

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Financial Statements

For the Year Ended December 31, 2019

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, 2019, 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, 2019, 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, 2019, 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, 2019, 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 hire purchase of motorcycle and automobile as well as the related or similar lending (loan) activities 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 and 6 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 processing 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. 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.

(Mr. Akadet Pliensakul)
Certified Public Accountant
Registration No. 5389

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 27, 2020

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019 AND 2018

ASSETS

ASSETS	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2019	2018	2019	2018
CURRENT ASSETS					
Cash and cash equivalents	5	1,021,212	438,013	845,911	257,806
Trade receivables					
- Current portion of hire-purchase contract receivables - net	2, 6	4,089,880	4,695,851	3,109,502	3,940,958
- Current portion of loan receivables - net	6	140,902	60,860	133,613	53,978
- Nano finance receivables - net	6	566	619	-	-
- Microfinance receivables - net	6	441	-	-	-
- Other trade receivables	7	55,468	88,402	54,558	87,236
Receivables from and short-term loans to related parties	4	-	-	618,059	623,870
Current portion of long-term loans to other parties	11	-	55,225	-	55,225
Merchandises		406	1,184	240	1,015
Asset foreclosed - net	8	173,568	200,036	173,568	200,036
Other current assets		28,385	40,028	19,158	34,327
Total Current Assets		5,510,828	5,580,218	4,954,609	5,254,451
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	9	33,610	34,382	-	-
Hire-purchase contract receivables - net	6	3,160,736	4,595,974	2,519,421	4,033,117
Loan receivables - net	6	46,065	19,160	35,894	7,575
Investments in subsidiaries accounted for using the cost method	10	-	-	305,835	305,835
Long-term loans to other parties - net	11	47,350	2,805	47,350	2,805
Property, plant and equipment - net	4, 12, 24	154,659	154,001	119,463	133,209
Intangible assets - net	4, 13, 24	9,227	6,346	7,081	6,080
Deferred tax assets	22	153,742	138,402	151,052	135,812
Property for lease - net	14	18,113	18,517	-	-
Assets not used in operations	14	14,282	14,282	5,708	5,708
Other non-current assets		14,710	14,353	10,190	10,046
Total Non-Current Assets		3,652,494	4,998,222	3,201,994	4,640,187
TOTAL ASSETS		9,163,322	10,578,440	8,156,603	9,894,638

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, 2019 AND 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company Only	
	Note	2019	2018	2019	2018
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions	15	163,188	97,966	20,831	36,184
Trade payables		21,445	115,218	13,895	107,501
Current portion of long-term loans	16	239,475	137,873	-	-
Current portion of debentures	17, 25	1,800,000	2,150,000	1,800,000	2,150,000
Payables to and short-term loans from related parties	4	48,328	50,180	535,201	480,683
Income tax payable		81,180	56,429	37,732	28,829
Deposits and advances from customers		161,644	135,278	121,635	94,438
Accrued expenses and other current liabilities					
- Accrued sales promotions and rewards		56,312	86,053	45,322	78,687
- Others		86,652	70,591	77,088	63,997
Total Current Liabilities		2,658,224	2,899,588	2,651,704	3,040,319
NON-CURRENT LIABILITIES					
Long-term loans - net of current portion	16	74,835	99,400	-	-
Debentures - net of current portion	17, 25	1,070,000	2,470,000	1,070,000	2,470,000
Liability for post-employment benefits	18	36,625	31,666	30,919	26,149
Total Non-Current Liabilities		1,181,460	2,601,066	1,100,919	2,496,149
Total Liabilities		3,839,684	5,500,654	3,752,623	5,536,468
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	19	972,987	972,987	972,987	972,987
Retained earnings					
- Appropriated for legal reserve	19	50,000	50,000	50,000	50,000
- Unappropriated	2	3,825,603	3,546,123	2,880,993	2,835,183
Other component of equity					
- Difference on financial statement conversion of subsidiaries		(43,749)	(4,813)	-	-
- Gain on change in proportion of investment in subsidiary	10	2,362	2,362	-	-
Equity attributable to Owners of the Parent		5,307,203	5,066,659	4,403,980	4,358,170
Non-controlling interests		16,435	11,127	-	-
Total Shareholders' Equity		5,323,638	5,077,786	4,403,980	4,358,170
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,163,322	10,578,440	8,156,603	9,894,638

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, 2019 AND 2018

		In Thousand Baht			
		Consolidated		The Company Only	
	Note	2019	2018	2019	2018
REVENUES					
Interest income on hire purchase	2	2,966,601	3,170,291	2,481,715	2,881,234
Interest income on loan		17,007	21,676	14,024	19,231
Interest income on nano finance		143	158	-	-
Interest income on microfinance		14	-	-	-
Sales of merchandises		4,263	9,723	4,263	9,723
Other income	4, 20	731,115	669,977	765,628	685,329
Total Revenues		3,719,143	3,871,825	3,265,630	3,595,517
EXPENSES					
Cost of sales		5,067	9,487	5,067	9,487
Distribution costs		3	151	3	151
Administrative expenses	4, 13, 18, 28	1,861,774	2,154,192	1,763,031	2,051,144
Bad debt and provision for doubtful accounts		1,093,853	1,066,780	1,040,585	1,038,775
Finance costs	4	125,318	129,291	117,935	135,313
Total Expenses		3,086,015	3,359,901	2,926,621	3,234,870
PROFIT BEFORE INCOME TAX EXPENSE		633,128	511,924	339,009	360,647
Income Tax Expense	2, 22	123,340	110,320	68,199	76,068
PROFIT FOR THE YEAR	2	509,788	401,604	270,810	284,579
Other Comprehensive Loss					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		(38,936)	(4,290)	-	-
Other Comprehensive Loss for the Year		(38,936)	(4,290)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2	470,852	397,314	270,810	284,579
Profit Attributable to:					
Owners of the parent	2	504,480	401,056	270,810	284,579
Non-controlling interests		5,308	548	-	-
Profit for the Year		509,788	401,604	270,810	284,579
Total Comprehensive Income Attributable to:					
Owners of the parent	2	465,544	396,766	270,810	284,579
Non-controlling interests		5,308	548	-	-
Total Comprehensive Income for the Year		470,852	397,314	270,810	284,579
Basic Earnings per Share (Baht)	2	1.009	0.802	0.542	0.569
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, 2019 AND 2018

Consolidated (In Thousand Baht)										
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Other Components of Equity		Equity		Total Shareholders' Equity
				Appropriated for Legal Reserve	Unappropriated	Difference on Financial Statement Conversion of Subsidiary	Gain on Change in Proportion of Investment in Subsidiary	Attributable to Owners of the Parent	Non-Controlling Interests	
Beginning Balance as at January 1, 2018	2	500,000	972,987	50,000	3,405,067	(523)	-	4,927,531	12,893	4,940,424
Change in proportion of investment in subsidiary	10	-	-	-	-	-	2,362	2,362	(2,362)	-
Increase in non-controlling interests	10	-	-	-	-	-	-	-	48	48
Payment of dividends	23	-	-	-	(260,000)	-	-	(260,000)	-	(260,000)
Total comprehensive income for the year	2	-	-	-	401,056	(4,290)	-	396,766	548	397,314
Ending Balance as at December 31, 2018	2	500,000	972,987	50,000	3,546,123	(4,813)	2,362	5,066,659	11,127	5,077,786
Payment of dividends	23	-	-	-	(225,000)	-	-	(225,000)	-	(225,000)
Total comprehensive income for the year		-	-	-	504,480	(38,936)	-	465,544	5,308	470,852
Ending Balance as at December 31, 2019		500,000	972,987	50,000	3,825,603	(43,749)	2,362	5,307,203	16,435	5,323,638

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, 2019 AND 2018

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, 2018	2	500,000	972,987	50,000	2,810,604	4,333,591
Payment of dividends	23	-	-	-	(260,000)	(260,000)
Total comprehensive income for the year	2	-	-	-	284,579	284,579
Ending Balance as at December 31, 2018	2	500,000	972,987	50,000	2,835,183	4,358,170
Payment of dividends	23	-	-	-	(225,000)	(225,000)
Total comprehensive income for the year		-	-	-	270,810	270,810
Ending Balance as at December 31, 2019		500,000	972,987	50,000	2,880,993	4,403,980

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, 2019 AND 2018

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	633,128	511,924	339,009	360,647
Adjustments				
Depreciation and amortization	54,061	57,076	45,214	50,870
Expenses for post-employment benefits	12,512	2,880	10,587	2,478
Unrealized gain on exchange rate	(113)	(146)	(434)	(146)
Bad debt and provision for doubtful accounts	1,093,853	1,066,780	1,040,585	1,038,775
Decrease in allowance for diminution in value of asset foreclosed	(5,987)	(22,775)	(5,987)	(22,775)
Loss (gain) on sales of investment in subsidiary	-	3,636	-	(467)
Gain on sales of equipment	(5,671)	(2,296)	(5,671)	(2,152)
Loss on written-off asset	-	878	-	878
Interest income from trade receivables	(2,983,765)	(3,192,125)	(2,495,739)	(2,900,465)
Other interest income	(9,091)	(6,345)	(40,968)	(36,880)
Interest expense	125,318	129,291	117,935	135,313
Decrease (increase) in operating assets :				
Trade receivables - hire-purchase contract receivables	1,039,649	(1,246,899)	1,386,931	(869,925)
Trade receivables - loan receivables	(241,403)	3,656	(242,330)	9,703
Trade receivables - nano finance receivables	(12)	48	-	-
Trade receivables - microfinance receivables	(450)	-	-	-
Trade receivables - other	32,934	(12,336)	32,678	(12,464)
Other receivables from related parties	-	-	(595)	(1,429)
Merchandises	778	5,711	775	5,561
Asset foreclosed	32,455	51,292	32,455	51,292
Other current assets	11,553	(9,286)	15,087	(5,737)
Other non-current assets	(245)	(1,045)	(144)	(278)
Increase (decrease) in operating liabilities :				
Trade payables	(93,773)	24,385	(93,606)	19,754
Other payables to related parties	(40)	811	2,752	(718)
Deposits and advances from customers	26,366	32,204	27,197	12,067
Accrued expenses and other current liabilities	(5,062)	14,475	(11,184)	11,618
Liability for post-employment benefits	(7,553)	(10,819)	(5,817)	(9,591)
Other non-current liabilities	-	(3,536)	-	-
	(290,558)	(2,602,561)	148,730	(2,164,071)
Interest received from trade receivables	3,026,002	3,182,968	2,547,751	2,900,787
Income tax paid	(114,041)	(124,281)	(74,536)	(107,306)
Net Cash Provided by Operating Activities	2,621,403	456,126	2,621,945	629,410

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted deposits at financial institutions	772	(5,709)	-	-
Increase in short-term loans to related party	-	-	(94,239)	(189,484)
Collections from short-term loans to related party	-	-	95,000	153,000
Increase in investment in subsidiaries	-	-	-	(101,922)
Increase in long-term loans to other parties	(55,863)	(2,500)	(55,863)	(2,500)
Collections from long-term loans to other parties	66,543	9,071	66,543	9,071
Purchases of fixed assets	(51,292)	(48,177)	(29,371)	(42,370)
Proceeds from sales of equipment	6,215	2,823	6,786	2,680
Purchases of intangible assets	(6,326)	(2,112)	(4,091)	(1,999)
Proceeds from sales of investment in subsidiary - net of subsidiary's cash divested by Baht 256 thousand for consolidated in 2018	-	211	-	467
Other interest received	9,181	7,286	46,695	32,861
Net Cash Provided by (Used in) Investing Activities	(30,770)	(39,107)	31,460	(140,196)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	65,656	(609,907)	(14,919)	(569,154)
Increase in short-term loans from related parties	-	12,412	138,000	110,000
Repayments of short-term loans from related parties	-	(4,833)	(86,300)	(74,000)
Increase in long-term loans	321,150	269,035	-	-
Repayments of long-term loans	(244,113)	(72,000)	-	-
Issuances of debentures	400,000	820,000	400,000	820,000
Redemption of debentures	(2,150,000)	(200,000)	(2,150,000)	(200,000)
Increase in non-controlling interests	-	48	-	-
Interest paid	(136,191)	(122,281)	(127,081)	(131,648)
Dividends paid	(225,000)	(260,000)	(225,000)	(260,000)
Net Cash Used in by Financing Activities	(1,968,498)	(167,526)	(2,065,300)	(304,802)
DIFFERENCE ON FINANCIAL STATEMENT CONVERSION OF SUBSIDIARIES	(38,936)	(4,290)	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	583,199	245,203	588,105	184,412
Cash and Cash Equivalents at Beginning of Year	438,013	192,810	257,806	73,394
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,021,212	438,013	845,911	257,806
Supplementary disclosures of cash flow information				
a. Cash and cash equivalents at end of year				
Cash in hand	24,290	22,357	21,032	16,206
Current accounts at banks	97,863	69,210	44,854	19,756
Savings deposits at banks	649,054	346,446	530,025	221,844
Fixed deposits at banks	250,005	-	250,000	-
Total	1,021,212	438,013	845,911	257,806
b. Non-cash transactions				
Purchases of fixed assets by means of payables	122	1,116	122	1,116
Transfer of short-term loan to related party to investment in subsidiary	-	-	-	20,046

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, 2019 and 2018

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 services. 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, 2019	December 31, 2018	December 31, 2019	December 31, 2018
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services including vehicle modification 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 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	41,061*	41,061*	80.50	80.50
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	132,209**	132,209**	99.95	99.95
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	Microfinance business	4,705***	4,705***	99.00	99.00

*KIP 10,250 million ** USD 4 million *** Kyat 200 million

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

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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 (“TFAC”), 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.

Starting from January 1, 2019, the Group had adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), newly issued and revised by TFAC, which became effective from the accounting period starting on or after January 1, 2019. The aforesaid adoption of newly issued and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Group.

Subsequently, TFAC issued several Notifications which were announced in the Royal Gazette during 2019 regarding the revision and issuance of new TAS and TFRS as well as TSIC, TFRIC and accounting guidance with effective from the accounting period beginning on or after January 1, 2020 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 new and revised TAS and TFRS as well as TSIC, TFRIC and accounting guidance are as follows:

TAS 1	Presentation of Financial Statements
TAS 2	Inventories
TAS 7	Statement of Cash Flows
TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	Events after the Reporting Period
TAS 12	Income Taxes
TAS 16	Property, Plant and Equipment
TAS 19	Employee Benefits
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	The Effects of Changes in Foreign Exchange Rates
TAS 23	Borrowing Costs
TAS 24	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27	Separate Financial Statements
TAS 28	Investments in Associates and Joint Ventures
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 32	Financial Instruments: Presentation
TAS 33	Earnings per Share
TAS 34	Interim Financial Reporting
TAS 36	Impairment of Assets
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	Intangible Assets
TAS 40	Investment Property
TAS 41	Agriculture
TFRS 1	First-time adoption of Thai Financial Reporting Standards
TFRS 2	Share-based Payment
TFRS 3	Business Combinations
TFRS 4	Insurance Contracts
TFRS 5	Non-current Assets Held for Sale and Discontinued Operations

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2019 and 2018**

TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRS 7	Financial Instruments: Disclosures
TFRS 8	Operating Segments
TFRS 9	Financial Instruments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TFRS 16	Lease
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 “Financial Reporting in Hyperinflationary Economies”
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies
TFRIC 22	Foreign Currency Transactions and Advance Consideration
TFRIC 23	Uncertainty over Income Tax Treatments
Accounting guidance	Exemptions for businesses under common control: first-time adoption of Thai financial reporting standards

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 new and revised TAS and TFRS as well as TSIC, TFRIC and accounting guidance with effective in 2020, except:

TFRS 9 Financial Instruments (and other related standards)

TFRS 9 specifies the methods that the entity shall classify and measure its financial assets, financial liabilities, and contracts to purchase or sell the non-financial items. TFRS 9 is divided into the following three parts:

1. Classification and measurement
2. Impairment
3. Hedge accounting

Financial assets shall be classified and measured with respect to the business model on asset management and characteristics of the asset's contractual cash flows which is divided into three categories i.e. amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Upon changes in business model on financial asset management are known, the affected financial assets shall be considered for proper reclassification.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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Financial liabilities shall be classified and measured at amortized cost except for financial liabilities measured at fair value through profit or loss (such liabilities include derivative liabilities). Reclassification of financial liabilities is prohibited.

Impairment of financial assets shall be recognized in the following stages:

1. Stage 1: the 12-month expected credit loss shall be recognized in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount without netting the allowance for expected credit loss.
2. Stage 2: upon significant rise in credit risk and not being at low level, the entity shall recognize the full lifetime credit loss in profit or loss. Interest income (if any) shall be calculated based on the same principle to Stage 1.
3. Stage 3: upon significant rise in credit risk of financial asset that is considered as credit impaired, Interest income (if any) shall be calculated base on gross carrying amount net of the allowance for expected credit loss.

Hedge accounting is purposed for reflecting the impacts in the financial statements that are caused in risk management activities using the financial instruments on management of exposures to the risks and such risks shall affect profit or loss and/or other comprehensive income. TFRS 9 specifies the relationships of hedge accounting into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity.

Thus, TFRS 9 affects the Group to reclassify and measure its financial assets and financial liabilities in the consolidated and the separate statements of financial position for each of the periods ended in 2020 with respect to aforesaid principle. About impairment of trade receivables under installment contracts, the Group has been during the test of business model and factors used in calculation of the effects that has been made under coordination with the contracted independent external advisory company which is expected to be completed with the outcome within the first quarter of 2020.

TFRS 16 Leases

TFRS 16 specifies that lessee shall recognize right-of-use in asset (a kind of asset) and lease liability (a kind of liability) for all lease agreements with exception for short-term lease agreement (not exceeding 12-month period) or lease agreement for the underlying low-value asset. Right-of-use in asset shall be depreciated by straight-line method over the lease term or any other systematic basis with better reflection of information. Lease liability shall be discounted for cash flows of payments throughout the lease term whereby the discount rate shall be considered appropriate in situation and to the entity.

For lessor, classification and accounting for operating lease or finance lease is still required as previously done. Therefore, there is no significant change or impact on the lessor.

Thus, TFRS 16 affects the Group to recognize the right-of-use in asset and the lease liability whereby the balances of non-current asset and non-current liability in the consolidated and separate statements of financial position as at December 31, 2019 shall be increased from those reported whereby the effect has been during assessment of the management which is expected to be completed within the first quarter of 2020 whereas effect to the consolidated and separate statements of comprehensive income is insignificant.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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In recognition of interest income on hire purchase (hire purchase income) in the past, the Group accounted for income upon due date of installment whether there will be any defaulted payment (accrual basis consideration). However, the Group did not account for such income for portion starting from due date of installment in December to the end of year for the performing contracts outstanding as at the end of year. In the past up to before the end of 2019, net effect from difference of aforesaid amount that were not accounted for as beginning and ending accrued hire purchase income of each year (“overlapped”) was immaterial to hire purchase income of each year (beginning accrued hire purchase income is a reversal to decrease interest income for the year whereas ending accrued hire purchase income is recognition to increase interest income for the year). Such net effect was also immaterial to the consolidated and separate financial performances for the year 2018. However, the ending number of hire purchase contracts as at the end of 2019 significantly decreased from those of 2018 that was affected by current economic condition together with the matter that the Group has leveled up its strictness on credit review and approval for its customers, especially in the last quarter of 2019. Net effect of the overlapped accrued hire purchase income for the year 2019, therefore, became material to consolidated and separate financial performances for the year 2019. Accordingly, for the sole purpose of clear comparability of information in the financial statements of each year, the aforesaid effect for the year 2018 was virtually taken herein to account for the preparation of the 2018 consolidated financial statements and separate financial statements and also taken to revise the corresponding figures in such prior year (2018) financial statements whereby the effect is summarized below:

Significant Items in the 2018 Financial Statements	Consolidated Financial Statements (In Thousand Baht)		
	Previously Reported Balance	Revision - Increase (Decrease)	Revised Balance
Beginning unappropriated retained earnings	3,249,946	155,121	3,405,067
Current portion of hire-purchase contract receivables - net	4,547,047	148,804	4,695,851
Ending unappropriated retained earnings	3,397,319	148,804	3,546,123
Interest income on hire purchase	3,176,608	(6,317)	3,170,291
Profit for the year	407,921	(6,317)	401,604
Total comprehensive income for the year	403,631	(6,317)	397,314
Profit for the year attributable to the parent	407,373	(6,317)	401,056
Total comprehensive income for the year attributable to the parent	403,083	(6,317)	396,766
Basic earnings per share (Baht)	0.815	(0.013)	0.802

Significant Items in the 2018 Financial Statements	Separate Financial Statements (In Thousand Baht)		
	Previously Reported Balance	Revision - Increase (Decrease)	Revised Balance
Beginning unappropriated retained earnings	2,663,695	146,909	2,810,604
Current portion of hire-purchase contract receivables - net	3,805,742	135,216	3,940,958
Ending unappropriated retained earnings	2,699,967	135,216	2,835,183
Interest income on hire purchase	2,892,927	(11,693)	2,881,234
Profit for the year	296,272	(11,693)	284,579
Total comprehensive income for the year	296,272	(11,693)	284,579
Profit for the year attributable to the parent	296,272	(11,693)	284,579
Total comprehensive income for the year attributable to the parent	296,272	(11,693)	284,579
Basic earnings per share (Baht)	0.593	(0.024)	0.569

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Notes to Financial Statements (Continued)
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The Group disclosed information for the year ended December 31, 2018 for being the comparative information in the financial statements for the year ended December 31, 2019 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.

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.

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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.

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 historical information and statistics as well as a review of the current status of the existing particular or group of receivables. Bad debts are written off when incurred.

Hire-purchase receivables, loan receivables, nano finance receivables and microfinance 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, nano finance receivables and microfinance 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.

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Hire-purchase contract receivables, pertaining to those extended installment period by entering into new loan agreements, transferred to loan receivables which have the policy on allowance for doubtful accounts at the percentages based on the former overdue periods of hire-purchase contract receivables before the extended installment period.

In addition, the Group adopts the principle of conservatism and, therefore, provides the additional general allowance for doubtful accounts in 2019 and 2018 at the rate of 1% on the outstanding balance of receivables in order to cover the credit losses that may be uncollectible in the future.

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.

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.

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Notes to Financial Statements (Continued)
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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.

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 (if any) 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.

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Notes to Financial Statements (Continued)
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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 which are presented as profit or loss items, and actuarial gain/loss on measurement which is presented as other comprehensive income item.

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.

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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

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue as well as related cost can be measured reliably whereby there is consideration about characteristics, amount, timing as well as uncertainty of revenue and contractual cash flows from contract with customer.

Interest income from hire-purchase receivable is the unearned interest income and is systematically recognized over time as revenue in each installment period based on the effective interest rate method. 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, nano finance receivables and microfinance is the unearned interest income and is recognized over time as revenue under the time proportion based on the effective interest rate method.

Sales are recognized at a point in time as revenue when the significant risks and rewards of ownership as well as control in goods have been transferred to buyer. No revenue is recognized if there is continuing control or management involvement with the goods or there are significant uncertainties in economic benefits from sales or amount of revenue and associated costs cannot reasonably measured or the probable return of goods.

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

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Dividend income is recognized at a point in time 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 over time 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.

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 and in the period of the revision and future periods if the revision affects both current and future periods.

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Notes to Financial Statements (Continued)
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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 and estimate of liability for post-employment benefits
- Expected periods that deferred tax assets will be realized and the amount of 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. 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:

Company / Person Name	Type of Business	Type of Relationship
<u>Related companies</u>		
Sinthonglor Co., Ltd.	Holding company	Major shareholder and Co-directors & Co-shareholders
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services including vehicle modification services	Subsidiary
Chayapak Co., Ltd.	Hire-purchase automobile business	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
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	Microfinance business	Subsidiary
S. P. International Co., Ltd.	Sale of automobile and related services	Co-directors & Co-shareholders
SPSU Public Co., Ltd.	Holding company	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
Software Development Co., Ltd.	Sales of computer and services relating to computer programs	Co-shareholders
Siam Brewery Co., Ltd.	Production of beer for domestic sales	Co-directors & Co-shareholders
<u>Related persons</u>		
Prin Phonprapha	-	Relative of the Company's directors
Key management	-	Key management are persons having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including the Company's director (whether as executive or otherwise)

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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Pricing policies for each transaction with related parties are as follows:

Type of Transaction	Pricing Policies
Management fee income	Mutually agreed prices
Sales promotion income	Mutually agreed prices
Rental income	Contract price
Interest income	MOR - 3% for domestic, 6% and 9% per annum in abroad
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	Mutually agreed prices
Service expenses	Mutually agreed prices
Interest expense	MOR - 3% for domestic and 6% per annum in abroad
Key management's remunerations	Mutually agreed prices
Purchase of vehicles for hire-purchases	Market price
Purchase of vehicles for use	Market price
Purchase of office equipment	Mutually agreed prices
Purchase of computer program	Mutually agreed prices
Sales of vehicles for use	Mutually agreed prices
Sales of office equipment	Mutually agreed prices
Sales of asset foreclosed (forfeited vehicles)	Mutually agreed prices

Significant transactions with related parties for the years ended December 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Management fee income				
Subsidiaries	-	-	15,053	-
Sales promotion income				
Related companies	344	-	-	-
Rental income				
Related companies	72	-	-	-
Interest income				
Subsidiaries	-	-	32,542	31,043
Other income				
Subsidiaries	-	-	58	65
Rental and services				
Subsidiaries	-	-	864	864
Related companies	33,651	35,405	33,651	35,405
Related person	900	-	900	-
Total	34,551	35,405	35,415	36,269
Management fee				
Related companies	10,200	10,200	8,400	8,400
Utility expenses				
Related companies	3,585	3,564	3,585	3,564
Stationery expense				
Related companies	9,759	10,471	9,638	10,231

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Other expenses				
Related companies	14,150	15,274	11,503	13,925
Service expenses				
Subsidiaries	-	-	135,828	122,875
Related company	26,707	23,734	25,242	22,995
Total	26,707	23,734	161,070	145,870
Interest expense				
Subsidiaries	-	-	19,630	18,417
Directors	2,685	2,133	-	-
Total	2,685	2,133	19,630	18,417
Key management's remunerations				
Short-term benefits	41,314	40,696	41,314	40,696
Post-employment benefits	2,060	484	2,060	484
Total	43,374	41,180	43,374	41,180
Purchase of vehicles for hire-purchases				
Related companies	133,862	105,151	-	-
Purchase of vehicles for use				
Related companies	3,047	20,753	3,047	20,753
Purchase of office equipment				
Related companies	3,133	5,336	3,133	5,336
Purchase of computer program				
Related companies	4,091	1,604	4,091	1,604
Sales of vehicles for use				
Related company	-	262	-	262
Sales of office equipment				
Subsidiaries	-	-	571	-
Related person	-	6	-	6
Total	-	6	571	6
Sales of asset foreclosed (forfeited vehicles)				
Related company	579	-	-	-

Significant outstanding balances with related parties as at December 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Receivables and short-term loans				
Accrued interest				
Subsidiaries	-	-	761	6,406
Advances				
Subsidiaries	-	-	5,349	4,754
Short-term loans				
Subsidiaries (interest rate at 3.875%, 4.125%, 6% and 9% p.a. in 2019 and 4.125% and 6% p.a. in 2018)	-	-	611,949	612,710
Total	-	-	618,059	623,870

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2019 and 2018

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Payables and short-term loans				
Accrued interest expenses				
Subsidiary	-	-	1,694	1,628
Directors	-	2,133	-	-
Total	-	2,133	1,694	1,628
Accrued expenses				
Subsidiaries	-	-	12,245	9,452
Related companies	2,368	2,408	2,072	2,113
Total	2,368	2,408	14,317	11,565
Short-term loans				
Subsidiaries (interest rate at 3.875%, 4.125% p.a. in 2019 and 4.125% p.a. in 2018)	-	-	519,190	467,490
Directors (interest rate at 6% p.a.)	45,960	45,639	-	-
Total	45,960	45,639	519,190	467,490
Total	48,328	50,180	535,201	480,683

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

	Consolidated (In Thousand Baht)			December 31, 2019
	December 31, 2018	Increase	Decrease	
Short-term loans from related persons				
Directors	45,639	321	-	45,960
	The Company Only (In Thousand Baht)			December 31, 2019
	December 31, 2018	Increase	Decrease	
Short-term loans to subsidiaries				
Suosdey Finance PLC.	157,181	-	-	157,181
Sabaidee Leasing Co., Ltd.	184,529	-	-	184,529
Chayapak Co., Ltd.	271,000	67,000	95,000	243,000
Mingalaba Thitikorn Microfinance Co., Ltd.	-	27,239	-	27,239
Total	612,710	94,239	95,000	611,949
Short-term loans from subsidiary				
C.V.A. Co., Ltd.	467,490	138,000	86,300	519,190

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As at December 31, 2019 and 2018, the Company has been guarantor for (1) short-term loan credit facilities granted by a local bank to Chayapak Co., Ltd. amounting to Baht 600 million which was cancelled during 2019, (2) short-term loan credit facilities granted by two local banks of Suosdey Finance PLC. amounting to USD 8 million (drawdown of approximately USD 4.3 million as at December 31, 2019) and long-term loan credit facilities granted by other two banks in Cambodia of such subsidiary amounting to USD 22 million (drawdown of approximately USD 16.6 million as at December 31, 2019) and (3) loan credit facilities granted by two banks in Lao PDR of Sabaidee Leasing Co., Ltd., amounting to Kip 25,000 million (pertaining to percentage of shareholding) (drawdown of approximately KIP 1,000 million as at December 31, 2019). There has been no intercompany charge on these guarantees.

At the Board of Directors' meeting on February 21, 2018, the Board of Directors passed the resolution to approve the 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., totalling Baht 1,000 million, whereby the Company's Management Board is authorized to approve the payment of each advance under such amount.

5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Cash	24,290	22,357	21,032	16,206
Current accounts and savings deposits at banks	746,917	415,656	574,879	241,600
Fixed deposits at banks	250,005	-	250,000	-
Total	1,021,212	438,013	845,911	257,806

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

Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	2019			2018		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	10,579,309	6,352,575	4,226,734	13,767,979	7,576,993	6,190,986
Accrued interest	111,049	111,049	-	148,804	148,804	-
Less Unearned income	(2,865,325)	(2,014,895)	(850,430)	(4,032,120)	(2,664,189)	(1,367,931)
Net	7,825,033	4,448,729	3,376,304	9,884,663	5,061,608	4,823,055
Less Allowance for doubtful accounts	(574,417)	(358,849)	(215,568)	(592,838)	(365,757)	(227,081)
Net	7,250,616	4,089,880	3,160,736	9,291,825	4,695,851	4,595,974

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2019 and 2018

	The Company Only (In Thousand Baht)					
	2019			2018		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	8,411,018	4,959,355	3,451,663	12,064,682	6,534,492	5,530,190
Accrued interest	93,989	93,989	-	135,216	135,216	-
Less Unearned income	(2,369,101)	(1,636,978)	(732,123)	(3,664,930)	(2,383,961)	(1,280,969)
Net	6,135,906	3,416,366	2,719,540	8,534,968	4,285,747	4,249,221
Less Allowance for doubtful accounts	(506,983)	(306,864)	(200,119)	(560,893)	(344,789)	(216,104)
Net	<u>5,628,923</u>	<u>3,109,502</u>	<u>2,519,421</u>	<u>7,974,075</u>	<u>3,940,958</u>	<u>4,033,117</u>

Hire-purchase contract receivables at December 31, 2019 and 2018 (major contract terms are 1 - 5 years) are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Current	4,904,188	6,949,796	3,551,142	5,812,237
Overdue 1 month	1,238,782	1,332,297	1,033,143	1,214,238
Overdue 2 - 3 months	1,319,063	1,201,539	1,250,975	1,154,216
Overdue 4 - 6 months	330,801	381,491	298,361	354,277
Overdue 7 - 12 months	30,922	19,449	1,583	-
Overdue longer than 12 months	1,277	91	702	-
Total	7,825,033	9,884,663	6,135,906	8,534,968
Less Allowance for doubtful accounts	(574,417)	(592,838)	(506,983)	(560,893)
Net	<u>7,250,616</u>	<u>9,291,825</u>	<u>5,628,923</u>	<u>7,974,075</u>

The Group determines allowance for doubtful accounts in line with the accounting policy for the year 2018. 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, 2019, the Group had allowance for doubtful accounts at 7.34% (8.26% for the Company only) of total hire-purchase contract receivables before deducting allowance for doubtful accounts.

Loan Receivables

	Consolidated (In Thousand Baht)					
	2019			2018		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	331,980	251,854	80,126	96,539	74,904	21,635
Less Unearned income	(9,932)	(7,907)	(2,025)	(12,837)	(10,601)	(2,236)
Net	322,048	243,947	78,101	83,702	64,303	19,399
Less Allowance for doubtful accounts	(135,081)	(103,045)	(32,036)	(3,682)	(3,443)	(239)
Net	<u>186,967</u>	<u>140,902</u>	<u>46,065</u>	<u>80,020</u>	<u>60,860</u>	<u>19,160</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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	The Company Only (In Thousand Baht)					
	2019			2018		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	310,797	242,564	68,233	74,210	65,934	8,276
Less Unearned income	(6,370)	(6,013)	(357)	(9,061)	(8,548)	(513)
Net	304,427	236,551	67,876	65,149	57,386	7,763
Less Allowance for doubtful accounts	(134,920)	(102,938)	(31,982)	(3,596)	(3,408)	(188)
Net	169,507	133,613	35,894	61,553	53,978	7,575

Loan receivables as at December 31, 2019 and 2018 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Current	244,459	63,113	230,313	47,496
Overdue 1 month	38,475	10,999	36,296	9,849
Overdue 2 - 3 months	35,487	6,401	35,016	5,873
Overdue 4 - 6 months	3,082	2,727	2,701	1,469
Overdue 7 - 12 months	535	333	92	333
Overdue longer than 12 months	10	129	9	129
Total	322,048	83,702	304,427	65,149
Less Allowance for doubtful accounts	(135,081)	(3,682)	(134,920)	(3,596)
Net	186,967	80,020	169,507	61,553

During 2019, the Company transferred hire-purchase contract receivables, pertaining to those extended installment period by entering into new loan agreements, to loan receivables totalling approximately to Baht 147.0 million whereby the Company provides allowance for doubtful accounts at the rate 50% of the former overdue balances of hire-purchase receivables.

The abovementioned loan receivables are receivables under loan agreements with terms between 1-5 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)					
	2019			2018		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	680	680	-	718	718	-
Less Unearned income	(53)	(53)	-	(66)	(66)	-
Net	627	627	-	652	652	-
Less Allowance for doubtful accounts	(61)	(61)	-	(33)	(33)	-
Net	566	566	-	619	619	-

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Nano finance receivables as at December 31, 2019 and 2018 are aged by outstanding installment payments of each contract as follows:

	Consolidated (In Thousand Baht)	
	2019	2018
Current	343	561
Overdue 1 month	63	43
Overdue 2 - 3 months	198	34
Overdue 4 - 6 months	23	-
Overdue 7 - 12 months	-	11
Overdue longer than 12 months	-	3
Total	627	652
Less Allowance for doubtful accounts	(61)	(33)
Net	566	619

Microfinance Receivables

	Consolidated (In Thousand Baht)					
	2019			2018		
	Total	Current	Long-term	Total	Current	Long-term
Microfinance receivables	514	514	-	-	-	-
Less Unearned income	(64)	(64)	-	-	-	-
Net	450	450	-	-	-	-
Less Allowance for doubtful accounts	(9)	(9)	-	-	-	-
Net	441	441	-	-	-	-

Microfinance receivables as at December 31, 2019 are aged by outstanding installment payments of each contract as follows:

	Consolidated (In Thousand Baht)	
	2019	2018
Current	450	-
Less Allowance for doubtful accounts	(9)	-
Net	441	-

7. OTHER TRADE RECEIVABLE

Other trade receivables aged by outstanding balances as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Current	55,468	88,402	54,558	87,236

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8. ASSET FORECLOSED - NET

	Consolidated and The Company Only (In Thousand Baht)	
	2019	2018
Balance not exceeding one year	247,954	285,765
Balance exceeding one year	8,041	2,685
Total	255,995	288,450
Less Allowance for diminution in value	(82,427)	(88,414)
Net	173,568	200,036

9. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2019 and 2018, 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, 2019 and 2018, two foreign subsidiaries have collateralized their deposits totalling approximately Baht 8.6 million and Baht 9.4 million, respectively, with the National Bank of each country as guarantees for establishment and doing business in each country.

10. 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)	
	2019	2018	2019	2018	2019	2018
C.V.A. Co., Ltd.	50,000	50,000	99.99	99.99	49,993	49,993
Chayapak Co., Ltd.	40,000	40,000	99.99	99.99	43,993	43,993
TK Ngern Tan Jai Co., Ltd.	50,000	50,000	99.99	99.99	49,997	49,997
Sabaidee Leasing Co., Ltd. (Lao PDR)	41,061	41,061	60.98*	60.98*	25,049	25,049
Suosdey Finance PLC. (Cambodia)	132,209	132,209	99.95	99.95	132,145	132,145
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	4,705	4,705	99.00	99.00	4,658	4,658
Total					305,835	305,835

* Total percentage of direct and indirect shareholding through its two wholly-owned (99.99%) subsidiaries is 80.50%

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 Suosdey Finance PLC. for an additional amount of U.S. Dollar 1.5 million whereby such subsidiary increased its share capital and registered the increase in share capital on March 29, 2018. In addition, at the Board of Directors' meeting on May 9, 2018, 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 increased its share capital and registered the increase in share capital on December 20, 2018.

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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 Sabaidee Leasing Co., Ltd. for an additional amount of Kip 5,000 million whereby such subsidiary increased its share capital and registered the increase in share capital on March 26, 2018. As a result from this increase in share capital, the percentage of shareholding in such subsidiary increased from 61.90% to 80.50%. In addition, at the Board of Directors' meeting on November 12, 2018, 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 Kip 5,000 million whereby such subsidiary has been during the process to increase and register the increase in share capital as at December 31, 2019.

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 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 derived from the Company's working capital. Mingalaba was registered as a juristic company under the laws of Myanmar in April 2018 in order to conduct its business relating to microfinance and other kinds of finance businesses in Myanmar. Authorized share capital of Mingalaba comprises of 200,000 common shares at Kyat 1,000 par value, totalling Kyat 200 million or approximately Baht 4.71 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) whereby such subsidiary has been during the process to increase and register the increase in share capital as at December 31, 2019.

11. LONG-TERM LOANS TO OTHER PARTIES

	Consolidated and The Company Only (In Thousand Baht)	
	2019	2018
Long-term loans to other parties	47,350	58,030
Less Current portion	-	(55,225)
Net	47,350	2,805

This account represents the unsecured loans to 49 agents in 2019 and 56 agents in 2018. These loans bear interest rate at 9% p.a. in 2019 and 2018 and mature during the years 2020 to 2022.

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12. 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, 2017	12,617	24,221	311,842	132,900	107,597	7,964	6,595	603,736
Acquisitions	-	-	1,655	14,578	21,863	-	11,197	49,293
Disposals	-	-	(487)	(2,808)	(5,780)	-	-	(9,075)
Transfers in (out)	-	-	13,292	-	-	-	(13,292)	-
Balance as at December 31, 2018	12,617	24,221	326,302	144,670	123,680	7,964	4,500	643,954
Acquisitions	-	-	1,285	14,441	11,539	3,252	21,468	51,985
Disposals	-	-	(53)	(3,719)	(14,907)	-	-	(18,679)
Transfers in (out)	-	-	20,420	620	-	-	(21,040)	-
Balance as at December 31, 2019	12,617	24,221	347,954	156,012	120,312	11,216	4,928	677,260
Accumulated depreciation								
Balance as at December 31, 2017	-	24,124	224,887	102,488	88,991	4,634	-	445,124
Depreciation for the year	-	20	29,011	12,370	10,372	1,593	-	53,366
Accumulated depreciation for assets disposed	-	-	(479)	(2,658)	(5,400)	-	-	(8,537)
Balance as at December 31, 2018	-	24,144	253,419	112,200	93,963	6,227	-	489,953
Depreciation for the year	-	20	23,600	13,232	11,636	1,724	-	50,212
Accumulated depreciation for assets disposed	-	-	(51)	(2,985)	(14,528)	-	-	(17,564)
Balance as at December 31, 2019	-	24,164	276,968	122,447	91,071	7,951	-	522,601
Net book value								
December 31, 2018	12,617	77	72,883	32,470	29,717	1,737	4,500	154,001
December 31, 2019	12,617	57	70,986	33,565	29,241	3,265	4,928	154,659

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	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, 2017	7,802	15,291	300,972	124,355	93,512	6,596	548,528
Acquisitions	-	-	1,588	11,118	20,854	9,925	43,485
Disposals	-	-	(487)	(2,752)	(5,437)	-	(8,676)
Transfers in (out)	-	-	13,292	-	-	(13,292)	-
Balance as at December 31, 2018	7,802	15,291	315,365	132,721	108,929	3,229	583,337
Acquisitions	-	-	328	11,618	3,047	14,500	29,493
Disposals	-	-	(53)	(3,719)	(14,907)	-	(18,679)
Transfers in (out)	-	-	12,378	422	-	(12,800)	-
Balance as at December 31, 2019	7,802	15,291	328,018	141,042	97,069	4,929	594,151
Accumulated depreciation							
Balance as at December 31, 2017	-	15,291	219,653	96,498	79,169	-	410,611
Depreciation for the year	-	-	27,181	11,379	9,106	-	47,666
Accumulated depreciation for assets disposed	-	-	(479)	(2,613)	(5,057)	-	(8,149)
Balance as at December 31, 2018	-	15,291	246,355	105,264	83,218	-	450,128
Depreciation for the year	-	-	21,076	11,526	9,522	-	42,124
Accumulated depreciation for assets disposed	-	-	(51)	(2,985)	(14,528)	-	(17,564)
Balance as at December 31, 2019	-	15,291	267,380	113,805	78,212	-	474,688
Net book value							
December 31, 2018	7,802	-	69,010	27,457	25,711	3,229	133,209
December 31, 2019	7,802	-	60,638	27,237	18,857	4,929	119,463

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As at December 31, 2019 and 2018, cost of building and equipment of the Group that has been fully depreciated but still in use amounting to approximately Baht 378.0 million and Baht 344.2 million, respectively (Baht 355.5 million and Baht 321.6 million, respectively, for the Company only).

13. INTANGIBLE ASSETS - NET

	Consolidated (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2017	9,420	60,090	69,510
Acquisitions	395	1,717	2,112
Balance as at December 31, 2018	9,815	61,807	71,622
Acquisitions	-	6,326	6,326
Balance as at December 31, 2019	9,815	68,133	77,948
Accumulated amortization			
Balance as at December 31, 2017	8,518	53,452	61,970
Amortization for the year	472	2,834	3,306
Balance as at December 31, 2018	8,990	56,286	65,276
Amortization for the year	466	2,979	3,445
Balance as at December 31, 2019	9,456	59,265	68,721
Net book value			
December 31, 2018	825	5,521	6,346
December 31, 2019	359	8,868	9,227

	The Company Only (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2017	7,399	59,357	66,756
Acquisitions	395	1,604	1,999
Balance as at December 31, 2018	7,794	60,961	68,755
Acquisitions	-	4,091	4,091
Balance as at December 31, 2019	7,794	65,052	72,846
Accumulated amortization			
Balance as at December 31, 2017	6,496	52,975	59,471
Amortization for the year	472	2,732	3,204
Balance as at December 31, 2018	6,968	55,707	62,675
Amortization for the year	466	2,624	3,090
Balance as at December 31, 2019	7,434	58,331	65,765
Net book value			
December 31, 2018	826	5,254	6,080
December 31, 2019	360	6,721	7,081

As at December 31, 2019 and 2018, cost of intangible assets of the Group that have been fully amortized but still in use amounting to approximately Baht 79.1 million and Baht 57.4 million, respectively (Baht 56.5 million and Baht 55.3 million, respectively, for the Company only).

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14. 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, 2018	Movements during the Year			Balance as at December 31, 2019
		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	2,358	404	-	-	2,762
Net	18,517				18,113

Depreciation for each of the years ended December 31, 2019 and 2018 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 February 2019, amounted to approximately Baht 45.76 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, 2019 and 2018, 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 February 2019, amounted to totalling approximately Baht 85.6 million (Baht 39.9 million for the Company only).

**15. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS
FROM FINANCIAL INSTITUTIONS**

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Bank overdrafts	18,841	27,823	6,879	21,181
Short-term loans from banks	144,347	70,143	13,952	15,003
Total	163,188	97,966	20,831	36,184

As at December 31, 2019 and 2018, the Group had credit facilities with several financial institutions as follows:

	2019	2018
Bank overdrafts (million Baht)	188.00	188.00
Short-term loans (million Baht)	2,145.00	2,745.00
Short-term loans (million USD)	8.58	6.46

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Such loans bear interest rates ranging between 4.64% - 6.30% p.a. in 2019 and 2.25% - 7.12% p.a. in 2018. In addition, the Company has to comply with the specified conditions of the loan facilities which include maintaining Debt-to-Equity ratio at the rate not exceeding 7:1 for the annual separate financial statements.

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

Overdraft lines of two local subsidiaries are secured by the fixed deposits as discussed in Note 9.

16. LONG -TERM LOANS - NET

	Consolidated (In Thousand Baht)	
	2019	2018
Long-term loans of a foreign subsidiary	314,310	237,273
Less Current portion	(239,475)	(137,873)
Net	74,835	99,400

As at December 31, 2019 and 2018, the subsidiary in Cambodia had long-term loans with two foreign banks amounting to U.S. Dollar 10.250 million and U.S. Dollar 7.275 million, respectively. During 2019, such subsidiary was granted additional long-term loan credit facilities amounting to U.S. Dollar 3 million (totalling U.S. Dollar 24 million as at the end of 2019), which is guaranteed in full amount by the Company. These loans bear interest at LIBOR plus 3.75% and 4% p.a. and interest is payable quarterly whereas loan principals are repayable during 2020 to 2021.

17. 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	
				2019	2018
May 16, 2016 / 2019	Semi-annually	2.15	600,000	-	600,000
July 20, 2016 / 2019	Semi-annually	2.36	600,000	-	600,000
September 1, 2016 / 2019	Semi-annually	2.41	500,000	-	500,000
November 7, 2016 / 2019	Semi-annually	2.48	300,000	-	300,000
February 28, 2017 / 2020	Semi-annually	2.83	1,000,000	1,000,000	1,000,000
August 18, 2017 / 2020	Semi-annually	2.56	800,000	800,000	800,000
February 23, 2018 / 2021	Semi-annually	2.27	600,000	600,000	600,000
September 5, 2018 / 2021	Quarterly	2.64	70,000	70,000	70,000
September 21, 2018 / 2019	Semi-annually	2.00	150,000	-	150,000
July 19, 2019 / 2022	Semi-annually	2.70	400,000	400,000	-
Total				2,870,000	4,620,000
Less Current portion				(1,800,000)	(2,150,000)
Net				1,070,000	2,470,000

As at December 31, 2019, the amount for issuance and offering of the Company's debentures was totally Baht 7,450 million, which was approved by the shareholders' meetings in September 2017, April 2018 and 2019.

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 for the annual separate financial statements.

As at December 31, 2019 and 2018, such debentures had fair values totalling approximately Baht 2,884.6 million and Baht 4,627.3 million, respectively.

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December 31, 2019 and 2018

18. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the year ended December 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Liability for post-employment benefits as at January 1	31,666	39,605	26,149	33,262
Current service cost	2,303	1,955	1,974	1,685
Past service cost	9,088	-	7,666	-
Interest cost	1,121	925	947	793
Expense recognized in statement of comprehensive income	12,512	2,880	10,587	2,478
Employee benefits paid during the year	(7,553)	(10,819)	(5,817)	(9,591)
Liability for post-employment benefits as at December 31	36,625	31,666	30,919	26,149

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

- Discount rate 2.71% p.a.
- Salary escalation rate 5.66% p.a.
- Employee turnover rate 0% - 22% p.a.

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 Assumption Increased		If Assumption Decreased	
	Consolidated	The Company Only	Consolidated	The Company Only
Discount rate (increase/decrease by 0.5%)	(1,144)	(1,008)	1,212	1,069
Salary escalation rate (increase/decrease by 0.5%)	1,667	1,449	(1,578)	(1,371)
Employee turnover rate (increase/decrease by 1%)	(3,785)	(3,299)	4,324	3,776

During 2018, the National Legislative Assembly agreed and approved to edit some provisions of the Labour Protection Act 1998 (B.E. 2541) which include the increase in compensations to be paid to the employees whose working period have reached 20 years or above from previously equivalent to basic wage of 300 days to 400 days. Such matter was later legally announced in the early of April 2019 and became effective in the early of May 2019. The Group's management considered, based on their judgement, that amendment of such employee benefit plan (amendment of the applicable laws) occurred and became effective in the second quarter of 2019. Accordingly, the Group accounted for the past service cost, resulted from the plan amendment, amounting to approximately Baht 9.1 million for the consolidated financial statements and Baht 7.7 million for the separate financial statements in the second quarter of 2019, which was presented as part of administrative expenses for the year ended December 31, 2019.

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19. PREMIUM ON SHARES AND LEGAL RESERVE

Premium on shares

Section 51 of the Public Companies Act B.E. 2535 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.

20. OTHER INCOME

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Bad debt recovery	259,767	224,102	258,542	222,452
Service income	149,749	212,609	146,377	210,328
Collection fee income	147,432	52,103	146,168	51,304
Delay payment fee income	62,652	52,824	61,339	51,493
Engagement fee income	38,169	61,062	38,047	60,955
Service charge income	36,135	32,905	35,909	32,666
Interest income	9,091	6,345	40,968	36,880
Management fee income	-	-	15,053	-
Others	28,120	28,027	23,225	19,251
Total	<u>731,115</u>	<u>669,977</u>	<u>765,628</u>	<u>685,329</u>

21. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Bad debt and provision for doubtful accounts	1,093,853	1,066,780	1,040,585	1,038,775
Employee expenses	749,152	796,929	640,718	696,233
Finance costs	125,318	129,291	117,935	135,313
Depreciation and amortization	54,061	57,076	45,214	50,870
Cost of sales (merchandises)	5,067	9,487	5,067	9,487

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22. INCOME TAX

Corporate income tax rate announced in Thailand and Cambodia is the same rate, i.e. 20%, whereas Lao PDR is 24% and Myanmar is 25%.

Corporate income tax recorded as expense (income) for the years ended December 31, 2019 and 2018 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Income tax computed from accounting profit	126,414	103,364	67,802	72,129
Effects from non-deductible expenses	20,972	12,901	19,112	8,546
Effects from benefit of tax loss carryforward	-	(173)	-	-
Effects from additional deductible expenses	(8,706)	(7,018)	(3,475)	(5,687)
Current tax on taxable profit	138,680	109,074	83,439	74,988
Decrease (increase) in deferred tax assets	(15,340)	1,246	(15,240)	1,080
Income tax presented in statement of comprehensive income	123,340	110,320	68,199	76,068

As at December 31, 2019, a local subsidiary had tax loss carryforward amounting to approximately Baht 42.4 million whereby such loss carryforward is able to be used during the years 2020 to 2024.

Deferred tax assets presented in statements of financial positions as at December 31, 2019 and 2018 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Effects from non-deductible items from				
- Allowance for doubtful accounts	129,932	114,386	128,383	112,900
- Allowance for diminution in value of asset foreclosed	16,485	17,683	16,485	17,683
- Liability for post-employment benefits	7,325	6,333	6,184	5,229
Total	153,742	138,402	151,052	135,812

23. DIVIDENDS

At the general shareholders' meeting on April 25, 2019, the shareholders unanimously approved the Company to pay dividends for the 2018 operations at Baht 0.45 per share, totalling Baht 225 million. The Company paid such dividends to the shareholders on May 15, 2019.

At the general shareholders' meeting on April 25, 2018, the shareholders unanimously approved the Company to pay dividends for the 2017 operations at Baht 0.52 per share, totalling Baht 260 million. The Company paid such dividends to the shareholders on May 10, 2018.

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24. 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 / microfinance 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.

Information on Geographic Operating Segment

	Consolidated (In Thousand Baht)					
	2019			2018		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest income on hire purchase	2,506,797	459,804	2,966,601	2,911,919	258,372	3,170,291
Other income	752,267	275	752,542	701,472	62	701,534
Total revenues	3,259,064	460,079	3,719,143	3,613,391	258,434	3,871,825
Total expenses	(2,974,667)	(234,688)	(3,209,355)	(3,312,286)	(157,935)	(3,470,221)
Profit for the year	284,397	225,391	509,788	301,105	100,499	401,604

	Consolidated (In Thousand Baht)					
	December 31, 2019			December 31, 2018		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Total assets by segment	7,764,098	1,399,224	9,163,322	9,516,370	1,062,070	10,578,440
Total liabilities by segment	3,258,804	580,880	3,839,684	5,086,107	414,547	5,500,654

Interest income on hire purchase - abroad

	Consolidated (In Thousand Baht)	
	2019	2018
Cambodia	358,859	199,486
Lao PDR	100,945	58,886
Total	459,804	258,372

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, 2019, the subsidiaries incorporated in Cambodia, Lao PDR and Myanmar had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 25.40 million, Baht 3.20 million and Baht 0.20 million, respectively, were presented in the consolidated statement of financial position as at December 31, 2019 (as at December 31, 2018 : Baht 10.56 million, Baht 3.59 million and Baht 0.02 million, respectively).

Other income, classified by geographic segment (incurred domestic only), included revenues from contracts with customers those are not attributable to core business activities. Such revenues had timing of recognition as follows:

	Consolidated (In Thousand Baht)	
	2019	2018
At a point in time	434,137	411,503
Over time	-	-

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25. 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 2019 and 2018.

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 realization 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 and fixed 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 of the Group 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, 2019 and 2018, the Group had no any financial assets and financial liabilities 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.

However, the Group had financial liabilities not measured and presented at fair value in the statements of financial position as at December 31, 2019 and 2018 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
	2019	2018	
Debentures	2,884.6	4,627.3	Level 1 inputs

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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, microfinance 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.

Non-current hire-purchase contract receivables and loan receivables as well as long-term loan receivables and payables and investments in subsidiaries are not practicable to estimate the proper fair values without incurring undue expenses and costs to the Group.

26. COMMITMENTS

As at December 31, 2019, 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 one year	54.5	million Baht
• Due for payments after one year but not exceeding five years	45.4	million Baht
• Total	<u>99.9</u>	million Baht

27. 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 2019 and 2018.

As at December 31, 2019 and 2018, the Group's Debt-to-Equity ratio was 0.72:1.00 and 1.08:1.00, respectively (0.85:1.00 and 1.27:1.00 for the Company only, respectively).

28. 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 each for the years ended December 31, 2019 and 2018, amounted to totalling approximately Baht 0.4 million (same amount for the Company only).

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29. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 27, 2020, the Board of Directors passed the resolutions to approve the following significant matters that will be proposed to the shareholders in the upcoming shareholders' meeting to be held in April 2019:

- 1) Declaration of dividends for the 2019 operations at Baht 0.55 per share, totalling Baht 275 million, with the specified date for dividend payment on May 12, 2020.
- 2) Acquisition of a private company, incorporated in Myanmar, whose business is engaged in microfinance. Such acquisition is expected to complete within 2020.

30. 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 27, 2020.