

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

1. GENERAL INFORMATION

a) Address and legal status

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

The address of its registered office are as follow:-

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

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

b) Nature the company's business

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2018) Interim Financial Reporting, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2018.

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

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

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2.2 Basis for consolidation financial statements

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

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

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

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

2.3 Financial reporting standards that become effective in the current year

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

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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2.4 Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard and accounting guidance for financial instruments, which is effective for fiscal years beginning on or after January 1, 2020. Key principles of these standards are summarized below.

The accounting guidance for financial instruments and Presentation for Insurance business

Accounting practice was adjusted to have close content with TFRS 9 by dividing into 4 parts as follows:

1. The recognition of transaction and valuation of financial instrument which is developed closely to Thai Accounting Standard No.105 (revised 2016) accounting for investment in debt securities and equity securities and Thai Financial Reporting Standard No.9 financial instrument.
2. Impairment of financial asset which has content close to Thai Financial Reporting Standard No.9 financial instruments
3. Accounting to prevent risk with content close to Thai Financial Reporting Standard No.9 financial instrument.
4. Information disclosure of financial instrument with content similar to Thai Financial Reporting Standard No.7 disclosure of financial instrument information.

TFRS 16 Leases

As the lease is significant transaction in many businesses in many industries. It's significant that user of financial statement should receive information on activity of the lease completely and able to compare which the former accounting method for lease agreement under Thai Accounting Standard No.17 lease agreement require the lessee and lessor to classify lease agreement as financial lease or operating lease and record the account for both lease agreement differently. Such accounting method can't respond to the needs of the financial statement users as the accounting method does not objectively represent for the lease transaction in every case. For the lessee to recognize assets and liabilities that arise from operating lease which affects the lease agreement to be recognized as asset and liabilities in the statement of financial position. The use of asset and commitment that arises from the lease agreement under the definition of asset and liabilities affect the significant financial ratio to be distorted. New accounting method under Thai Financial Reporting Standard No.16 lease agreement requires the lessee to recognize the right to use asset as asset in the financial statements and recognize commitment that arises from lease agreement in the financial statements. Such accounting method affects the asset presentation and liabilities of the lessee as objective representation as well as increase the disclosure of information that reflects the financial risk and capital money of the lessee.

At present, the management of the Company and its subsidiary are evaluating the impact of this standard to the financial statements in the year when it is adopted.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)****JUNE 30, 2019****2.5 Significant accounting policies**

The Company and its subsidiary prepared the interim financial statements with the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2018.

3. TRANSACTIONS WITH RELATED PARTIES

Details of relationship with related parties are as follows:-

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

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

		Baht			
		For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2019	2018	2019	2018
<u>Transactions in the statements of comprehensive income</u>					
<u>Consolidated financial statements</u>					
<u>Related companies</u>					
Revenue :					
Show room for rent					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 350 sqm., rental charge at 83,000 Baht/Month	249,000.00	249,000.00	498,000.00	498,000.00
Service center income					
Siam Nissan Krungthai Co., Ltd.	Agreed price	1,325,108.50	1,078,050.50	2,602,021.00	2,402,749.50

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		Baht			
		For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	Pricing Policy	2019	2018	2019	2018
Rental fee.					
Car Loft Import Co., Ltd.	Rental charge at 86,290 Baht/Month	258,870.00	258,870.00	517,740.00	517,740.00
Interest received.					
Siam Nissan Krungthai Co., Ltd.	Interest rate of 3.15% per annum	-	-	210,575.34	-
Car Loft Auto Import Co., Ltd.	Interest rate of 2.75-2.80% per annum	-	74,589.04	-	93,424.66
		-	74,589.04	210,575.34	93,424.66
Expenses :					
Service centre and carpark rental					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 1,490 sqm. and car park				
	3,000 sqm., charge 100,000 Baht/Month	300,000.00	300,000.00	600,000.00	600,000.00
Land rental fee					
Toyota Krungthai Co., Ltd.	Rental charge at 150,000 Baht/Month	450,000.00	450,000.00	900,000.00	900,000.00
Thanapat Property Co., Ltd.	Rental charge at 70,000 Baht/ Month	210,000.00	210,000.00	420,000.00	420,000.00
		660,000.00	660,000.00	1,320,000.00	1,320,000.00
Repair expense					
Siam Nissan Krungthai Co., Ltd.	Market price	623,286.75	327,791.90	1,006,881.21	972,891.95
Toyota Krungthai Co., Ltd.	Market price	3,793,607.18	1,123,117.56	5,470,821.57	1,862,283.97
Car Loft Auto Import Co., Ltd.	Market price	380,395.00	50,096.41	405,804.00	83,596.91
		4,797,288.93	1,501,005.87	6,883,506.78	2,918,772.83
Commission expenses					
Car Loft Auto Import Co., Ltd.	Agreed price	56,074.77	84,112.15	196,261.68	168,224.30
Purchase of assets :					
Cars for leases					
Siam Nissan Krungthai Co., Ltd.	Market price after deduct special discount	830,433.64	2,339,148.60	830,433.64	9,297,404.68
Toyota Krungthai Co., Ltd.	Market price after deduct special discount	134,765,692.06	78,543,374.76	476,246,870.10	145,590,483.64
Car Loft Auto Import Co., Ltd.	Market price for major buyer	27,521,495.33	7,000,000.00	33,456,074.77	7,000,000.00
		163,117,621.03	87,882,523.36	510,533,378.51	161,887,888.32
Related person					
Interest expenses	Interest rate of 3.22% per annum	802,794.52	802,794.52	1,596,767.12	1,596,767.12
Separate financial statements					
Subsidiary company					
Revenue :					
Interest received.	Interest rate of 2.50% - 3.10% per annum	50,534.25	341,575.34	141,005.48	636,780.82
Expenses :					
Commission expenses	Agreed price	3,364,485.87	2,663,551.41	6,883,177.40	6,771,028.05
Sales promotion expenses	Agreed price	2,880,000.00	-	6,896,000.00	-
Purchase of assets :					
Cars for leases	Market price for major buyer	-	383,177.57	364,485.98	383,177.57

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		Baht			
		For the three-month periods		For the six-month periods	
		ended June 30,		ended June 30,	
Pricing Policy		2019	2018	2019	2018
<u>Related companies</u>					
Revenue :					
Show room for rent					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 350 sqm., rental charge at 83,000 Baht/Month	249,000.00	249,000.00	498,000.00	498,000.00
Service center income					
Siam Nissan Krungthai Co., Ltd.	Agreed price	1,325,108.50	1,078,050.50	2,602,021.00	2,402,749.50
Interest received.					
Siam Nissan Krungthai Co., Ltd.	Interest rate of 3.15% per annum	-	-	210,575.34	-
Car Loft Auto Import Co., Ltd.	Interest rate of 2.75-2.80% per annum	-	74,589.04	-	93,424.66
		-	74,589.04	210,575.34	93,424.66
Expenses :					
Service centre and carpark rental					
Siam Nissan Krungthai Co., Ltd.	Agreed price by area 1,490 sqm. and car park 3,000 sqm., charge 100,000 Baht/Month	300,000.00	300,000.00	600,000.00	600,000.00
Repair expense					
Siam Nissan Krungthai Co., Ltd.	Market price	623,286.75	327,791.90	1,006,881.21	972,891.95
Toyota Krungthai Co., Ltd.	Market price	3,234,028.66	1,123,117.56	4,605,520.51	1,862,283.97
Car Loft Auto Import Co., Ltd.	Market price	380,395.00	50,096.41	405,804.00	83,596.91
		4,237,710.41	1,501,005.87	6,018,205.72	2,918,772.83
Commission expense					
Car Loft Auto Import Co., Ltd.	Agreed price	56,074.77	84,112.15	196,261.68	168,224.30
Purchase of assets :					
Car for leases					
Siam Nissan Krungthai Co., Ltd.	At cost after deduct special discount	830,433.64	2,339,148.60	830,433.64	9,297,404.68
Toyota Krungthai Co., Ltd.	At cost after deduct special discount	134,765,692.06	78,543,374.76	476,246,870.10	145,590,483.64
Car Loft Auto Import Co., Ltd.	Market price for major buyer	27,521,495.33	7,000,000.00	33,456,074.77	7,000,000.00
		163,117,621.03	87,882,523.36	510,533,378.51	161,887,888.32
<u>Related person</u>					
Interest expenses	Interest rate of 3.22% per annum	802,794.52	802,794.52	1,596,767.12	1,596,767.12

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
<u>Outstanding balances at the statements of financial position</u>				
<u>Subsidiary company</u>				
Receivable - down payment	-	-	860,106.00	1,747,614.00
Accrued interest income	-	-	-	17,326.03
Accrued expenses - commission	-	-	4,185,000.00	1,815,000.00
Short-term loans from :				
Balance beginning	-	-	15,000,000.00	33,000,000.00
Additional loans	-	-	7,000,000.00	34,000,000.00
Payment loans	-	-	(22,000,000.00)	(52,000,000.00)
Balance forward	-	-	-	15,000,000.00
<u>Related companies</u>				
Other receivables				
Siam Nissan Krungthai Co., Ltd.	1,037,815.48	885,117.38	1,037,815.48	885,117.38
Trade and other payables				
Siam Nissan Krungthai Co., Ltd.	180,292.48	182,564.54	48,992.93	113,683.29
Toyota Krungthai Co., Ltd.	2,053,140.38	1,852,066.13	1,656,968.34	1,420,069.69
Car Loft Auto Import Co., Ltd.	51,629.39	36,448.66	51,629.39	36,448.66
Total	2,285,062.25	2,071,079.33	1,757,590.66	1,570,201.64
Payables - purchase assets for leases				
Toyota Krungthai Co., Ltd.	49,645,468.00	130,402,465.07	49,645,468.00	130,402,465.07
Accrued expenses - commission				
Car Loft Auto Import Co., Ltd.	-	84,112.15	-	84,112.15
Short-term loans to :				
Car Loft Auto Import Co., Ltd.				
Balance beginning	-	-	-	-
Additional loan	-	35,000,000.00	-	35,000,000.00
Return loan	-	(35,000,000.00)	-	(35,000,000.00)
Balance forward	-	-	-	-
Siam Nissan Krungthai Co., Ltd.				
Balance beginning	-	-	-	-
Additional loan	40,000,000.00	-	40,000,000.00	-
Return loan	(40,000,000.00)	-	(40,000,000.00)	-
Balance forward	-	-	-	-
<u>Related person</u>				

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Debentures	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00
Accrued interest expenses	70,575.34	79,397.26	70,575.34	79,397.26

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Directors and executive remuneration for the three-month and six-month periods ended June 30, 2019 and 2018 consisted of

	Consolidated financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Directors	401,324.35	300,745.86	796,641.58	672,756.42
Executive directors	2,290,969.85	2,140,483.01	4,399,686.95	4,136,577.50
Executives	2,905,778.11	2,999,927.69	5,558,178.96	6,137,974.87
Total	5,598,072.31	5,441,156.56	10,754,507.49	10,947,308.79
	Separate financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Directors	401,324.35	300,745.86	796,641.58	672,756.42
Executive directors	2,290,969.85	2,140,483.01	4,399,686.95	4,136,577.50
Executives	2,905,778.11	2,438,717.98	5,387,349.82	5,015,555.45
Total	5,598,072.31	4,879,946.85	10,583,678.35	9,824,889.37

4. CASH AND CASH EQUIVALENTS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Cash on hand	263,922.34	818,337.68	2,761,594.67	200,168.98
Cash at banks - current accounts	8,763,760.13	23,078,223.71	8,763,760.13	23,078,223.71
Cash at banks - savings accounts	51,394,553.37	65,966,938.19	44,604,907.86	52,332,606.43
Total	60,422,235.84	89,863,499.58	56,130,262.66	75,610,999.12

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

As at June 30, 2019 and December 31, 2018, the Company has cash at banks-savings accounts

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has interest rate of 0.30% - 0.50% per annum.

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5. INVESTMENT IN AVAILABLE - FOR - SALE SECURITIES

This account consisted of:

	Consolidated financial statements			
	As at June 30, 2019		As at December 31, 2018	
	Units	Baht	Units	Baht
Investment in available-for-sale securities - at cost	2,190,095.3485	30,037,130.20	1,547,492.3897	21,072,313.34
Add Unrealized gain from valuation of investment		1,394.03		12,536.18
Total investment in available-for-sale securities - at fair value		<u>30,038,524.23</u>		<u>21,084,849.52</u>
	Separate financial statements			
	As at June 30, 2019		As at December 31, 2018	
	Units	Baht	Units	Baht
Investment in available-for-sale securities - at cost	2,189,661.6695	30,031,287.38	1,547,058.6703	21,066,470.52
Add Unrealized gain from valuation of investment		1,308.67		12,468.78
Total investment in available-for-sale securities - at fair value		<u>30,032,596.05</u>		<u>21,078,939.30</u>

6. TRADE AND OTHER RECEIVABLES

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Trade receivables				
Undue	124,287,145.08	128,709,986.35	106,528,862.81	111,989,341.80
Over 0 months to 3 months	34,058,554.09	19,599,628.79	32,925,964.44	16,744,132.79
Over 3 months to 6 months	4,491,864.06	2,848,043.25	3,817,116.06	2,113,609.25
Over 6 months to 12 months	2,552,874.54	2,891,375.72	2,552,874.54	2,891,375.72
Over 12 months	3,114,741.99	1,627,652.61	3,114,741.99	1,627,652.61
Total	168,505,179.76	155,676,686.72	148,939,559.84	135,366,112.17
Less Allowance for doubtful accounts	(5,259,690.68)	(5,259,690.68)	(5,259,690.68)	(5,259,690.68)
Trade receivables - net	<u>163,245,489.08</u>	<u>150,416,996.04</u>	<u>143,679,869.16</u>	<u>130,106,421.49</u>
Other receivables				
Accrued incomes	6,375,176.75	5,957,716.05	5,754,481.58	5,012,616.05
Prepaid expenses	22,646,507.37	17,927,135.98	21,544,478.59	17,763,161.58
Insurance receivables	4,382,111.28	3,439,989.21	4,382,111.28	3,439,989.21
Other	2,372,968.74	4,256,681.79	2,058,173.37	3,092,124.21
Total other receivables	<u>35,776,764.14</u>	<u>31,581,523.03</u>	<u>33,739,244.82</u>	<u>29,307,891.05</u>
Total trade and other receivables	<u>199,022,253.22</u>	<u>181,998,519.07</u>	<u>177,419,113.98</u>	<u>159,414,312.54</u>
Trade receivables-net consisted of:				
Trade receivables of car leases	107,496,179.37	87,986,201.36	107,496,179.37	87,986,201.36

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Trade receivables of sale of cars	<u>55,749,309.71</u>	<u>62,430,794.68</u>	<u>36,183,689.79</u>	<u>42,120,220.13</u>
Total	<u><u>163,245,489.08</u></u>	<u><u>150,416,996.04</u></u>	<u><u>143,679,869.16</u></u>	<u><u>130,106,421.49</u></u>

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

	Baht	
	Consolidated /Separate financial statements	
	As at June 30, 2019	As at December 31, 2018
Beginning balance	5,259,690.68	6,684,722.54
Increase during the period	-	2,264,271.36
Bad debt during the period	-	(3,689,303.22)
Ending balance	5,259,690.68	5,259,690.68

7. INVENTORIES

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Used car	207,404,987.04	163,512,430.05	124,207,656.30	80,070,253.65
Spare parts of car	1,157,224.29	1,894,448.75	1,157,224.29	1,894,448.75
Total	208,562,211.33	165,406,878.80	125,364,880.59	81,964,702.40

8. CASH AT BANK USING FOR GUARANTEE

As at June 30, 2019 and December 31, 2018, the Company has fixed deposit accounts with a local commercial banks 2 credit lines and two local commercial banks 3 credit lines, respectively, and fixed deposit accounts was guaranteed as follows:-

Credit Line No.	Credit amount (Million Baht)		Guaranteed
	As at June 30, 2019	As at December 31, 2018	
1	20	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	20	
3	10	10	- Short - term loans in promissory note in credit line of Baht 80 million (see Note 16).
	-	7	- Bank overdrafts credit line of Baht 20 million (see Note 16).
	-	-	- The credit line of car purchasing with a local leasing company at 10% of the credit that car purchasing.
	50	57	

As at June 30, 2019 and December 31, 2018, the fixed deposit accounts has interest rate of 0.90% - 0.95% per annum.

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9. INVESTMENT IN SUBSIDIARY COMPANY

This account consisted of:

					Baht			
Number of shares		Percentage of holding		Value of investment under		Separate financial statements		
				the equity method		Cost method		
As at	As at	As at	As at	As at	As at	As at	As at	
June	December	June	December	June	December	June	December	
30, 2019	31, 2018	30, 2019	31, 2018	30, 2019	31, 2018	30, 2019	31, 2018	
<u>Subsidiary company</u>								
Krungthai Automobile Co., Ltd.	400,000	400,000	100	100	283,174,384.22	280,561,159.02	48,812,300.00	48,812,300.00
					283,174,384.22	280,561,159.02	48,812,300.00	48,812,300.00

10. ASSETS FOR LEASES

Movements of the assets for leases account for the six-month period ended June 30, 2019 are summarized as follows.

	Baht
	Consolidated / Separate financial statements
At cost	
Balance as at December 31, 2018	5,656,400,886.72
Acquisitions during the period	947,520,273.82
Transferred in (transferred out) during the period	(551,995,503.99)
Balance as at June 30, 2019	<u>6,051,925,656.55</u>
Accumulated depreciation	
Balance as at December 31, 2018	(1,862,022,248.79)
Depreciation for the period	(393,879,834.33)
(Transferred in) transferred out during the period	347,286,800.16
Balance as at June 30, 2019	<u>(1,908,615,282.96)</u>
Net book value	
Balance as at December 31, 2018	<u>3,794,378,637.93</u>
Balance as at June 30, 2019	<u>4,143,310,373.59</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

As at June 30, 2019 and December 31, 2018, the Company has cars for leases under hire - purchase contracts as follow:-

	Amount (Cars)		Net value (Baht)	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Cars	292	507	101,005,026.98	185,026,793.22

As at June 30, 2019 and December 31, 2018, the Company has transferred the right of 2,911 and 2,550 cars' registers, respectively as collateral for long-term loans from 4 local financial institutions, respectively. (see Note 19).

As at June 30, 2019 and December 31, 2018, the Company has minimum amounts on car leases under uncanceled operating lease agreements, presented by amounting in contracts as follow :-

	Baht	
	As at June 30, 2019	As at December 31, 2018
Under 1 year	1,110,935,895.74	1,060,576,892.25
Over 1 year to 5 years	1,733,426,746.33	1,623,999,783.20
Total	<u>2,844,362,642.07</u>	<u>2,684,576,675.45</u>

As at June 30, 2019 and December 31, 2018, the Company has been fully depreciated cars for leases but they are still in used at total amounting cost of Baht 208.46 million and Baht 175.77 million, respectively.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

11. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the six-month period ended June 30, 2019 are summarized as follows.

	Baht	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
At cost		
Balance as at December 31, 2018	214,933,415.91	31,817,886.42
Acquisitions during the period	571,387.73	459,377.36
Disposal and write-off during the period	<u>(1,230,800.94)</u>	<u>(1,217,000.94)</u>
Balance as at June 30, 2019	<u>214,274,002.70</u>	<u>31,060,262.84</u>
Accumulated depreciation		
Balance as at December 31, 2018	(37,705,070.93)	(27,433,178.53)
Depreciation for the period	(1,798,920.99)	(706,948.26)
Accumulated depreciation on disposal and write-off	<u>1,230,795.94</u>	<u>1,216,996.94</u>
Balance as at June 30, 2019	<u>(38,273,195.98)</u>	<u>(26,923,129.85)</u>
Net book value		
Balance as at December 31, 2018	<u>177,228,344.98</u>	<u>4,384,707.89</u>
Balance as at June 30, 2019	<u>176,000,806.72</u>	<u>4,137,132.99</u>

As at June 30, 2019 and December 31, 2018, equipment are fully depreciated but still in use are presented in the consolidated financial statements at cost of Baht 33.01 million and Baht 32.18 million, respectively and in the separate financial statements of Baht 25.16 million and Baht 24.70 million, respectively.

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

JUNE 30, 2019

12. INTANGIBLE ASSETS

Movements of the intangible assets account for the six-month period ended June 30, 2019 are summarized as follows.

	Baht	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
At cost		
Balance as at December 31, 2018	<u>12,958,093.13</u>	<u>11,246,820.69</u>
Balance as at June 30, 2019	<u>12,958,093.13</u>	<u>11,246,820.69</u>
Accumulated amortization		
Balance as at December 31, 2018	(6,480,787.46)	(5,585,615.18)
Amortization for the period	<u>(115,674.31)</u>	<u>(68,831.49)</u>
Balance as at June 30, 2019	<u>(6,596,461.77)</u>	<u>(5,654,446.67)</u>
Net book value		
Balance as at December 31, 2018	<u>6,477,305.67</u>	<u>5,661,205.51</u>
Balance as at June 30, 2019	<u>6,361,631.36</u>	<u>5,592,374.02</u>

As at June 30, 2019 and December 31, 2018, intangible assets are fully amortization but still in use are presented in the consolidated financial statements at cost of Baht 5.68 million and Baht 5.60 million, respectively and in the separate financial statements of Baht 4.92 million and Baht 4.84 million, respectively.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

13. LEASEHOLD RIGHT

Movements of the leasehold right account for the six-month period ended June 30, 2019 are summarized as follows.

	Baht	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
At cost		
Balance as at December 31, 2018	108,999,363.94	38,612,619.65
Acquisitions during the period	<u>60,000.00</u>	<u>-</u>
Balance as at June 30, 2019	<u>109,059,363.94</u>	<u>38,612,619.65</u>
Accumulated amortization		
Balance as at December 31, 2018	(95,081,850.20)	(31,153,794.02)
Amortization for the period	<u>(1,770,796.10)</u>	<u>(1,037,800.54)</u>
Balance as at June 30, 2019	<u>(96,852,646.30)</u>	<u>(32,191,594.56)</u>
Net book value		
Balance as at December 31, 2018	<u>13,917,513.74</u>	<u>7,458,825.63</u>
Balance as at June 30, 2019	<u>12,206,717.64</u>	<u>6,421,025.09</u>

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

Building of the Company and its subsidiary are located at leasehold land, as disclosed in Note 26.1.

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

As at June 30, 2019 and December 31, 2018, leasehold right are fully amortization but still in use are presented in the consolidated financial statement of cost of Baht 55.14 million and Bath 49.25

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million, respectively and in the separate financial statement of Baht 5.89 million and Baht 0.55 million, respectively.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

14. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Cconsolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Deferred tax assets	81,841,973.19	56,271,000.78	105,735,852.10	77,785,082.15
Deferred tax liabilities	-	-	(24,210,175.54)	(21,892,240.29)
	<u>81,841,973.19</u>	<u>56,271,000.78</u>	<u>81,525,676.56</u>	<u>55,892,841.86</u>

Changes in deferred tax assets and deferred tax liabilities for the six-month period ended June 30, 2019 are summarized as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the period		Balance as at
	Dec. 31, 2018	In profit or loss	In other comprehensive income	Jun. 30, 2019
Deferred tax assets:				
Accrued expense - rental	7,410.53	11,115.79	-	18,526.32
Employee benefit obligations	2,451,084.66	716,666.30	-	3,167,750.96
Tax losses carry forward	75,704,759.36	27,161,129.16	-	102,865,888.52
Total	78,163,254.55	27,888,911.25	-	106,052,165.80
Deferred tax liabilities:				
Investment in available-for-sale securities	2,507.24	-	2,228.44	278.80
Inventories	852,122.94	(791,575.42)	-	1,643,698.36
Assets for leases	21,018,658.10	(1,535,382.50)	-	22,554,040.60
Equipment	18,965.49	6,790.64	-	12,174.85
Total	21,892,253.77	(2,320,167.28)	2,228.44	24,210,192.61

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KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

	Baht		
	Separate financial statements		
	Balance as at	Revenue (expenses) during the period	Balance as at
	Dec. 31, 2018	In profit or loss	In other comprehensive income
			Jun. 30, 2019
Deferred tax assets:			
Accrued expense-rental	7,410.53	11,115.79	-
Employee benefit obligations	2,072,912.26	778,525.00	-
Tax loss carry forward	75,704,759.36	27,161,129.16	-
Total	77,785,082.15	27,950,769.95	-
Deferred tax liabilities:			
Investment in available-for-sale securities	2,493.76	-	2,232.03
Inventories	852,122.94	(791,575.42)	-
Assets for leases	21,018,658.10	(1,535,382.50)	-
Equipment	18,965.49	6,790.64	-
Total	21,892,240.29	(2,320,167.28)	2,232.03

15. OTHER NON - CURRENT ASSETS

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Deposit	5,217,493.20	5,091,555.20	1,416,043.67	1,290,105.67
Withholding tax deducted at source	194,101,133.63	166,348,068.44	193,874,057.08	166,129,157.39
Less allowance for the refund	(34,097,622.89)	(26,921,359.15)	(34,097,622.89)	(26,921,359.15)
Withholding tax deducted at source - net	160,003,510.74	139,426,709.29	159,776,434.19	139,207,798.24
Total	165,221,003.94	144,518,264.49	161,192,477.86	140,497,903.91

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

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

This account consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Bank overdrafts	1,687,371.72	1,682,078.13	723,543.72	279,169.37
Promissory notes	90,000,000.00	70,000,000.00	90,000,000.00	70,000,000.00
Total	<u>91,687,371.72</u>	<u>71,682,078.13</u>	<u>90,723,543.72</u>	<u>70,279,169.37</u>

As at June 30, 2019 and December 31, 2018, the Company has the bank overdrafts with the two local commercial banks, with 2 credit lines total of Baht 25 million consist of the first credit line Baht 20 million and the second credit line Baht 5 million, carrying interest Fixed+1 and MOR per annum. The first loan is guaranteed by fixed deposit of Baht 10 million and the second loan is no guaranteed.

As at June 30, 2019 and December 31, 2018, the Company has short-term loans in promissory notes with four local commercial banks total of 5 credit lines, are as follows :-

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

As at June 30, 2019 and December 31, 2018, the subsidiary company has bank overdraft from 2 local commercial bank with 2 credit lines total of Baht 25 million, carrying interest MOR per annum. This loan is guaranteed by fixed deposit of directors of the company.

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NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

17. BILL OF EXCHANGE

This account consisted of:

	Baht	
	<u>Consolidated/Separate financial statements</u>	
	As at June	As at December
	30, 2019	31, 2018
Bill of exchange-at face value	310,000,000.00	40,000,000.00
<u>Less</u> Discount	(588,638.79)	(119,225.36)
Bill of exchange-amortized value	<u>309,411,361.21</u>	<u>39,880,774.64</u>

As at June 30, 2019 and December 31, 2018, the Company has 3 bills of exchange in the amount Baht 310 million and 1 bill of exchange in the amount Baht 40 million, respectively. The interest rate is at fixed rate, due at the date specified on the front of the bill of exchange and the discount from the bill of exchange is recognized as finance cost for the six-month periods ended June 30, 2019 and 2018 in the amount of Baht 1.65 million and Baht 2.00 million, respectively in the consolidated and separate financial statements.

18. DEBENTURES

This account consisted of:

	Baht	
	<u>Consolidated/Separate financial statements</u>	
	As at June	As at December
	30, 2019	31, 2018
Unsecured debentures - at face value	1,150,000,000.00	1,150,000,000.00
<u>Less</u> Deferred expenses on debentures issuance	(1,293,948.19)	(1,624,970.30)
	1,148,706,051.81	1,148,375,029.70
<u>Less</u> Current portion due within one year	(299,833,564.27)	-
Net	<u>848,872,487.54</u>	<u>1,148,375,029.70</u>

As at June 30, 2019, the Company has the name-registered of unsubordinated, unsecured and non-holder's representative debentures. The debentures are available to institutional investors and major shareholders in the Notification of Securities and Exchange Commission. The details of issuance of debentures were as below:

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)****JUNE 30, 2019**Issued No. 1

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

Issued No. 2

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

Issued No. 3

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

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

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	As at June 30, 2019	As at December 31, 2018
Long-term loan from financial institutions	1,285,318,429.74	1,087,021,431.56
<u>Less Current portion due within one year</u>	<u>(423,130,207.07)</u>	<u>(384,178,042.52)</u>
Net	<u>862,188,222.67</u>	<u>702,843,389.04</u>

As at June 30, 2019, the Company has 6 credit lines of long-term loans with four local financial institutions. Each credit line has been withdrawn to several loans and the details are as follows:

Credit line 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	150	150	MLR - 2.5%	2.92	May 16 - Oct. 19	159
2	630	546.83	Fixed Rate	5.96	Aug. 16 - Jul. 21	1,192
3	100	100	MLR-2.7625%	1.94	Aug. 16 - Sep. 19	129
4	150	150	Fixed Rate	3.00	Sep. 16 - Dec. 19	203
5	200	200	Fixed Rate	4.00	Jan. 17 - Feb. 20	270
6	1,000	797.95	Fixed Rate	12.94	Sep. 17 - Feb. 23	958
	<u>2,230</u>	<u>1,944.78</u>		<u>30.76</u>		<u>2,911</u>

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

Credit line 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	150	150	MLR - 2.5%	2.92	May. 16 - Aug. 19	203
2	630	546.83	Fixed Rate	5.96	Aug. 16 - Jul. 21	1,192
3	100	100	MLR-2.7625%	1.94	Aug. 16 - Sep. 19	129

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4	150	150	Fixed Rate	3.00	Sep. 16 - Dec. 19	203
5	200	200	Fixed Rate	4.00	Jan. 17 - Feb. 20	270
6	1,000	447.38	Fixed Rate	7.28	Sep. 17 - Oct. 21	553
	<u>2,230</u>	<u>1,594.21</u>		<u>25.10</u>		<u>2,550</u>

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

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

As at June 30, 2019 and December 31, 2018, the movement in long-term loans from financial institutions are as follows:-

	Baht	
	Consolidated/Separate financial statements	
	As at June 30, 2019	As at December 31, 2018
Balance beginning of the period	1,087,021,431.56	1,140,395,457.80
<u>Add</u> Loan increase during the period	350,570,595.00	353,738,623.00
<u>Less</u> Repayment during the period	(152,273,596.82)	(407,112,649.24)
Balance ending of the period	<u>1,285,318,429.74</u>	<u>1,087,021,431.56</u>

20. HIRE-PURCHASE CONTRACTS PAYABLE

This account consisted of:

	Baht	
	Consolidated/Separate financial statements	
	As at June 30, 2019	As at December 31, 2018
Hire-purchase contracts payable - car	76,153,264.89	118,505,417.47
<u>Less</u> Deferred interest	(2,773,639.40)	(4,557,370.69)
	73,379,625.49	113,948,046.78
<u>Less</u> Current portion due within one year	(47,354,883.51)	(62,315,758.41)
Net	<u>26,024,741.98</u>	<u>51,632,288.37</u>

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As at June 30, 2019 and December 31, 2018, the Company has liabilities under hire-purchase agreements represent the hire-purchase of cars with 6 local leasing companies, total 292 contracts and 507 contracts, respectively.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

The payment of these contracts are as follows:

	Baht					
	As at June 30, 2019			As at December 31, 2018		
	Principal	Deferred Interest	Total debts	Principal	Deferred Interest	Total debts
Payment due within 1 year	47,354,883.51	2,071,808.66	49,426,692.17	62,315,758.41	3,093,870.03	65,409,628.44
Payment due over 1 year to 5 years	26,024,741.98	701,830.74	26,726,572.72	51,632,288.37	1,463,500.66	53,095,789.03
Total	73,379,625.49	2,773,639.40	76,153,264.89	113,948,046.78	4,557,370.69	118,505,417.47

Under the terms of hire-purchase contracts referred to above, the Company has to comply with certain conditions and restrictions as specified in the contracts.

The right of assets under hire-purchase contracts will be transferred to the Company when final payment is made.

21. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits obligation are as follows

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	At as June 30, 2019	At as December 31, 2018	At as June 30, 2019	At as December 31, 2018
Defined benefit obligations at beginning of period	12,255,423.31	7,493,251.31	10,364,561.31	6,323,004.31
Actuarial loss	-	3,773,566.00	-	3,286,487.00
Benefits paid by the plan	(760,879.00)	-	-	-
Past service costs and interest				
- change a considered a post employment plan amendment	3,277,686.00	-	3,072,470.00	-
Current service costs and interest	1,066,524.50	988,606.00	820,155.00	755,070.00
Defined benefit obligations at ending of period	15,838,754.81	12,255,423.31	14,257,186.31	10,364,561.31

The statements of comprehensive income

Consolidated financial statements (Baht)

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	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Past service costs and interest	3,277,686.00	-	3,277,686.00	-
Current service costs and interest				
Service costs	459,630.00	177,148.75	778,697.50	354,297.50
Interest expenses	173,938.25	70,002.75	287,827.00	140,005.50
	633,568.25	247,151.50	1,066,524.50	494,303.00
Total	3,911,254.25	247,151.50	4,344,210.50	494,303.00

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

JUNE 30, 2019

	Separate financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Past service costs and interest	3,072,470.00	-	3,072,470.00	-
Current service costs and interest				
Service costs	349,285.75	129,913.75	573,679.00	259,827.50
Interest expenses	151,311.00	58,853.75	246,476.00	117,707.50
	500,596.75	188,767.50	820,155.00	377,535.00
Total	3,573,066.75	188,767.50	3,892,625.00	377,535.00

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

22. OTHER INCOME

This account consisted of:-

	Consolidated financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Interest income	182,158.73	307,542.53	511,451.05	457,049.72
Penalty of cancelled contracts	2,829,573.53	2,308,596.97	4,616,179.00	3,503,994.54
Repairing service income	1,325,108.50	1,078,050.50	2,602,021.00	2,402,749.50
Commission income	2,980,296.44	2,732,510.76	5,432,943.37	5,926,498.78
Others	7,217,347.12	8,548,460.23	15,831,366.56	16,537,167.68
Total	14,534,484.32	14,975,160.99	28,993,960.98	28,827,460.22

Separate financial statements (Baht)

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	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Interest income	214,964.12	632,557.17	634,727.67	1,077,269.84
Penalty of cancelled contracts	2,829,573.53	2,308,596.97	4,616,179.00	3,503,994.54
Repairing service income	1,325,108.50	1,078,050.50	2,602,021.00	2,402,749.50
Others	4,334,818.62	3,927,281.31	9,811,080.98	8,068,230.40
Total	8,704,464.77	7,946,485.95	17,664,008.65	15,052,244.28

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2019

23. (INCOME) TAX EXPENSES

Major components of (income) tax expenses for the three-month and six-month periods ended June 30, 2019 and 2018 consisted of:

	Consolidated financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
(Income) tax expenses shown in profit or loss :				
Current tax expenses:				
Income tax for the period	671,599.91	133,477.93	884,120.50	896,212.57
Adjustments tax expenses of previous year	1,029,230.88	-	1,029,230.88	-
Deferred tax expenses:				
Changes in temporary differences relating to the original recognition and reversal	(13,607,694.89)	(14,631,790.43)	(25,568,743.97)	(23,322,546.68)
Total	(11,906,864.10)	(14,498,312.50)	(23,655,392.59)	(22,426,334.11)
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Remeasuring investment in available-for-sale	434.49	36,215.99	(2,228.44)	44,433.81
Total	434.49	36,215.99	(2,228.44)	44,433.81

	Separate financial statements (Baht)			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
(Income) tax expenses shown in profit or loss :				
Current tax expenses:				
Income tax for the period	-	-	-	-
Adjustments tax expenses of previous year	1,029,230.88	-	1,029,230.88	-
Deferred tax expense:				
Changes in temporary differences relating to the original recognition and reversal	(13,540,057.39)	(14,620,113.63)	(25,630,602.67)	(23,299,193.08)
Total	(12,510,826.51)	(14,620,113.63)	(24,601,371.79)	(23,299,193.08)
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Remeasuring investment in available-for-sale	434.49	36,213.63	(2,232.03)	(44,428.89)

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Total	434.49	36,213.63	(2,232.03)	(44,428.89)
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24. DIVIDEND

At the ordinary shareholders' meeting for the year 2019 held on April 25, 2019, the shareholders unanimously approved to pay dividend from the Company operation year 2018 to the shareholders with Baht 0.40 per share, in the amount of Baht 200 million. The dividend paid in the amount of Baht 100 million, appropriated for 250,000,000 shares of Baht 0.40 each was paid on September 7, 2018, and the remaining in the amount of Baht 100 million, appropriated for 250,000,000 shares of Baht 0.40 each was paid on May 24, 2019.

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

25. BASIC EARNINGS PER SHARE

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

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Profit for the period attributable to ordinary shareholders (Baht)	55,272,688.40	52,222,211.56	114,565,150.43	126,370,742.07
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)	0.22	0.21	0.46	0.51

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Profit for the period attributable to ordinary shareholders (Baht)	52,963,001.63	51,557,567.06	111,951,939.60	124,795,855.06
Weighted average number of ordinary shares (Shares)	250,000,000	250,000,000	250,000,000	250,000,000
Basic earnings per share (Baht per share)	0.21	0.21	0.45	0.50

26. COMMITMENTS AND CONTINGENT LIABILITIES

26.1 Commitments of the operating lease

As at June 30, 2019, the Company and its subsidiary have operating leases as follow:

Type of lease	Periods	Remaining rental expenses
<u>The Company</u>		
Land rental contract - building (Head Office)	Jan. 22, 2002 - Jan. 21, 2023	year 1 - No charge years 2-11 - Baht 30,000 per month years 12-22 - Baht 45,000 per month
Land rental contract - building (Asoke)	Sep. 1, 2018 - Aug. 31, 2021	Sep. 2018 - Aug. 2019 - Baht 264,000 per month Sep. 2019 - Aug. 2020 - Baht 264,000 per month Sep. 2020 - Aug. 2021 - Baht 290,400 per month
Service centre and carpark rental contract	Feb. 20, 2018 - Feb. 19, 2021	Baht 100,000 per month

Subsidiary company

Land rental contract- sale office (Head office)	Sep. 24, 2016 - Sep. 23, 2031	years 1-3 - Baht 450,000 per month years 4-6 - Baht 483,750 per month years 7-9 - Baht 520,031 per month years 10-12 - Baht 559,033 per month years 13-15 - Baht 600,960 per month
Land rental contract- sale office (Ram Intra KM.9)	Jan. 1, 2016 - Dec. 31, 2018 onward (until termination of the contract)	Baht 70,000 per month
Land rental contract - sale office (Srinakarin)	Aug. 1, 2017 - Jul. 31, 2020	Aug. 2017 - Jul. 2020 - Baht 544,500 per month
Land rental contract - sale office (Phaholyothin)	Jan. 1, 2015 - Dec. 31, 2017 onward (until termination of the contract)	Baht 150,000 per month

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

JUNE 30, 2019

26.2 Commitments of services contracts

As at June 30, 2019, the Company has 3 services contracts for the periods 1-2 years, the total rate of service charge of Baht 0.84 million per year.

26.3 Commitments of capital expenditure

As at June 30, 2019, the Company has the commitment about installation and software development system agreement, which the Company will be to pay under the both agreement in the amount of Baht 0.89 million (included VAT).

26.4 Guarantee

As at June 30, 2019, the Company has letters of guarantee issued by three local commercial bank for rental bidding guarantee in the amount of Baht 110.63 million and using electricity in the amount of Baht 0.19 million. (total guarantee of Baht 230 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.

27. SEGMENT INFORMATION

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

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

Business activities are classified by product segments for the three-month and six-month periods ended June 30, 2019 and 2018 as follows :-

Consolidated financial statements (Thousand Baht)					
For the three-month periods ended June 30,					
Car rent of operating		Used car distribution		Total	
2019	2018	2019	2018	2019	2018

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Revenues						
Income on car leases	315,075	297,868	-	-	315,075	297,868
Income on sale of cars	123,609	89,769	52,634	58,108	176,243	147,877
Total	438,684	387,637	52,634	58,108	491,318	445,745
Cost						
Cost of car leases	267,665	245,493	-	-	267,665	245,493
Cost of sales of cars	77,170	53,893	46,157	50,438	123,327	104,331
Total	344,835	299,386	46,157	50,438	390,992	349,824
Gross profit	93,849	88,251	6,477	7,670	100,326	95,921

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

JUNE 30, 2019

For the six-month periods ended June 30,						
	Car rent of operating		Used car distribution		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Income on car leases	619,723	596,392	-	-	619,723	596,392
Income on sale of cars	255,597	233,791	105,774	134,998	361,371	368,789
Total	875,320	830,183	105,774	134,998	981,094	965,181
Cost						
Cost of car leases	524,853	487,612	-	-	524,853	487,612
Cost of sales of cars	160,031	139,766	94,045	119,308	254,076	259,074
Total	684,884	627,378	94,045	119,308	778,929	746,686
Gross profit	190,436	202,805	11,729	15,690	202,165	218,495
Total assets as at June 30,						
Assets for leases	4,143,310	3,647,944	-	-	4,143,310	3,647,944
Fixed assets	10,558	13,035	177,649	179,634	188,207	192,669
Intangible assets	5,592	4,791	769	394	6,361	5,186
Other assets	815,123	779,302	118,555	166,421	933,678	945,722
Total	4,974,583	4,445,072	296,973	346,449	5,271,556	4,791,521

Major customers

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

28. 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).

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

As at June 30, 2019, the Company and its subsidiary had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
-Unit trust	-	30,038,524.23	-	30,038,524.23

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

JUNE 30, 2019

	Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
-Unit trust	-	30,032,596.05	-	30,032,596.05

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

Valuation techniques and inputs for Level 2 valuations

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

29. RECLASSIFICATION

Certain accounts in the financial statements 2018 have been reclassified to conform to the current period's classification, without any effect to the previously reported profit (loss) or shareholder's equity. The reclassifications are as follow:

	Baht		
	Consolidated financial statements		
	Before Reclassification	Reclassification Increase (decrease)	After Reclassification
<u>Statement of financial position</u>			
As at December 31, 2018			
Bank overdrafts and short-term loans from financial institutions	93,707,274.41	(22,025,196.28)	71,682,078.13
Trade and other payables	76,506,976.49	8,470,904.78	84,977,881.27
Payable-purchase assets for leases	168,660,869.88	13,554,291.50	182,215,161.38
		Baht	

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	Separate financial statements		
	Before	Reclassification	After
	Reclassification	Increase (decrease)	Reclassification
<u>Statement of financial position</u>			
As at December 31, 2018			
Bank overdrafts and short-term loans from			
financial institutions	92,304,365.65	(22,025,196.28)	70,279,169.37
Trade and other payables	71,447,361.41	8,470,904.78	79,918,266.19
Payable-purchase assets for leases	168,660,869.88	13,554,291.50	182,215,161.38

KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

30. EVENTS AFTER THE REPORTING PERIOD

At the Board of Director' meeting No.3/2019 held on August 13, 2019, the Board of Directors unanimously approved to pay interim dividend from the Company operation for the period ended June 30, 2019 in the amount of Baht 90 million, (appropriated for 250,000,000 shares of Baht 0.36 each) will be pay within September 10, 2019.

31. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors of the Company on 13 August 2019.