at December 31, 2023, the Company has 2 services contracts for the periods 1-2 years, the total rate of service charge of Baht 0.83 million per year.

31.2 Commitments of capital expenditure

As at December 31, 2023, the Company and subsidiary has the commitment about construction installation and software development system agreement and website design agreement, which the Company will be to pay under the both agreement in the consolidated financial statements and the separate financial statements in the amount of Baht 2.41 million (included VAT).

31.3 Guarantee

As at December 31, 2023, the Company has letters of guarantee issued by three local commercial bank for rental bidding guarantee in the amount of Baht 127.69 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.

32. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

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

Business activities are classified by product segments of the Company and its subsidiary for the years ended December 31, 2023 and 2022 as follows:-

	Consolidated financial statements (Thousand Baht)					
	Car rent of operating		Used car distribution		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Income on car leases	1,300,645	1,347,056	-	-	1,300,645	1,347,056
Income on sale of cars	719,390	554,777	86,439	318,743	805,829	873,520
Total	<u>2,020,035</u>	<u>1,901,833</u>	<u>86,439</u>	<u>318,743</u>	<u>2,106,474</u>	<u>2,220,576</u>
Cost						
Cost of car leases	1,157,190	1,162,920	-	-	1,157,190	1,162,920
Cost of sales of cars	429,140	342,397	79,065	286,377	508,205	628,774
Total	<u>1,586,330</u>	<u>1,505,317</u>	<u>79,065</u>	<u>286,377</u>	<u>1,665,395</u>	<u>1,791,694</u>
Gross profit	<u>433,705</u>	<u>396,516</u>	<u>7,374</u>	<u>32,366</u>	<u>441,079</u>	<u>428,882</u>

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	Consolidated financial statements (Thousand Baht)					
	Car rent of operating		Used car distribution		Total	
	2023	2022	2023	2022	2023	2022
<u>Segment revenues from service</u>						
Over time	1,300,645	1,347,056	-	-	1,300,645	1,347,056
Point in time	719,390	554,777	86,439	318,743	805,829	873,520
Total	<u>2,020,035</u>	<u>1,901,833</u>	<u>86,439</u>	<u>318,743</u>	<u>2,106,474</u>	<u>2,220,576</u>
<u>Total assets as of December 31,</u>						
Assets for leases - net	4,727,028	4,299,252	-	-	4,727,028	4,299,252
Fixed assets - net	2,020	2,273	164,407	166,110	166,427	168,383
Right-of-use asset - net	33,590	26,949	59,715	48,986	93,305	75,935
Intangible assets - net	13,553	13,500	1,251	1,220	14,804	14,720
Other assets	852,607	1,002,553	27,341	34,920	879,948	1,037,473
Total	<u>5,628,798</u>	<u>5,344,527</u>	<u>252,714</u>	<u>251,236</u>	<u>5,881,512</u>	<u>5,595,763</u>

Major customers

In 2023 and 2022, the Company and its subsidiary have no major customer (with revenue of 10 percent or more of an entity's revenue).

33. DISCLOSURE OF FINANCIAL INSTRUMENTS

33.1 Risk management

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

33.2 Credit risk

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

33.3 Interest rate risk

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

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As at December 31, 2023 and 2022, the significant financial assets and financial liabilities (part of these are under derivative instruments as described in Note 19) classified by types of interest rates were as follows:

	2023 (Baht)				Effective Interest rate (% per annum)
	Consolidated financial statements				
	Floating interest rate	Fixed interest rate	No interest	Total	
<u>Financial assets</u>					
Cash and cash equivalents	56,863,717.51	21,199.86	1,723,937.08	58,608,854.45	0.20 - 0.95
Trade and other current receivables	-	-	166,708,119.15	166,708,119.15	-
Receivables under finance lease contracts	-	52,160,386.20	-	52,160,386.20	9.30 - 10.02
Other current financial assets	-	-	223,192.11	223,192.11	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.75
<u>Financial liabilities</u>					
Trade and other current payables	-	-	70,342,807.01	70,342,807.01	-
Long-term loans from financial institutions	363,425,135.91	278,354,418.68	-	641,779,554.59	MLR,Fixed
Lease liabilities	-	1,760,849,694.43	-	1,760,849,694.43	2.48 - 4.83
Debenture	-	748,985,020.01	-	748,985,020.01	2.23 - 4.23
	2022 (Baht)				Effective Interest rate (% per annum)
	Consolidated financial statements				
	Floating interest rate	Fixed interest rate	No interest	Total	
<u>Financial assets</u>					
Cash and cash equivalents	73,579,698.76	21,097.85	391,281.10	73,992,077.71	0.05 - 0.30
Trade and other current receivables	-	-	243,987,645.64	243,987,645.64	-
Receivables under finance lease contracts	-	21,255,936.59	-	21,255,936.59	7.37
Other current financial assets	-	-	116,061,835.75	116,061,835.75	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.15
<u>Financial liabilities</u>					
Trade and other current payables	-	-	92,873,701.13	92,873,701.13	-
Long-term loans from financial institutions	437,021,276.58	247,685,368.76	-	684,706,645.34	MLR,Fixed
Lease liabilities	-	890,992,129.14	-	890,992,129.14	2.31 - 4.79
Debenture	-	1,249,161,154.56	-	1,249,161,154.56	2.32 - 3.10

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	2023 (Baht)				Effective Interest rate (% per annum)
	Separate financial statements				
	Floating interest rate	Fixed interest rate	No interest	Total	
<u>Financial assets</u>					
Cash and cash equivalents	56,863,717.51	21,199.86	1,434,616.01	58,319,533.38	0.20 - 0.95
Trade and other current receivables	-	-	163,606,730.03	163,606,730.03	-
Receivables under finance lease contracts	-	52,160,386.20	-	52,160,386.20	9.30 - 10.02
Other current financial assets	-	-	223,192.11	223,192.11	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.75
<u>Financial liabilities</u>					
Trade and other current payables	-	-	129,468,266.25	129,468,266.25	-
Long-term loans from financial institutions	363,425,135.91	278,354,418.68	-	641,779,554.59	MLR,Fixed
Lease liabilities	-	1,695,979,717.48	-	1,695,979,717.48	2.79 - 3.14
Debenture	-	748,985,020.01	-	748,985,020.01	2.23 - 4.23
	2022 (Baht)				Effective Interest rate (% per annum)
	Separate financial statements				
	Floating interest rate	Fixed interest rate	No interest	Total	
<u>Financial assets</u>					
Cash and cash equivalents	73,579,698.76	21,097.85	97,987.90	73,698,784.51	0.05 - 0.30
Trade and other current receivables	-	-	238,994,162.27	238,994,162.27	-
Receivables under finance lease contracts	-	21,255,936.59	-	21,255,936.59	7.37
Other current financial assets	-	-	116,061,835.75	116,061,835.75	-
Cash at banks using for guarantee	-	50,000,000.00	-	50,000,000.00	0.15
<u>Financial liabilities</u>					
Trade and other current payables	-	-	135,717,282.00	135,717,282.00	-
Long-term loans from financial institutions	437,021,276.58	247,685,368.76	-	684,706,645.34	MLR,Fixed
Lease liabilities	-	837,735,450.50	-	837,735,450.50	2.21 - 3.90
Debenture	-	1,249,161,154.56	-	1,249,161,154.56	2.32 - 3.10

Interest rate swap contracts

As at December 31, 2023, the Company had the interest rate swap agreements designated as hedging instruments with a notional amount of Baht 300 million whereby the Company receives a variable rate equal to THOR plus margin of interest as per disclosed in Note 19 to the consolidated financial statements and pays interest at a fixed rate.

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

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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, 2023, the nominal and carrying amounts of the derivative financial instruments designated in existing hedging relationships in the consolidated and separate financial statements are follow:

	Type of hedge	Hedging instruments		Carrying amount of hedging instruments Liabilities (Baht)	Maturity date	Interest swap rate received (percent)	Interest swap rate paid (percent)
		Derivative	Contractual amount (Baht)				
2023	Cash flow hedge	Interest rate swap transaction agreement	5,000,000.00	5,107,676.86	December 2028	THOR+1.03%	FIXED 4.05

The total amount of losses from financial instruments recognized in other comprehensive income for the year ended December 31, 2023, in the consolidated and separate financial statements are as follows:

	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
2023	Cash flow hedge	(107,676.86)	Financial liabilities

33.4 Fair values of financial instruments

Since the majority of the Company and its subsidiary financial instruments are classified as short-term or carrying interest at rates close to the market interest rates, therefore, the Company and its subsidiaries estimate the fair value of financial instruments to be close to the book value stated in the statement of financial position except for the bonds which have a summary of book value and fair value comparisons as follows:

	2023 (Baht)			
	Consolidated financial statements			
	Fair value	FVPL	Amortized cost	Total
<u>- Derivatives</u>				
<u>Financial assets</u>				
Cash and cash equivalents	-	-	58,608,854.45	58,608,854.45
Trade and other current receivables	-	-	166,708,119.15	166,708,119.15
Receivables under finance lease contracts	-	-	52,160,386.20	52,160,386.20
Other current financial assets	-	223,192.11	-	223,192.11
Fixed deposit using for guarantee	-	-	50,000,000.00	50,000,000.00
	<u>-</u>	<u>223,192.11</u>	<u>327,477,359.80</u>	<u>327,700,551.91</u>

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2023 (Baht)

	Consolidated financial statements			Total
	Fair value - Derivatives	FVPL	Amortized cost	
<u>Financial liabilities</u>				
Trade and other current payables	-	-	70,342,807.01	70,342,807.01
Accounts payable-purchase assets for leases	-	-	76,790,754.37	76,790,754.37
Long-term loans from financial institutions	-	-	641,779,554.59	641,779,554.59
Lease liabilities	-	-	1,760,849,694.43	1,760,849,694.43
Debentures	-	-	748,985,020.01	748,985,020.01
Derivative liabilities	107,676.86	-	-	107,676.86
Deposits for car lease from clients	-	-	159,388,540.82	159,388,540.82
	<u>107,676.86</u>	<u>-</u>	<u>3,458,136,371.23</u>	<u>3,458,244,048.09</u>

2022 (Baht)

	Consolidated financial statements			Total
	FVPL	Amortized cost		
<u>Financial assets</u>				
Cash and cash equivalents	-	73,992,077.71		73,992,077.71
Trade and other current receivables	-	243,987,645.64		243,987,645.64
Receivables under finance lease contracts	-	21,255,936.59		21,255,936.59
Other current financial assets	116,061,835.75	-		116,061,835.75
Fixed deposit using for guarantee	-	50,000,000.00		50,000,000.00
	<u>116,061,835.75</u>	<u>389,235,659.94</u>		<u>505,297,495.69</u>
<u>Financial liabilities</u>				
Trade and other current payables	-	92,873,701.13		92,873,701.13
Accounts payable-purchase assets for leases	-	145,536,281.81		145,536,281.81
Long-term loans from financial institutions	-	684,706,645.34		684,706,645.34
Lease liabilities	-	890,992,129.14		890,992,129.14
Debentures	-	1,249,161,154.56		1,249,161,154.56
Deposits for car lease from clients	-	160,877,202.62		160,877,202.62
	<u>-</u>	<u>3,224,147,114.60</u>		<u>3,224,147,114.60</u>

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

DECEMBER 31, 2023

	2023 (Baht)			
	Separate financial statements			
	Fair value - Derivatives	FVPL	Amortized cost	
Financial assets				
Cash and cash equivalents	-	-	58,319,533.38	58,319,533.38
Trade and other current receivables	-	-	163,606,730.03	163,606,730.03
Receivables under finance lease contracts	-	-	52,160,386.20	52,160,386.20
Other current financial assets	-	223,192.11	-	223,192.11
Fixed deposit using for guarantee	-	-	50,000,000.00	50,000,000.00
	-	223,192.11	324,086,649.61	324,309,841.72
Financial liabilities				
Trade and other current payables	-	-	129,468,266.25	129,468,266.25
Accounts payable-purchase assets for leases	-	-	76,790,754.37	76,790,754.37
Long-term loans from financial institutions	-	-	641,779,554.59	641,779,554.59
Lease liabilities	-	-	1,695,979,717.48	1,695,979,717.48
Debentures	-	-	748,985,020.01	748,985,020.01
Derivative liabilities	107,676.86	-	-	107,676.86
Deposits for car lease from clients	-	-	159,388,540.82	159,388,540.82
	107,676.86	-	3,452,391,853.52	3,452,499,530.38

	2022 (Baht)			
	Separate financial statements			
	FVPL	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	-	73,698,784.51	73,698,784.51	
Trade and other current receivables	-	238,994,162.27	238,994,162.27	
Receivables under finance lease contracts	-	21,255,936.59	21,255,936.59	
Other current financial assets	116,061,835.75	-	116,061,835.75	
Fixed deposit using for guarantee	-	50,000,000.00	50,000,000.00	
	116,061,835.75	383,948,883.37	500,010,719.12	
Financial liabilities				
Trade and other current payables	-	135,717,282.00	135,717,282.00	
Accounts payable-purchase assets for leases	-	145,536,281.81	145,536,281.81	
Long-term loans from financial institutions	-	684,706,645.34	684,706,645.34	
Lease liabilities	-	837,735,450.50	837,735,450.50	
Debentures	-	1,249,161,154.56	1,249,161,154.56	
Deposits for car lease from clients	-	160,877,202.62	160,877,202.62	
	-	3,213,734,016.83	3,213,734,016.83	

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

DECEMBER 31, 2023

Financial assets mandatorily measured at FVPL as at December 31, 2023 and 2022, as following:

	Baht	
	Consolidated/Separate financial statements	
	2023	2022
<u>Other current financial assets</u>		
Mutual funds	223,192.11	116,061,835.75
Total Other current financial assets	223,192.11	116,061,835.75

33.5 Fair value hierarchy

As at December 31, 2023 and 2022, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	2023			
	Consolidated/Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other current financial assets				
- Mutual funds	-	223,192.11	-	223,192.11
Financial liabilities measured at fair value				
Other non-current financial liabilities	-	107,676.86	-	107,676.86
- Derivative liabilities				
	2022			
	Consolidated/Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other current financial assets				
- Mutual funds	-	116,061,835.75	-	116,061,835.75

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.

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

DECEMBER 31, 2023

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

34. CAPITAL MANAGEMENT

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

According to the statement of financial position as at December 31, 2023, the Company and its subsidiary debt-to-equity ratio was 1.47:1 (December 31, 2022 : 1.40:1) and the Company's was 1.60:1 (December 31, 2021 : 1.52:1).

35. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting of the Company held on February 28, 2024, the directors approved to pay dividends for Baht 0.37 per share in the amount of Baht 92.50 million, from 2023 operations. The interim dividends were paid on June 2023 for Baht 0.26 per share, amount of Baht 65 million. And the remaining is Baht 0.11 per share, in the amount of Baht 27.50 million, will be pay within May 2024 subject to approval by the Annual General Meeting of Shareholders of the Company.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 28, 2024.

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ANNUAL REPORT

MOVING FORWARD



Krungthai Car Rent & Lease PLC.