

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Financial Statements

For the Year Ended December 31, 2017

and Report of Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.
Certified Public Accountants

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Thitikorn Public Company Limited

Opinion

I have audited the consolidated financial statements of Thitikorn Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders’ equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, I have also audited the separate financial statements of Thitikorn Public Company Limited, which comprise the separate statement of financial position as at December 31, 2017, and the separate statement of comprehensive income, the separate statement of changes in shareholders’ equity and the separate 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended, and the accompanying separate financial statements present fairly, in all material respects, the financial position of Thitikorn Public Company Limited as at December 31, 2017, and 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 Consolidated Financial Statements and the Separate Financial Statements” section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions together with the ethical requirements that are relevant to my audit of the consolidated financial statements and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with such Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Accuracy and Completeness of Interest Income on Hire Purchase and Related Hire Purchase Receivables

Risk Description

The Company and its three subsidiaries operate in the hire purchase of motorcycle and automobile and have large number of retail customers as hire purchase receivables. Income on hire purchase of the Company and its subsidiaries is interest on hire purchase whereby Thai Financial Reporting Standards specify that such interest shall be systematically recognized as income on an accrual basis throughout the contract term based on the effective interest rate method, which is complex and associated with the large number of transactions and accounting entries that initiate the significant risk in connection with accuracy and completeness of interest income on hire purchase and hire purchase receivables which are material items in the consolidated financial statements and the separate financial statements. Accordingly, the Group has applied the information systems which are specifically designed to serve the calculation and recognition of such income, together with the manual operating processes, in order to ensure the accuracy and completeness, in all material respects, of the related accounting entries. Significant accounting policies and other information relating to interest income on hire purchase and hire purchase receivables were disclosed in Notes 3, 4, and 7 to the financial statements.

Responses to the Risk

I have performed the following key audit procedures as responses to the identified and assessed significant risk in order that such risk shall be managed to appropriate and acceptable level and enable the consolidated financial statements and separate financial statements to be free from material misstatement:

- Gather understanding and assess the Group's internal control elements as well as accounting policies with respect of revenue cycle.
- Test and conclude about the design and operating effectiveness of internal controls with respect of revenue cycle.
- Test of general controls and application controls of the information technology and systems used by the Group on processing of the accounting entries with respect of revenue cycle.
- Perform the substantive audit procedures in the areas of interest income on hire purchase and the related hire purchase receivables in order to obtain the assurance on accuracy and completeness, in all material respects, of the related accounting entries as well as existence or occurrence, right and obligation, cut-off for proper accounting period, proper classification and fair presentation of entries in the consolidated financial statements and the separate financial statements.
- Perform the analytical review on information relating to changes in interest income on hire purchase and the related hire purchase receivables between periods, review of certain ratios and connectivity of information in the consolidated financial statements and the separate financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Registration Statement and the Annual Report, but does not include the consolidated financial statements and the separate financial statements as well as my auditor's report thereon. The aforesaid other information is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements and the separate 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 consolidated financial statements and the separate 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 consolidated financial statements and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the aforesaid other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order that they shall acknowledge and arrange the correction on such misstatement as appropriate.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the 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 the consolidated financial statements and the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, the matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 Consolidated Financial Statements and the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and the 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 the 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 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 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 the 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the separate financial statements, including the disclosures, and whether the consolidated financial statements and the 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 and the separate 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 I 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 the 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.

(Akadet Pliensakul)
Certified Public Accountant
Registration No. 5389

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 21, 2018

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 AND 2016

ASSETS

ASSETS		In Thousand Baht			
		Consolidated		The Company Only	
		Note	2017	2016	2017
CURRENT ASSETS					
Cash and cash equivalents	6	192,810	103,579	73,394	32,554
Trade receivables					
- Current portion of hire-purchase contract receivables - net	7	4,183,021	3,585,799	3,718,029	3,238,288
- Current portion of loan receivables - net	7	67,759	95,935	63,752	95,935
- Nano finance receivables - net	7	698	1,035	-	-
- Other trade receivables	8	76,066	66,787	74,772	65,037
Receivables from and short-term loans to related parties	5	-	-	601,038	537,534
Current portion of long-term loans to other parties	12	6,242	6,425	6,242	6,425
Merchandises		6,895	2,451	6,576	2,087
Asset foreclosed - net	9	228,553	195,814	228,553	195,814
Other current assets		32,167	27,169	29,536	25,875
Total Current Assets		4,794,211	4,084,994	4,801,892	4,199,549
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	10	28,673	25,892	-	-
Hire-purchase contract receivables - net	7	4,762,154	4,033,317	4,276,090	3,618,476
Loan receivables - net	7	18,139	7,724	9,723	7,724
Investments in subsidiaries accounted for using the cost method	11	-	-	183,867	166,538
Long-term loans to other parties - net	12	58,359	56,709	58,359	56,709
Property, plant and equipment - net	5, 13, 25	158,612	180,358	137,917	161,124
Intangible assets - net	14, 25	7,540	9,636	7,285	9,390
Deferred tax assets	23	139,648	129,680	136,892	116,848
Property for lease - net	15	18,921	19,324	-	-
Assets not used in operations	15	14,282	14,282	5,708	5,708
Other non-current assets		17,636	49,510	10,646	13,091
Total Non-Current Assets		5,223,964	4,526,432	4,826,487	4,155,608
TOTAL ASSETS		10,018,175	8,611,426	9,628,379	8,355,157

The accompanying notes are an integral part of these financial statements.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 AND 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company Only	
	Note	2017	2016	2017	2016
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions	16	708,019	329,023	605,484	280,051
Trade payables	5	90,833	80,000	87,747	65,478
Current portion of long-term loans	17	27,920	15,301	-	-
Current portion of debentures	18, 26	200,000	1,120,000	200,000	1,120,000
Payables to and short-term loans from related parties	5	39,657	16,468	445,273	412,940
Income tax payable		71,533	52,830	61,147	48,878
Deposits and advances from customers		103,074	85,381	82,371	77,700
Accrued expenses and other current liabilities					
- Accrued sales promotions and rewards		69,258	86,558	65,347	81,209
- Others		67,119	38,809	61,066	31,043
Total Current Liabilities		1,377,413	1,824,370	1,608,435	2,117,299
NON-CURRENT LIABILITIES					
Long-term loans - net of current portion	17	12,318	3,600	-	-
Debentures - net of current portion	18, 26	3,800,000	2,200,000	3,800,000	2,200,000
Liability for post-employment benefits	19	39,605	27,287	33,262	20,919
Other non-current liabilities		3,536	6,248	-	2,712
Total Non-Current Liabilities		3,855,459	2,237,135	3,833,262	2,223,631
Total Liabilities		5,232,872	4,061,505	5,441,697	4,340,930
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 1 par value					
Authorized share capital - 500,000,000 shares, Baht 1 par value		500,000	500,000	500,000	500,000
Issued and fully paid-up share capital - 500,000,000 shares, Baht 1 par value		500,000	500,000	500,000	500,000
Premium on shares	20	972,987	972,987	972,987	972,987
Retained earnings					
- Appropriated for legal reserve	20	50,000	50,000	50,000	50,000
- Unappropriated		3,249,946	3,019,504	2,663,695	2,491,240
Other component of equity					
- Difference on financial statement conversion of subsidiaries		(523)	(180)	-	-
Equity attributable to Owners of the Parent		4,772,410	4,542,311	4,186,682	4,014,227
Non-controlling interests		12,893	7,610	-	-
Total Shareholders' Equity		4,785,303	4,549,921	4,186,682	4,014,227
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,018,175	8,611,426	9,628,379	8,355,157

The accompanying notes are an integral part of these financial statements.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2017	2016	2017	2016
REVENUES					
	Interest income on hire purchase	2,890,802	2,517,399	2,755,622	2,449,384
	Interest income on loan	22,293	44,371	21,357	44,371
	Interest income on nano finance	226	209	-	-
	Sales of merchandises	11,120	20,133	11,120	20,133
5, 21	Other income	729,137	789,160	730,340	796,306
	Total Revenues	3,653,578	3,371,272	3,518,439	3,310,194
EXPENSES					
	Cost of sales	10,844	19,799	10,844	19,799
	Distribution costs	158	137	158	137
5, 14, 29	Administrative expenses	2,023,536	1,901,371	1,982,669	1,853,703
	Bad debt and provision for doubtful accounts	903,004	794,787	885,985	780,286
5	Finance costs	111,813	120,227	123,868	135,538
	Total Expenses	3,049,355	2,836,321	3,003,524	2,789,463
	PROFIT BEFORE INCOME TAX EXPENSE	604,223	534,951	514,915	520,731
23	Income Tax Expense	131,998	104,647	106,080	97,694
	PROFIT FOR THE YEAR	472,225	430,304	408,835	423,037
Other Comprehensive Loss					
<i>Item that will be subsequently reclassified to profit or loss</i>					
	- Difference on financial statement conversion of subsidiaries	(343)	(1,686)	-	-
<i>Item that will not be subsequently reclassified to profit or loss</i>					
	- Actuarial loss on measurement of liability for post-employment benefits				
	(net of income tax expense of Baht 2,875 thousand for consolidated and Baht 2,845 thousand for the company only) in 2017	(11,500)	-	(11,380)	-
19, 23	Other Comprehensive Loss for the Year	(11,843)	(1,686)	(11,380)	-
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	460,382	428,618	397,455	423,037
Profit Attributable to:					
	Owners of the parent	466,942	429,692	408,835	423,037
	Non-controlling interests	5,283	612	-	-
	Profit for the Year	472,225	430,304	408,835	423,037
Total Comprehensive Income Attributable to:					
	Owners of the parent	455,099	428,006	397,455	423,037
	Non-controlling interests	5,283	612	-	-
	Total Comprehensive Income for the Year	460,382	428,618	397,455	423,037
	Basic Earnings per Share (Baht)	0.934	0.859	0.818	0.846
	Weighted average number of common shares	500,000,000	500,000,000	500,000,000	500,000,000

The accompanying notes are an integral part of these financial statements.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Consolidated (In Thousand Baht)										
Equity attributable to Owners of the Parent										
					Other Components of Equity					
		Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Difference on Financial Statement Conversion of Subsidiary	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity	
Note				Appropriated for Legal Reserve	Unappropriated					
Beginning Balance as at January 1, 2016		500,000	972,987	50,000	2,789,812	1,506	4,314,305	6,998	4,321,303	
Payment of dividends		24	-	-	(200,000)	-	(200,000)	-	(200,000)	
Total comprehensive income for the year			-	-	429,692	(1,686)	428,006	612	428,618	
Ending Balance as at December 31, 2016			500,000	972,987	50,000	3,019,504	(180)	4,542,311	7,610	4,549,921
Payment of dividends		24	-	-	(225,000)	-	(225,000)	-	(225,000)	
Total comprehensive income for the year			-	-	455,442	(343)	455,099	5,283	460,382	
Ending Balance as at December 31, 2017			500,000	972,987	50,000	3,249,946	(523)	4,772,410	12,893	4,785,303

The accompanying notes are an integral part of these financial statements.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

The Company Only (In Thousand Baht)						
	Note	Issued and Fully Paid-up Share Capital	Premium on Shares	Retained Earnings		Total
				Appropriated for Legal Reserve	Unappropriated	
Beginning Balance as at January 1, 2016		500,000	972,987	50,000	2,268,203	3,791,190
Dividends paid	24	-	-	-	(200,000)	(200,000)
Total comprehensive income for the year		-	-	-	423,037	423,037
Ending Balance as at December 31, 2016		500,000	972,987	50,000	2,491,240	4,014,227
Dividends paid	24	-	-	-	(225,000)	(225,000)
Total comprehensive income for the year		-	-	-	397,455	397,455
Ending Balance as at December 31, 2017		500,000	972,987	50,000	2,663,695	4,186,682

The accompanying notes are an integral part of these financial statements.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	604,223	534,951	514,915	520,731
Adjustments				
Depreciation and amortization	62,818	70,091	57,749	64,633
Expenses for post-employment benefits	3,993	2,816	3,432	2,323
Unrealized loss (gain) on exchange rate	(415)	(220)	(72)	1,466
Bad debt and provision for doubtful accounts	903,004	794,787	885,985	780,286
Increase in allowance for diminution in value of asset foreclosed	15,908	17,925	15,908	17,989
Gain on sales of equipment	(2,697)	(6,421)	(2,697)	(6,273)
Loss on written-off asset	2,794	-	2,559	-
Interest income	(6,757)	(6,581)	(25,686)	(31,526)
Interest expense	111,813	120,227	123,869	135,538
(Increase) Decrease in operating assets :				
Trade receivables - hire-purchase contract receivables	(2,227,613)	(1,315,776)	(2,022,140)	(1,379,432)
Trade receivables - loan receivables	16,535	60,240	28,984	60,240
Trade receivables - nano finance receivables	199	(1,067)	-	-
Trade receivables - other	(9,279)	(18,963)	(9,735)	(19,400)
Other receivables from related parties	-	-	8,191	1,670
Merchandises	(4,444)	1,397	(4,489)	10
Asset foreclosed	(48,647)	(52,955)	(48,647)	(53,168)
Other current assets	(4,789)	4,671	(3,411)	1,659
Other non-current assets	(86)	887	(114)	577
Increase (Decrease) in operating liabilities :				
Trade payables	10,833	(57,565)	22,269	(41,319)
Other payables to related parties	329	(50)	688	(2,781)
Deposits and advances from customers	17,693	(28,878)	4,671	(31,017)
Accrued expenses and other current liabilities	(4,534)	(8,936)	(1,392)	(10,843)
Liability for post-employment benefits	(6,050)	(6,568)	(5,314)	(6,568)
Other non-current liabilities	(2,712)	(1,720)	(2,712)	(1,720)
	(567,881)	102,292	(457,189)	3,075
Proceeds from refunded withholding tax	29,699	-	-	-
Income tax paid	(123,232)	(64,330)	(111,010)	(51,349)
Net Cash Provided by (Used in) Operating Activities	(661,414)	37,962	(568,199)	(48,274)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in restricted deposits at financial institutions	(471)	(892)	-	-
Increase in short-term loans to related party	-	-	(269,245)	(140,174)
Collections from short-term loans to related party	-	-	197,282	267,374
Increase in investment in subsidiary	-	-	(17,329)	-
Increase in long-term loans to other parties	(5,726)	(77,604)	(5,726)	(77,604)
Collections from long-term loans to other parties	4,259	82,760	4,259	82,760
Purchases of fixed assets	(41,248)	(33,151)	(35,215)	(28,622)
Proceeds from sales of equipment	7,805	8,002	7,805	7,855
Purchases of intangible assets	(2,028)	(3,416)	(1,925)	(3,307)
Interest received	6,462	5,918	25,704	31,504
Net Cash Provided by (Used in) Investing Activities	(30,947)	(18,383)	(94,390)	139,786

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bank overdrafts and short-term borrowings from financial institutions	379,068	262,544	325,505	213,590
Increase in short-term loans from related parties	22,860	15,200	65,000	63,500
Repayments of short-term loans from related parties	-	-	(33,400)	(38,900)
Increase in long-term loans	51,462	14,040	-	-
Repayments of long-term loan	(30,125)	(514,113)	-	(500,000)
Issuances of debentures	1,800,000	2,000,000	1,800,000	2,000,000
Redemption of debentures	(1,120,000)	(1,620,000)	(1,120,000)	(1,620,000)
Interest paid	(96,673)	(125,822)	(108,676)	(141,149)
Dividends paid	(225,000)	(200,000)	(225,000)	(200,000)
Net Cash Provided by (Used in) Financing Activities	781,592	(168,151)	703,429	(222,959)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	89,231	(148,572)	40,840	(131,447)
Cash and Cash Equivalents at Beginning of Year	103,579	252,151	32,554	164,001
CASH AND CASH EQUIVALENTS AT END OF YEAR	192,810	103,579	73,394	32,554
Supplementary disclosures of cash flow information				
a. Cash and cash equivalents at end of year				
Cash in hand	11,645	25,117	6,366	23,413
Current accounts at banks	79,745	21,764	17,056	8,141
Savings deposits at banks	101,420	56,698	49,972	1,000
Total	192,810	103,579	73,394	32,554
b. Non-cash transactions				
Purchases of equipment by means of payables	405	94	405	94
Transfer of other non-current assets to restricted deposits at financial institutions	2,310	-	-	-

The accompanying notes are an integral part of these financial statements.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

1. GENERAL INFORMATION

Thitikorn Public Company Limited (“the Company”) was incorporated in Thailand on August 4, 1972 and has its registered office at 69 Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240, Thailand. The Company has been listed on the Stock Exchange of Thailand since 2003.

The major shareholder is Sinthonglor Company Limited (incorporated in Thailand which holds 42.36% of the Company’s shares).

The Company and its subsidiaries principally engage in vehicle hire-purchase business and related other service. Details of the Company’s subsidiaries are as follows:

Name of Companies	Type of Business	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct and Indirect Holdings (%)	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile business	40,000	40,000	99.99	99.99
TK Debt Services Co., Ltd.	Debt collection and forfeiture services and vehicle modification services	700	700	99.99	99.99
TK Ngern Tan Jai Co., Ltd.	Nano finance business	50,000	50,000	99.99	99.99
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	21,015*	21,015*	61.90	61.90
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	34,945***	17,616**	99.80	99.60

*KIP 5,250 million

**USD 500,000

***USD 1,000,000

Significant intercompany transactions between the Company and its subsidiaries were eliminated in the preparation of the consolidated financial statements.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which are the currency used in the operations of the Group, and in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Starting from January 1, 2017, the Group had adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), revised by FAP, which became effective from the accounting period starting on or after January 1, 2017. The aforesaid adoption of revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Group.

Subsequently, FAP issued several Notifications which were announced in the Royal Gazette in September 2017 regarding the revision of aforesaid TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period starting on or after January 1, 2018 whereby the Group had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Such revised TAS and TFRS as well as TSIC and TFRIC are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 “Financial Reporting in Hyperinflationary Economies”
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

Management of the Group has preliminarily assessed and believed that there will be no material effect to the financial statements of the Group upon adoption of the aforesaid revised TAS and TFRS as well as TSIC and TFRIC.

The Company and its subsidiaries disclosed information for the year ended December 31, 2016 for being the comparative information in the financial statements for the year ended December 31, 2017 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as “the Group”).

Significant intercompany transactions between the Company and its subsidiaries included in the consolidated financial statements have been eliminated.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company as well as the variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of the subsidiaries were necessarily transformed for uniformity with the Company’s policies.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Accounting for acquisitions of non-controlling interests

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, investment retained in the former subsidiary is measured at its fair value while any gain or loss is recognized in the statement of comprehensive income.

Goodwill

The excess of business combination cost over the fair values of assets and liabilities of the acquired subsidiary is accounted for as goodwill from business combination in the consolidated financial statements (if any). Goodwill is presented as non-current asset in the consolidated statement of financial position at cost net of allowance for impairment (if any).

Foreign Currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are carried under historical cost convention are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Foreign entity

Assets and liabilities of foreign entity are translated to Thai Baht at the exchange rates ruling at the end of reporting period.

Revenues and expenses of foreign entity are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Differences arising on foreign currency translation or conversion are recognized as other comprehensive income or loss and separately presented as other component of equity until the investment is disposed.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost include cash on hand and cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.

Restricted or collateralized deposits at banks were presented as a separate item under non-current assets in the statements of financial position.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Trade Receivables

Trade receivables are stated at their invoice values less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Hire-purchase receivables, loan receivables and nano finance receivables are stated at net realizable value which resulted from carrying book value less unearned interest income and allowance for doubtful accounts. The Group provides their allowance for doubtful accounts of hire-purchase receivables, loan receivables and nano finance receivables based on the age of the total amount of outstanding balance of each contract less unearned interest income and the value for collaterals of automobiles (if applicable). The percentages of allowance for doubtful accounts are described as follows:

Period	Allowance for doubtful accounts (%)	
	Automobile	Motorcycle
Not yet due	1	1
Past due 1 month	1	1
Past due 2 - 3 months	2	20
Past due 4 - 6 months	20	50
Past due 7 - 12 months	50	100
Past due over 12 months	100	100

The allowance for doubtful accounts of hire-purchase receivables - automobile is calculated based on outstanding balance past due not over 6 months less the value for collaterals at 80%, outstanding balance past due 7-12 months less the value for collaterals at 50% and outstanding balance past due more than 12 months less no value for collaterals.

Other Trade Receivables

Other trade receivables are stated at their invoice values less allowance for doubtful accounts (if any)

Allowance for doubtful accounts equals to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

Merchandises

Merchandises, featuring motorcycles, are stated at the lower of cost (specific method) net of allowance for diminution in value (if any) and net realizable value. Net realized value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Allowance for diminution in value is estimated based on physical conditions of the deteriorated, damaged, obsolete, and slow-moving merchandises (if any).

Asset Foreclosed

Asset foreclosed is stated at the receivable balance net of allowance for diminution in value.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

The Group estimate allowance for diminution in value of asset foreclosed as follows:

- Outstanding less than one year 30%
- Outstanding longer than one year 100%

Investments in Subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method and are stated at cost less allowance for impairment (if any).

Property, Plant and Equipment, Property for Lease, and Depreciation

Owned assets

Land is stated at cost less allowance for impairment (if any). Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration (if any) are included as part of asset cost and subject to depreciation.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each part of an item separately for each significant part of plant and equipment. The useful lives of the assets are as follows:

Buildings and building improvements (for use and lease)	20 years
Buildings and building improvements on rented land	10 years, 20 years, and over the lease terms
Furniture, fixtures and office equipment	5 years and 10 years
Vehicles for use and for lease	5 years

No depreciation has been charged for land and construction in progress.

Depreciation methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life.

Intangible Assets

Leasehold rights

Leasehold rights are stated at cost less accumulated amortization and allowance for impairment (if any), which are amortized on a straight-line method over the useful lives which are the lease terms.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Software licenses

Software licenses are stated at cost less accumulated amortization and allowance for impairment (if any), which are amortized on a straight-line method over the useful lives of 5 years.

Amortization

Amortization is charged as part of administrative expenses in the statement of comprehensive income on a straight-line method over the useful lives of particular intangible assets. Intangible assets with an indefinite useful life are not amortized but are tested for indication of impairment at each reporting date. Amortization methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Impairment of Assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's fair value less costs to sell or value in use) shall be estimated and reviewed. The review is made for individual assets or for the cash-generating unit.

In case that the carrying amount of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying amount of the asset to its recoverable amount and by recording the devaluation in the statement of comprehensive income. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. The reversal of the impairment losses shall not exceed the carrying amount of the asset, net of depreciation or amortization, that would have been determined had no impairment losses been recognized for the asset in prior years.

Trade and Other Payables

Trade and other payables are stated at cost.

Employee Benefits

Short-term benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed, or at least every three years, by the qualified actuary. Expenses from the estimated liability for post-employment benefits, recognized as part of administrative expenses in the statements of comprehensive income, comprise current service cost, interest cost, past service cost (if any) which are presented as profit or loss items, and actuarial gain/loss on measurement which is presented as other comprehensive income item.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Revenue Recognition

Interest income from hire-purchase receivable is the unearned interest income and is systematically recognized as income in each installment period based on the effective interest rate method for new hire-purchase agreements made starting from 2008 and the sum-of-digits method for hire-purchase agreements made before 2008. Income from each installment is recognized on an accrual basis (based on the due date of the installment irrespective of actual collection). The Group ceases recognition of income when receivables are overdue more than 3 installments, unless there is an indication of inability to repay, where income recognition is ceased immediately.

Interest income from loan receivables and nano finance receivables is the unearned interest income and is recognized as income under the time proportion based on the effective interest rate method.

Sales are recognized as revenue when the significant risks and rewards of ownership have been transferred to buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Rental income is recognized on a straight-line basis over the lease term.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Dividend income is recognized on the date the Group's right to receive payments is established which in the case of investment in quoted securities is usually the ex-dividend date.

Other interest income is recognized on a time proportion basis that reflects effective yield on the asset, if significant.

Other income is recognized on an accrual basis.

Expense Recognition

Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the lease term.

Other expenses are recognized on an accrual basis.

Income Tax

Income tax on the profit or loss for the year, which is recognized in the statement of comprehensive income, is current tax and deferred tax.

Current tax

Current tax is the amount of tax payable or recoverable which is calculated from taxable profit or loss for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized (see Note 23).

Use of Estimates

In order to prepare financial statements in conformity with the accounting standard and the financial reporting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for doubtful accounts of trade receivables and other receivables
- Allowance for losses on diminution in value of merchandises and asset foreclosed
- Useful lives and residual values of building and equipment, property for lease and intangible assets
- Assumptions used in calculation of liability for post-employment benefits
- Expected periods that deferred tax assets will be realized and benefits to be derived from accumulated tax losses
- Fair values and fair value measurements of financial assets, financial liabilities and financial instruments.

Basic Earnings per Share

Basic earnings per share is calculated by dividing profit attributable to owners of the parent by the weighted average number of common shares outstanding during the year.

4. INTEREST INCOME FROM HIRE-PURCHASE CONTRACT

Prior to 2008, the Company and its subsidiaries recognize interest income on hire-purchase contract as the unearned interest income in each installment period based on the sum-of-digits method. Starting from January 1, 2008, the Group recognizes interest income on hire-purchase contract as the unearned interest income in each installment period based on the effective interest rate method for new hire-purchase contracts made from the year 2008 to conform to the change in the Thai Accounting Standard No. 17 (revised 2007) “Leases” which has been revised and currently is the Thai Accounting Standard No. 17 (revised 2017) “Leases”.

5. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern the financial and operating policies of a company.

Types of relationship of related parties are as follows:

Name of Companies	Type of Business	Type of Relationship
Sinthonglor Company Limited	Holding company	Major shareholder and Co-directors & Co-shareholders
C. V. A. Company Limited	Hire-purchase motorcycle and related services	Subsidiary
Chayapak Company Limited	Hire-purchase automobile	Subsidiary
TK Debt Services Co., Ltd.	Debt collection and forfeiture services and vehicle modification services	Subsidiary
TK Ngern Tan Jai Co., Ltd.	Nano finance business	Subsidiary
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	Subsidiary through direct and indirect shareholding
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	Subsidiary
S. P. International Co., Ltd.	Sale of automobile and related services	Co-directors & Co-shareholders
SPSU Public Co., Ltd.	Sale of motorcycle	Co-directors & Co-shareholders
Lexus Bangkok Co., Ltd.	Sale of automobile	Co-directors & Co-shareholders
Toyota Pathumthani Toyota’s Dealer Co., Ltd.	Sale of automobile and related services	Co-directors & Co-shareholders
Napas Co., Ltd.	Transportation service for motorcycle	Co-shareholders
Thitiphol Co., Ltd.	Sale of spare parts of motorcycle	Co-shareholders

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Pricing policies for each transaction with related parties are as follows:

Type of Transaction	Pricing Policies
Interest income	MOR - 3%
Dividend income	At amount approved for declaration
Other income	Cost
Rental and services	Contract price
Management fee	Contract price
Utility expenses	Cost
Stationery expense	Cost
Other expenses	Mutual agreement
Service expenses	Mutual agreement
Interest expense	MOR - 3%
Key management's remunerations	Mutual agreement
Purchase for hire-purchases (vehicles)	Market price
Purchase of vehicles for use	Market price
Purchase of office equipment	Mutual agreement
Sales of asset foreclosed	Market price
Sales of vehicles for use	Mutual agreement

Significant transactions with related parties for the years ended December 31, 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Interest income				
Subsidiaries	-	-	19,411	25,402
Other income				
Subsidiaries	-	-	62	70
Rental and services				
Subsidiaries	-	-	864	864
Related companies	35,071	37,358	33,699	35,986
Total	35,071	37,358	34,563	36,850
Management fee				
Related companies	10,200	10,200	7,200	7,200
Utility expenses				
Related companies	3,666	3,872	3,666	3,872
Stationery expense				
Related companies	2,233	2,270	2,036	2,225
Other expenses				
Related companies	13,561	10,956	10,720	8,044
Service expenses				
Subsidiaries	-	-	133,410	106,278
Interest expense				
Subsidiaries	-	-	17,521	16,925
Key management's remunerations				
Short-term benefits	39,546	36,859	39,546	36,859
Post-employment benefits	1,022	350	1,022	350
Total	40,568	37,209	40,568	37,209

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Purchase for hire-purchases				
Related companies	285,234	297,687	-	-
Purchase of vehicles for use				
Related companies	458	5,589	458	5,589
Purchase of office equipment				
Related companies	215	-	215	-
Sales of asset foreclosed (repossessed vehicles)				
Related companies	-	607	-	-
Sales of vehicles for use				
Related companies	-	561	-	561

Significant outstanding balances with related parties as at December 31, 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Receivables and short-term loans				
Receivables and accrued income - subsidiaries				
Receivable on decrease in capital for returns	-	-	-	8,144
Accrued interest and other income	-	-	1,761	2,076
Total	-	-	1,761	10,220
Advances				
Subsidiaries	-	-	3,005	3,005
Short-term loans				
Subsidiaries				
(interest rate at 4.125 - 4.375 p.a. in 2017 and 4.375 p.a. in 2016)	-	-	596,272	524,309
Total	-	-	601,038	537,534
Trade payables				
Related companies	-	14,522	-	-
Payables and short-term loans				
Accrued expenses				
Subsidiaries	-	-	12,442	11,885
Related companies	1,597	1,268	1,341	1,165
Total	1,597	1,268	13,783	13,050
Short-term loans				
Subsidiaries				
(interest rate at 4.125 - 4.375 p.a. in 2017 and 4.375 p.a. in 2016)	-	-	431,490	399,890
Directors (non-interest bearing)	38,060	15,200	-	-
Total	38,060	15,200	431,490	399,890
Total	39,657	16,468	445,273	412,940

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Movements of loans from and loans to related parties during the year are as follows:

	Consolidated (In Thousand Baht)			December 31, 2017
	December 31, 2016	Increase	Decrease	
Short-term loans from related persons				
Directors	15,200	22,860	-	38,060
	The Company Only (In Thousand Baht)			December 31, 2017
	December 31, 2016	Increase	Decrease	
Short-term loans to subsidiaries				
Suosdey Finance PLC.	9,509	116,559	15,782	110,286
Sabaidee Leasing Co., Ltd.	24,800	57,186	-	81,986
TK Debt Services Co., Ltd.	22,000	24,500	46,500	-
Chayapak Co., Ltd.	468,000	71,000	135,000	404,000
Total	524,309	269,245	197,282	596,272
Short-term loans from subsidiary				
C.V.A. Co., Ltd.	399,890	65,000	33,400	431,490

As at December 31, 2017 and 2016, the Company has been guarantor for (1) short-term loan credit facilities granted by a local commercial bank to Chayapak Co., Ltd. amounting to Baht 600 million and (2) short-term loan credit facilities granted by a commercial bank incorporated in Cambodia of Suosdey Finance PLC. amounting to USD 3 million (drawdown of approximately USD 2.8 million as at December 31, 2017 as presented in Note 16) and long-term loan credit facilities granted by another commercial bank incorporated in Cambodia of such subsidiary amounting to USD 3 million (drawdown of USD 2.5 million as at December 31, 2017 as presented in Note 17). There has been no intercompany charge on these guarantees.

In addition, at the Management Board's meeting on June 22, 2017, the Management Board passed the resolution to approve the Company being guarantor for loan credit facilities, granted by a commercial bank in Lao, of the other subsidiary, i.e. Sabaidee Leasing Co., Ltd., amounting to Kip 4,952 million (pertaining to 61.9% of shareholding), which has not yet been drawdown as at December 31, 2017. There has been no intercompany charge on this guarantee.

During 2017, the Company gave short-term loans amounting to approximately Baht 116.6 million and Baht 57.2 million, respectively, to its foreign subsidiaries, i.e. Suosdey Finance PLC. and Sabaidee Leasing Co., Ltd., under the loan facilities of Baht 400.0 million and Baht 185.7 million (pertaining to 61.9% of shareholding), respectively, which was approved by the Board of Directors on May 8, 2017 and November 9, 2017. In addition, the Board of Directors also approved temporary advances for use as working capital in operations of the new subsidiary, i.e. Mingalaba Thitikorn Microfinance Co., Ltd. (after completion of establishment and registration), amounting to Baht 100 million.

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Cash	11,645	25,117	6,366	23,413
Current accounts and savings deposits at banks	181,165	78,462	67,028	9,141
Total	192,810	103,579	73,394	32,554

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

7. HIRE-PURCHASE CONTRACT RECEIVABLES, LOAN RECEIVABLES AND NANO FINANCE RECEIVABLES - NET

Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	2017			2016		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	13,557,636	7,124,864	6,432,772	11,620,102	6,168,669	5,451,433
Less Unearned income	(4,058,862)	(2,599,170)	(1,459,692)	(3,479,742)	(2,222,924)	(1,256,818)
Net	9,498,774	4,525,694	4,973,080	8,140,360	3,945,745	4,194,615
Less Allowance for doubtful accounts	(553,599)	(342,673)	(210,926)	(521,244)	(359,946)	(161,298)
Net	<u>8,945,175</u>	<u>4,183,021</u>	<u>4,762,154</u>	<u>7,619,116</u>	<u>3,585,799</u>	<u>4,033,317</u>

	The Company Only (In Thousand Baht)					
	2017			2016		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	12,389,155	6,505,974	5,883,181	10,680,370	5,697,299	4,983,071
Less Unearned income	(3,857,900)	(2,457,066)	(1,400,834)	(3,362,477)	(2,149,164)	(1,213,313)
Net	8,531,255	4,048,908	4,482,347	7,317,893	3,548,135	3,769,758
Less Allowance for doubtful accounts	(537,136)	(330,879)	(206,257)	(461,129)	(309,847)	(151,282)
Net	<u>7,994,119</u>	<u>3,718,029</u>	<u>4,276,090</u>	<u>6,856,764</u>	<u>3,238,288</u>	<u>3,618,476</u>

Hire-purchase contract receivables at December 31, 2017 and 2016 (contract terms are 1 - 5 years) are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Current	6,299,229	5,437,263	5,477,670	4,801,377
Overdue 1 month	1,404,421	1,187,040	1,341,385	1,131,003
Overdue 2 - 3 months	1,341,732	1,125,918	1,290,516	1,077,415
Overdue 4 - 6 months	442,982	255,753	421,684	243,552
Overdue 7 - 12 months	6,660	67,367	-	48,991
Overdue longer than 12 months	3,750	67,019	-	15,555
Total	9,498,774	8,140,360	8,531,255	7,317,893
Less Allowance for doubtful accounts	(553,599)	(521,244)	(537,136)	(461,129)
Net	<u>8,945,175</u>	<u>7,619,116</u>	<u>7,994,119</u>	<u>6,856,764</u>

The Group determine allowance for doubtful accounts in line with the accounting policy for the year 2016. Such policy is not compliance with the accounting guidance for determination of allowance of doubtful accounts for consumer finance business, which was mutually defined by the Securities and Exchange Commission (SEC) and the Institute of Certified Accountants and Auditors of Thailand (“ICAAT”) in 2004, because the Group is able to forfeit or repossess a portion of collaterals from debtors. As at December 31, 2017, the Group had allowance for doubtful accounts at 5.83% (6.30% for the Company only) of total hire-purchase contract receivables before deducting allowance for doubtful accounts.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

As at December 31, 2016, which was the last year that sum-of-digits method was adopted, the Group had the outstanding hire-purchase contract receivables, classified by revenue recognition method, as follows:

	Consolidated (In Thousand Baht)		
	Sum-of-digits method	Effective interest rate method	Total
Hire-purchase contract receivables	6,429	11,613,673	11,620,102
Less Unearned income	(1,046)	(3,478,696)	(3,479,742)
Net	5,383	8,134,977	8,140,360

	The Company Only (In Thousand Baht)		
	Sum-of-digits method	Effective interest rate method	Total
Hire-purchase contract receivables	900	10,679,470	10,680,370
Less Unearned income	(186)	(3,362,291)	(3,362,477)
Net	714	7,317,179	7,317,893

Loan Receivables

	Consolidated (In Thousand Baht)					
	2017			2016		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	102,898	82,513	20,385	123,249	114,959	8,290
Less Unearned income	(14,109)	(12,005)	(2,104)	(12,688)	(12,219)	(469)
Net	88,789	70,508	18,281	110,561	102,740	7,821
Less Allowance for doubtful accounts	(2,891)	(2,749)	(142)	(6,902)	(6,805)	(97)
Net	85,898	67,759	18,139	103,659	95,935	7,724

	The Company Only (In Thousand Baht)					
	2017			2016		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	87,496	77,011	10,485	123,249	114,959	8,290
Less Unearned income	(11,156)	(10,518)	(638)	(12,688)	(12,219)	(469)
Net	76,340	66,493	9,847	110,561	102,740	7,821
Less Allowance for doubtful accounts	(2,865)	(2,741)	(124)	(6,902)	(6,805)	(97)
Net	73,475	63,752	9,723	103,659	95,935	7,724

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Loan receivables as at December 31, 2017 and 2016 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		Company Only	
	2017	2016	2017	2016
Current	70,982	73,128	59,218	73,128
Overdue 1 month	10,261	17,967	9,886	17,967
Overdue 2 - 3 months	6,000	14,228	5,691	14,228
Overdue 4 - 6 months	1,020	4,185	1,020	4,185
Overdue 7 - 12 months	359	994	358	994
Overdue longer than 12 months	167	59	167	59
Total	88,789	110,561	76,340	110,561
Less Allowance for doubtful accounts	(2,891)	(6,902)	(2,865)	(6,902)
Net	85,898	103,659	73,475	103,659

The abovementioned loan receivables are receivables under loan agreements with terms between 1-2 years which are repayable monthly at the fixed equally amount per month. The characteristics of agreements or contracts of such receivables are relevant to the hire-purchase contract receivables.

Nano Finance Receivables

	Consolidated (In Thousand Baht)					
	2017			2016		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	778	778	-	1,172	1,172	-
Less Unearned income	(70)	(70)	-	(105)	(105)	-
Net	708	708	-	1,067	1,067	-
Less Allowance for doubtful accounts	(10)	(10)	-	(32)	(32)	-
Net	698	698	-	1,035	1,035	-

Nano finance receivables as at December 31, 2017 and 2016 are aged by outstanding installment payments of each contract as follows:

	Consolidated (In Thousand Baht)	
	2017	2016
Current	664	952
Overdue 1 month	38	43
Overdue 2 - 3 months	-	48
Overdue 4 - 6 months	6	24
Total	708	1,067
Less Allowance for doubtful accounts	(10)	(32)
Net	698	1,035

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

8. OTHER TRADE RECEIVABLE - NET

Other trade receivables aged by outstanding balances as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Current	76,066	66,787	74,772	65,037

9. ASSET FORECLOSED - NET

	Consolidated and The Company Only (In Thousand Baht)	
	2017	2016
Balance not exceeding one year	326,505	279,734
Balance exceeding one year	13,237	11,361
Total	339,742	291,095
Less Allowance for diminution in value	(111,189)	(95,281)
Net	228,553	195,814

10. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2017 and 2016, two local subsidiaries have collateralized their fixed deposits totalling Baht 25 million with a local bank as guarantees for their overdraft lines with such bank.

As at December 31, 2017 and 2016, two foreign subsidiaries and a foreign subsidiary, respectively, have collateralized their deposits totalling approximately Baht 3.7 million and Baht 0.9 million, respectively, with the National Bank of each country as guarantees for establishment and doing business in each country.

11. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD

	The Company Only					
	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct Shareholding		Cost of Investments (In Thousand Baht)	
	2017	2016	2017	2016	2017	2016
C.V.A. Company Limited	50,000	50,000	99.99	99.99	49,993	49,993
Chayapak Company Limited	40,000	40,000	99.99	99.99	43,993	43,993
TK Debt Services Co., Ltd.	700	700	99.99	99.99	-	-
TK Ngern Tan Jai Co., Ltd.	50,000	50,000	99.99	99.99	49,997	49,997
Sabaidee Leasing Co., Ltd.						
(Lao PDR)	21,015	21,015	23.81*	23.81*	5,003	5,003
Suosdey Finance PLC.						
(Cambodia)	34,945	17,616	99.80	99.60	34,881	17,552
Total					183,867	166,538

* Total percentage of direct and indirect shareholding through two wholly-owned (99.99%) subsidiaries is 61.90%.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

At the Board of Directors' meeting on February 24, 2017, the Board of Directors passed the resolution to approve the budget for the increase in the authorized share capital of its subsidiary, i.e. Suosdey Finance PLC., from U.S. Dollar 0.5 million to U.S. Dollar 1 million whereby such subsidiary increased its share capital and registered the increase in share capital on April 27, 2017. In addition, at the Board of Directors' meeting on August 10, 2017, the Board of Directors passed the resolution to approve the budget for the increase in the authorized share capital of such subsidiary for an additional amount of U.S. Dollar 1.5 million whereby such subsidiary was during the process to increase and register the increase in share capital as at December 31, 2017.

At the Board of Directors' meeting on May 8, 2017, the Board of Directors passed the resolution to approve the budget for the increase in the authorized share capital of its subsidiary, i.e. Sabaidee Leasing Co., Ltd., from Kip 5,250 million to Kip 10,250 million whereby such subsidiary was during the process to increase and register the increase in share capital as at December 31, 2017.

At the Board of Directors' meeting on September 27, 2017, the Board of Directors passed the resolution to approve the Company to establish a new subsidiary (the seventh subsidiary) at Bago City in the Republic of the Union of Myanmar ("Myanmar"), i.e. "Mingalaba Thitikorn Microfinance Co., Ltd." ("Mingalaba"), whereby the Company and its director are shareholders of such company at the proportion of 99% and 1%, respectively, and source of fund for this investment will be derived from the Company's working capital. Mingalaba will be registered as a juristic company under the laws of Myanmar in order to conduct its business relating to microfinance and other kinds of finance businesses in Myanmar. Authorized share capital of Mingalaba will comprise of 200,000 common shares at Kyat 1,000 par value, totalling Kyat 200 million or approximately Baht 4.88 million. In addition, at the Board of Directors' meeting on November 9, 2017, the Board of Directors passed the resolution to approve in principle for the increase in authorized share capital (after completion of establishment and registration) of Mingalaba to support the business expansion amounting to Kyat 1,320 million (approximately Baht 33 million). As at December 31, 2017, Mingalaba was during the process of establishment.

In addition, at the Board of Directors' meeting on November 9, 2017, the Board of Directors passed the resolution to approve in principle for the sales of TK Debt Services Co., Ltd. whereby the Company's Managing Director was authorized to execute such matter. The Company sold its investment in such company to a non-related person at the price of Baht 0.5 million and registered the change of authorized directors and shareholders of such company in February 2018.

12. LONG-TERM LOANS TO OTHER PARTIES

	Consolidated and The Company Only (In Thousand Baht)	
	2017	2016
Long-term loans to other parties	64,601	63,134
Less Current portion	(6,242)	(6,425)
Net	<u>58,359</u>	<u>56,709</u>

This account represents the unsecured loans to 59 agents in 2017 and 60 agents in 2016. These loans bear interest rate at 9% p.a. in 2017 and 2016 and mature during the years 2018 to 2020.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

13. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)							
	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture, fixtures and office equipment	Vehicles for use	Vehicles for lease	Construction in progress	Total
Cost								
Balance as at December 31, 2015	12,617	24,221	270,612	128,272	111,715	7,964	3,415	558,816
Acquisitions	-	-	2,937	6,928	7,964	-	15,416	33,245
Disposals	-	-	-	(4,516)	(12,723)	-	-	(17,239)
Transfers in (out)	-	-	15,384	3	-	-	(15,387)	-
Balance as at December 31, 2016	12,617	24,221	288,933	130,687	106,956	7,964	3,444	574,822
Acquisitions	-	-	2,454	13,042	2,551	-	23,606	41,653
Disposals	-	-	-	(10,829)	(1,910)	-	-	(12,739)
Transfers in (out)	-	-	20,455	-	-	-	(20,455)	-
Balance as at December 31, 2017	12,617	24,221	311,842	132,900	107,597	7,964	6,595	603,736
Accumulated depreciation								
Balance as at December 31, 2015	-	23,661	158,380	84,922	75,815	1,445	-	344,223
Depreciation for the year	-	348	36,295	13,528	14,131	1,597	-	65,899
Accumulated depreciation for assets disposed	-	-	-	(3,101)	(12,557)	-	-	(15,658)
Balance as at December 31, 2016	-	24,009	194,675	95,349	77,389	3,042	-	394,464
Depreciation for the year	-	115	30,212	13,022	13,350	1,592	-	58,291
Accumulated depreciation for assets disposed	-	-	-	(5,883)	(1,748)	-	-	(7,631)
Balance as at December 31, 2017	-	24,124	224,887	102,488	88,991	4,634	-	445,124
Net book value								
December 31, 2016	12,617	212	94,258	35,338	29,567	4,922	3,444	180,358
December 31, 2017	12,617	97	86,955	30,412	18,606	3,330	6,595	158,612

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

	The Company Only (In Thousand Baht)						
	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture, fixtures and office equipment	Vehicles for use	Construction in progress	Total
Cost							
Balance as at December 31, 2015	7,802	15,291	263,584	121,980	101,792	3,416	513,865
Acquisitions	-	-	1,330	6,381	5,589	15,416	28,716
Disposals	-	-	-	(4,516)	(12,418)	-	(16,934)
Transfers in (out)	-	-	15,384	3	-	(15,387)	-
Balance as at December 31, 2016	7,802	15,291	280,298	123,848	94,963	3,445	525,647
Acquisitions	-	-	219	11,336	459	23,606	35,620
Disposals	-	-	-	(10,829)	(1,910)	-	(12,739)
Transfers in (out)	-	-	20,455	-	-	(20,455)	-
Balance as at December 31, 2017	7,802	15,291	300,972	124,355	93,512	6,596	548,528
Accumulated depreciation							
Balance as at December 31, 2015	-	15,091	156,047	79,850	67,946	-	318,934
Depreciation for the year	-	200	34,993	13,150	12,598	-	60,941
Accumulated depreciation for assets disposed	-	-	-	(3,101)	(12,251)	-	(15,352)
Balance as at December 31, 2016	-	15,291	191,040	89,899	68,293	-	364,523
Depreciation for the year	-	-	28,613	12,482	12,624	-	53,719
Accumulated depreciation for assets disposed	-	-	-	(5,883)	(1,748)	-	(7,631)
Balance as at December 31, 2017	-	15,291	219,653	96,498	79,169	-	410,611
Net book value							
December 31, 2016	7,802	-	89,258	33,949	26,670	3,445	161,124
December 31, 2017	7,802	-	81,319	27,857	14,343	6,596	137,917

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

As at December 31, 2017 and 2016, cost of building and equipment of the Group that has been fully depreciated but still in use amounting to approximately Baht 295.3 million and Baht 250.1 million, respectively (Baht 275.1 million and Baht 229.9 million, respectively, for the Company only).

14. INTANGIBLE ASSETS - NET

	Consolidated (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2015	8,731	55,335	64,066
Acquisitions	-	3,416	3,416
Balance as at December 31, 2016	8,731	58,751	67,482
Acquisitions	689	1,339	2,028
Balance as at December 31, 2017	9,420	60,090	69,510
Accumulated amortization			
Balance as at December 31, 2015	7,578	46,481	54,059
Amortization for the year	471	3,316	3,787
Balance as at December 31, 2016	8,049	49,797	57,846
Amortization for the year	469	3,655	4,124
Balance as at December 31, 2017	8,518	53,452	61,970
Net book value			
December 31, 2016	682	8,954	9,636
December 31, 2017	902	6,638	7,540

	The Company Only (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2015	6,708	54,816	61,524
Acquisitions	-	3,307	3,307
Balance as at December 31, 2016	6,708	58,123	64,831
Acquisitions	691	1,234	1,925
Balance as at December 31, 2017	7,399	59,357	66,756
Accumulated amortization			
Balance as at December 31, 2015	5,555	46,194	51,749
Amortization for the year	472	3,220	3,692
Balance as at December 31, 2016	6,027	49,414	55,441
Amortization for the year	469	3,561	4,030
Balance as at December 31, 2017	6,496	52,975	59,471
Net book value			
December 31, 2016	681	8,709	9,390
December 31, 2017	903	6,382	7,285

As at December 31, 2017 and 2016, cost of intangible assets of the Group that have been fully amortized but still in use amounting to approximately Baht 51.6 million and Baht 47.5 million, respectively (Baht 49.3 million and Baht 45.3 million, respectively, for the Company only).

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

15. PROPERTY FOR LEASE AND ASSETS NOT USED IN OPERATIONS

A subsidiary has property for lease, comprising land and buildings, which were transferred from assets not used in operations in March 2013 at the carrying amount. The details of such assets are as follows:

	Consolidated (In Thousand Baht)				
	Balance as at December 31, 2016	Movements during the Year			Balance as at December 31, 2017
		Addition	Deduction	Transfer	
Cost					
Land	12,800	-	-	-	12,800
Buildings and building improvements	8,075	-	-	-	8,075
Total cost	20,875	-	-	-	20,875
Accumulated depreciation					
Buildings and building improvements	1,551	403	-	-	1,954
Net	19,324				18,921

Depreciation for each of the years ended December 31, 2017 and 2016 amounted to approximately Baht 0.4 million.

The latest appraisal value of property for lease, appraised by The Valuation & Consultants Company Limited using comparative market price method (Market Approach) as per their reports in August 2012, amounted to approximately Baht 33.9 million.

Assets not used in operations consists of land and commercial buildings of the Company and a subsidiary which are temporarily not used in operations as at December 31, 2017 and 2016, totalling approximately Baht 14.3 million (Baht 5.7 million for the Company only). The latest appraisal value of such assets, appraised by The Valuation & Consultants Company Limited using comparative market price method (Market Approach) as per their reports in December 2015, amounted to totalling approximately Baht 69.6 million (Baht 30.2 million for the Company only).

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

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Bank overdrafts	65,200	60,742	55,775	59,828
Short-term loans from banks	642,819	268,281	549,709	220,223
Total	708,019	329,023	605,484	280,051

As at December 31, 2017 and 2016, the Group had credit facilities with several financial institutions as follows:

	2017	2016
Bank overdrafts (million Baht)	191.5	192.00
Short-term loans (million Baht)	2,545.00	2,545.00
Short-term loans (million USD)	3.60	4.39

Such loans bear interest rates ranging between 1.281% - 7.675% p.a. in 2017 and 1.385% - 7.675% p.a. in 2016.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

A portion of overdraft lines discussed above is secured by certain directors of the Group.

Overdraft lines of two subsidiaries are secured by the fixed deposits as discussed in Note 10.

17. LONG -TERM LOANS - NET

	Consolidated (In Thousand Baht)	
	2017	2016
Long-term loan of a foreign subsidiary	40,238	18,901
Less Current portion	(27,920)	(15,301)
Net	12,318	3,600

As at December 31, 2017 and 2016, the subsidiary in Cambodia had long-term loan with a foreign bank amounting to U.S. Dollar 1.225 million and U.S. Dollar 0.525 million, respectively. During 2017 such subsidiary was granted additional long-term loan credit facilities amounting to U.S. Dollar 1.0 million, which is guaranteed in full amount by the Company. This loan bears interest at LIBOR plus 4% p.a. and interest is payable quarterly whereas loan principal is repayable during 2015 to 2019.

18. DEBENTURES

Consolidated and The Company Only					
Date of Issuance / Year of Redemption	Interest Payment	Interest Rate Per Annum (%)	Number of Unit (Baht 1,000 Each)	In Thousand Baht	
				2017	2016
March 26, 2014 / 2017	Quarterly	4.00	900,000	-	900,000
April 30, 2014 / 2017	Semi-annually	4.00	100,000	-	100,000
February 25, 2015 / 2017	Semi-annually	3.15	120,000	-	120,000
September 3, 2015 / 2018	Semi-annually	2.59	200,000	200,000	200,000
May 16, 2016 / 2019	Semi-annually	2.15	600,000	600,000	600,000
July 20, 2016 / 2019	Semi-annually	2.36	600,000	600,000	600,000
September 1, 2016 / 2019	Semi-annually	2.41	500,000	500,000	500,000
September 7, 2016 / 2019	Semi-annually	2.48	300,000	300,000	300,000
February 28, 2017 / 2020	Semi-annually	2.83	1,000,000	1,000,000	-
August 18, 2017 / 2020	Semi-annually	2.56	800,000	800,000	-
Total				4,000,000	3,320,000
Less Current portion				(200,000)	(1,120,000)
Net				3,800,000	2,200,000

As at December 31, 2017, the amount for issuance and offering of the Company's debentures was totally Baht 7,000 million, which comprised of the amount approved by the shareholders' meeting in April 2016 amounting to Baht 4,000 million and another approved by the extraordinary shareholders' meeting in September 2017 amounting to Baht 3,000 million.

Under the conditions of the issuances of debentures, the Company has to comply with the specified conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 7:1

As at December 31, 2017 and 2016, such debentures had fair values totalling approximately Baht 4,028.6 million and Baht 3,317.1 million, respectively.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

19. LIABILITY FOR POST-EMPLOYMENT BENEFITS

The Group have obligations on post-employment benefits which were reassessed and recomputed by the qualified actuary during 2017. Movements of liability for post-employment benefits for the year ended December 31, 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Liability for post-employment benefits as at January 1	27,287	31,039	20,919	25,164
Current service cost	2,789	1,532	2,414	1,277
Interest cost	1,204	1,284	1,018	1,046
Actuarial loss on measurement	14,375	-	14,225	-
Expense recognized in statement of comprehensive income	18,368	2,816	17,657	2,323
Employee benefits paid during the year	(6,050)	(6,568)	(5,314)	(6,568)
Liability for post-employment benefits as at December 31	39,605	27,287	33,262	20,919

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

- Discount rate 2.71% p.a. (4.58% p.a. as at December 31, 2016)
- Salary escalation rate 5.66% p.a. (4.89% p.a. as at December 31, 2016)
- Employee turnover rate 0% - 22% p.a. (0% - 67% p.a. as at December 31, 2016)

The abovementioned actuarial loss on measurement in the consolidated financial statements comprised of (1) loss from experience adjustment amounting to approximately Baht 14,350 thousand, (2) gain from changes in demographic assumptions amounting to approximately Baht 5,989 thousand, and (3) loss from changes in financial assumptions amounting to approximately Baht 6,014 thousand.

The abovementioned actuarial loss on measurement in the separate financial statements comprised of (1) loss from experience adjustment amounting to approximately Baht 14,159 thousand, (2) gain from changes in demographic assumptions amounting to approximately Baht 5,114 thousand, and (3) loss from changes in financial assumptions amounting to approximately Baht 5,180 thousand.

The abovementioned changes in significant assumptions may affect the sensitivity of the balance of provision or liability for post-employment benefits in respect of the information as per the calculation report of the qualified actuary as follows:

Significant Assumptions	Liability May Increase (Decrease) from Changes in Significant Assumptions (In Thousand Baht)			
	If Increased by 0.5%		If Decreased by 0.5%	
	Consolidated	The Company Only	Consolidated	The Company Only
Discount rate	(986)	(858)	1,045	910
Salary escalation rate	1,132	979	(1,078)	(931)
Employee turnover rate	(2,605)	(2,260)	2,934	2,550

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

20. PREMIUM ON SHARES AND LEGAL RESERVE

Premium on shares

Section 51 of the Public Companies Act B.E. 2535, Section 51 requires the public company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“premium on shares”). Premium on shares is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires the public company to appropriate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

21. OTHER INCOME

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Bad debt recovery	271,372	328,260	267,370	325,358
Service income	222,851	230,349	219,874	226,939
Engagement fee income	67,979	65,913	67,914	65,907
Delay payment fee income	50,797	52,998	48,068	49,931
Collection fee income	48,075	48,477	46,573	46,880
Service charge income	30,488	28,868	30,175	28,394
Interest income	6,757	6,581	25,686	31,526
Others	30,818	27,714	24,680	21,371
Total	729,137	789,160	730,340	796,306

22. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Bad debt and provision for doubtful accounts	903,004	794,787	885,985	780,286
Employee expenses	751,225	700,331	671,676	623,329
Finance costs	111,813	120,227	123,869	135,538
Depreciation and amortization	62,818	70,091	57,749	64,633
Cost of sales (merchandises)	10,844	19,799	10,844	19,799

23. INCOME TAX

Corporate income tax rate announced in Thailand and Cambodia is the same rate, i.e. 20%, and Lao PDR is 24%.

As at December 31, 2017, a local subsidiary had tax loss carryforward amounting to approximately Baht 21.1 million whereby such loss carryforward is able to be used as tax credit until 2021.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Corporate income tax recorded as expense (income) for the years ended December 31, 2017 and 2016 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Income tax computed from accounting profit	121,456	106,990	102,983	104,146
Effects from non-deductible expenses	32,170	13,602	22,273	6,925
Effects from benefit of tax loss carry forward	(224)	(8,719)	-	(8,719)
Effects from additional deductible expenses	(14,311)	(2,821)	(1,977)	(2,125)
Current tax on taxable profit	139,091	109,052	123,279	100,227
Increase in deferred tax assets	(7,093)	(4,405)	(17,199)	(2,533)
Income tax presented in statement of comprehensive income	131,998	104,647	106,080	97,694
Increase in deferred tax assets from item under other comprehensive income	(2,875)	-	(2,845)	-

Deferred tax assets presented in statements of financial positions as at December 31, 2017 and 2016 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Effects from non-deductible items from				
- Allowance for doubtful accounts	109,489	105,166	108,002	93,608
- Allowance for diminution in value of asset foreclosed	22,238	19,056	22,238	19,056
- Liability for post-employment benefits	7,921	5,458	6,652	4,184
Total	139,648	129,680	136,892	116,848

24. DIVIDENDS

At the general shareholders' meeting held on April 26, 2017, the shareholders unanimously approved the Company to pay dividends for the 2016 operations at Baht 0.45 per share, totalling Baht 225 million. The Company paid such dividends to the shareholders on May 18, 2017.

At the general shareholders' meeting held on April 26, 2016, the shareholders unanimously approved the Company to pay dividends for the 2015 operations at Baht 0.40 per share, totalling Baht 200 million. The Company paid such dividends to the shareholders on May 18, 2016.

25. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT

Statement of financial position and statement of income are significant financial and core information of the Group that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. However, the Group has a single core operating segment (being internal reporting segment) by product which is hire-purchase on automobile and motorcycle for general retail customers whereby the business activities with respect of loans and nano finance to the general retail customers are insignificant portion as compared to the entire volumes and business activities. Accordingly, the accompanying financial statement do not include the operating segment information on products and key customers.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Information on geographic areas

The subsidiaries in Cambodia and Lao PDR started their business activities near the end of 2014. Currently, their operations have been insignificant portion as compared to the entire volumes and business activities. Accordingly, the accompanying financial statements do not include the operating segment information on geographic areas.

The Company and its subsidiaries incorporated in Thailand have no any non-current asset located in the countries other than Thailand. However, as at December 31, 2017, the subsidiaries, incorporated in Cambodia and Lao PDR, had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 10.7 million and Baht 1.8 million, respectively, were presented in the consolidated statement of financial position as at December 31, 2017 (2016 : Baht 6.8 million and Baht 2.4 million, respectively).

26. FINANCIAL INSTRUMENTS

The Group is exposed to the normal business risks relating to credit risk, interest rate risk, and foreign currency risk. The Group does not use derivative financial instruments for hedging or trading purposes and there was no significant change in risk management policy relating to financial instruments during 2017 and 2016.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. To control the risk, the Group has a prudent credit control policy, constant follow up of receivables, various numbers of customer base, as well as deposits, advances, and hire-purchased vehicles as collateral. Therefore, the management of the Group does not anticipate losses from debt collection in excess of the allowance for doubtful accounts which is already accounted for in the accompanying financial statements.

Interest rate risk

Interest rate risk arises from the potential change in interest rates. However, the Group expects that the interest rate risk is not significant since a portion of deposits at banks are current accounts while saving deposits as well as loans receivables / payables and debentures carry interest at the rates approximate the current market rates. Significant information regarding interest rates and due dates were disclosed in each related areas in the accompanying financial statements.

Foreign currency risk

The Group has certain foreign currency transactions that give rise to exposure to risk from fluctuations in foreign exchange rates. However, the management believes that the foreign exchange rate risk is not significant because of small volumes and insignificance of foreign currency transactions of the Group. Hence, no derivative financial instrument was used to mitigate this risk.

Fair value measurements

As at December 31, 2017, the Group had no any asset or liability that is measured and presented at fair value (both on a recurring or non-recurring basis) in the statements of financial position, accordingly, there was no disclosure relating to the valuation techniques and inputs used to develop measurements.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

However, the Group had liabilities not measured and presented at fair value in the statements of financial position as at December 31, 2017 and 2016 but for which related quantitative information of fair value is disclosed in the financial statements as follows:

Item in the Financial Statements	Fair Value - Consolidated and the Company Only (In Million Baht)		Fair Value Hierarchy
	2017	2016	
Debentures	4,028.6	3,317.1	Level 1 inputs

Other than the abovementioned matters, the following assumptions were used by the Group in measuring the fair values of financial assets and financial liabilities:

Cash and cash equivalents, bank overdrafts, nano finance receivables, trade receivables and payables, other receivables and payables, current portions of loan receivables and payables, and restricted deposits at financial institutions had carrying values that did not materially differ from their fair values because these financial assets and liabilities will mature in a short-term period or bear interest at the rates approximate market rates.

Long-term hire-purchase contract and loan receivables as well as long-term loan receivables and payables are not practicable to estimate the proper fair values without incurring excessive expenses and costs to the Group.

27. COMMITMENTS

As at December 31, 2017, the Group had commitments on lease and service agreements for office premises and branches whereby the related lease and service fees are committed to pay as follows:

• Due for payments within 1 year	36.9	Million Baht
• Due for payments between 2-5 years	<u>39.3</u>	
• Total	<u>76.2</u>	Million Baht

28. CAPITAL MANAGEMENT

Significant objectives of the Group's capital management are to ensure that it has appropriate financial and capital structures as well as maintaining the financial liquidity and ability to continue its businesses as a going concern. The Group did not have any significant change relating to capital management policy during 2017 and 2016.

As at December 31, 2017 and 2016, the Group's Debt-to-Equity ratio was 1.09:1.00 and 0.89:1.00, respectively (1.30:1.00 and 1.08:1.00 for the Company only, respectively).

29. REGISTERED EMPLOYEES' PROVIDENT FUND

The Company and a subsidiary have contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company, subsidiary, and employees contribute an amount equivalent to 3% of the employee basic salary to the fund. The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Group's contributions, which were recorded as part of administrative expenses for the years ended December 31, 2017 and 2016, amounted to totalling approximately Baht 0.4 million and Baht 0.6 million, respectively (Baht 0.4 million and Baht 0.5 million, respectively, for the Company only).

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

30. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 21, 2018, the Board of Directors passed the resolutions to approve the following significant matters:

- 1) Declaration of dividends for the 2017 operations at Baht 0.52 per share, totalling Baht 260 million, with the planned date for dividend payment on May 10, 2018 whereby this resolution will be proposed to the shareholders in the upcoming shareholders' meeting to be held in April 2018;
- 2) Increase in amount for issuance and offering of debentures by Baht 600 million whereby this resolution will be proposed to the shareholders in the upcoming shareholders' meeting to be held in April 2018; and
- 3) Increase in amount of temporary advances for use as working capital in operations of foreign subsidiaries, i.e. Suosdey Finance PLC., Sabaidee Leasing Co., Ltd., and Mingalaba Thitikorn Microfinance Co., Ltd. (after completion of establishment and registration), totalling Baht 1,000 million, whereby the Company's Management Board is authorized to approve the payment of each advance under such amount.

31. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved to be issued by the Company's Board of Directors' meeting on February 21, 2018.