

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Financial Statements

For the Year Ended December 31, 2020

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, 2020, 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, 2020, 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, 2020, 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, 2020, 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, cutoff 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.

Adequacy and prudence of allowance for impairment of hire-purchase contract receivables

Risk description

As discussed in Note 2 to the financial statements, The Thai Financial Reporting Standard no. 9, Financial Instruments, (“TFRS 9”) has become effective in 2020 which features change in significant principle for considering and estimating the allowance for impairment of financial assets whereby the most significant part in the Group’s financial statements is hire-purchase contract receivables. In consideration and estimate of impairment loss for the expected credit loss of hire-purchase contract receivables, the Group applies the principle pertaining to TFRS 9 which is complicate and required significant management’s judgement and also relates to use of voluminous past information and statistics of the Group together with management’s forward looking on significant relevant economic factors. Such entirely compiled information is used for processing and generating the expected credit loss model for hire-purchase contract receivables. Hence, the accounting estimate formed by such model may contain high level of uncertainty and is significant risk that directly affects adequacy and prudence of allowance for impairment of hire-purchase contract receivables in the financial statements.

Significant accounting policies and other information relating to allowance for impairment of hire-purchase contract 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 the appropriate and acceptable level and enable the financial statements to be free from material misstatement:

- Read of documents and reports, inquiries and having the consultation meetings with relevant personnel (including the advisory company hired by management as its specialist) in order to gather understanding in significant principles relating to TFRS 9 as well as the methods used by the Group in compilation of past information and statistics for processing and generating the model.
- Sampling for test of accuracy and completeness of the compiled past information and statistics, including information on defaults, bad debts, bad debt recovery, and classification for outstanding periods of hire-purchase contract receivable balances.
- Review and assessment of the reasonableness and acceptability on conclusion reached from information processing as well as significant assumptions and forecasts, determined by management and its advisory company, which are used for generating the model.
- Test computation of the figures attributable to the conclusion reached from information processing and information resulted in the model.
- Test computation of figures resulted from use of model as well as analysis for adequacy and prudence of allowance for impairment with hire-purchase contract receivable balances and in conjunction with other surrounding information on hands.

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 23, 2021

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020 AND 2019

ASSETS

ASSETS		In Thousand Baht			
		Consolidated		The Company Only	
		Note	2020	2019	2020
CURRENT ASSETS					
Cash and cash equivalents	5	2,213,140	1,021,212	1,931,513	845,911
Trade receivables					
- Current portion of hire-purchase contract receivables - net	4, 6	2,645,325	4,089,880	1,813,616	3,109,502
- Current portion of loan receivables - net	6	237,608	140,902	229,345	133,613
- Current portion of nano finance receivables - net	6	15,295	566	-	-
- Microfinance receivables - net	6	1,122	441	-	-
- Other trade receivables	7	25,865	55,468	25,163	54,558
Receivables from and short-term loans to related parties	4	-	-	454,713	618,059
Merchandises		5,108	406	4,941	240
Asset foreclosed - net	8	56,966	173,568	56,624	173,568
Other current assets	2	8,797	28,385	7,580	19,158
Total Current Assets		5,209,226	5,510,828	4,523,495	4,954,609
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	9	34,323	33,610	-	-
Hire-purchase contract receivables - net	4, 6	1,623,263	3,160,736	1,128,175	2,519,421
Loan receivables - net	6	60,106	46,065	48,899	35,894
Nano finance receivables - net	6	8,564	-	-	-
Investments in subsidiaries accounted for using the cost method	1, 10	-	-	322,787	305,835
Long-term loans to other parties - net	11	25,752	47,350	25,752	47,350
Property for lease - net	15	17,708	18,113	-	-
Assets not used in operations	15	14,282	14,282	5,708	5,708
Property, plant and equipment - net	4, 12, 26	131,895	154,659	99,641	119,463
Right-of-use assets - net	2, 4, 13	101,148	-	81,329	-
Intangible assets - net	4, 14, 26	5,886	9,227	4,354	7,081
Deferred tax assets	24	122,805	153,742	113,605	151,052
Other non-current assets	2	1,868	14,710	1,538	10,190
Total Non-Current Assets		2,147,600	3,652,494	1,831,788	3,201,994
TOTAL ASSETS		7,356,826	9,163,322	6,355,283	8,156,603

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, 2020 AND 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND SHAREHOLDERS' EQUITY		In Thousand Baht			
		Consolidated		The Company Only	
		Note	2020	2019	2020
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions	16	154,846	163,188	233	20,831
Trade payables		36,728	21,445	22,677	13,895
Current portion of long-term loans	17	196,297	239,475	-	-
Current portion of lease liabilities	2, 4, 18	37,724	-	32,303	-
Current portion of debentures	19, 27	670,000	1,800,000	670,000	1,800,000
Payables to and short-term loans from related parties	4	37,390	48,328	603,987	535,201
Income tax payable		36,241	81,180	1,009	37,732
Deposits and advances from customers		164,981	161,644	135,939	121,635
Accrued expenses and other current financial liabilities					
- Accrued sales promotions and rewards		41,404	56,312	34,758	45,322
- Others	2	93,764	125,433	43,827	77,088
Total Current Liabilities		1,469,375	2,697,005	1,544,733	2,651,704
NON-CURRENT LIABILITIES					
Long-term loans - net of current portion	17	53,772	74,835	-	-
Lease liabilities - net of current portion	2, 4, 18	45,506	-	36,485	-
Debentures - net of current portion	19, 27	400,000	1,070,000	400,000	1,070,000
Liability for post-employment benefits	20	31,891	36,625	26,081	30,919
Total Non-Current Liabilities		531,169	1,181,460	462,566	1,100,919
Total Liabilities		2,000,544	3,878,465	2,007,299	3,752,623
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	21	972,987	972,987	972,987	972,987
Retained earnings					
- Appropriated for legal reserve	21	50,000	50,000	50,000	50,000
- Unappropriated	2	3,890,913	3,786,822	2,824,997	2,880,993
Other component of equity					
- Difference on financial statement conversion of subsidiaries		(78,825)	(43,749)	-	-
- Gain on change in proportion of investment in subsidiary	10	6,352	2,362	-	-
Equity attributable to Owners of the Parent		5,341,427	5,268,422	4,347,984	4,403,980
Non-controlling interests	10	14,855	16,435	-	-
Total Shareholders' Equity		5,356,282	5,284,857	4,347,984	4,403,980
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,356,826	9,163,322	6,355,283	8,156,603

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, 2020 AND 2019

		In Thousand Baht			
		Consolidated		The Company Only	
	Note	2020	2019	2020	2019
REVENUES					
Interest income on hire purchase	4	1,993,555	2,966,601	1,481,084	2,481,715
Interest income on loan		12,382	17,007	9,843	14,024
Interest income on nano finance		787	143	-	-
Interest income on microfinance		116	14	-	-
Sales of merchandises		191	4,263	191	4,263
Other income	4, 22	541,122	731,115	585,597	765,628
Total Revenues		2,548,153	3,719,143	2,076,715	3,265,630
EXPENSES					
Cost of sales		191	5,067	191	5,067
Distribution costs		-	3	-	3
Administrative expenses	2, 4, 18, 20, 30	1,361,147	1,885,193	1,198,174	1,763,031
Bad debt and loss on impairment of trade receivables	2, 6	639,724	1,093,853	531,149	1,040,585
Total Expenses		2,001,062	2,984,116	1,729,514	2,808,686
Profit from Operating Activities		547,091	735,027	347,201	456,944
Finance Costs	4, 18	73,309	125,318	66,713	117,935
PROFIT BEFORE INCOME TAX EXPENSE		473,782	609,709	280,488	339,009
Income Tax Expense	24	103,793	123,340	53,056	68,199
PROFIT FOR THE YEAR	2	369,989	486,369	227,432	270,810
Other Comprehensive Income (Loss)					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		(35,076)	(38,936)	-	-
<i>Item that will not be reclassified subsequently to profit or loss</i>					
- Actuarial loss on remeasurement of liability for post-employment benefits - net of income tax effect by Baht 1,062 thousand for consolidated and Baht 913 thousand for the company only in 2020	20, 24	(4,250)	-	(3,653)	-
Other Comprehensive Loss for the Year		(39,326)	(38,936)	(3,653)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2	330,663	447,433	223,779	270,810
Profit Attributable to:					
Owners of the parent	2	367,579	481,061	227,432	270,810
Non-controlling interests		2,410	5,308	-	-
Profit for the Year		369,989	486,369	227,432	270,810
Total Comprehensive Income Attributable to:					
Owners of the parent	2	328,253	442,125	223,779	270,810
Non-controlling interests		2,410	5,308	-	-
Total Comprehensive Income for the Year		330,663	447,433	223,779	270,810
Basic Earnings per Share (Baht)	2	0.735	0.962	0.455	0.542
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, 2020 AND 2019

Consolidated (In Thousand Baht)										
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Other Components of Equity		Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity
				Appropriated for Legal Reserve	Unappropriated	Difference on Financial Statement Conversion of Subsidiaries	Gain on Change in Proportion of Investment in Subsidiary			
Beginning Balance as at January 1, 2019	2	500,000	972,987	50,000	3,530,761	(4,813)	2,362	5,051,297	11,127	5,062,424
Payment of dividends	25	-	-	-	(225,000)	-	-	(225,000)	-	(225,000)
Total comprehensive income for the year	2	-	-	-	481,061	(38,936)	-	442,125	5,308	447,433
Ending Balance as at December 31, 2019										
- Balance previously reported	2	500,000	972,987	50,000	3,786,822	(43,749)	2,362	5,268,422	16,435	5,284,857
- Effect from first-time adoption of newly issued Thai financial reporting standards	2	-	-	-	15,762	-	-	15,762	-	15,762
- Balance as adjusted		500,000	972,987	50,000	3,802,584	(43,749)	2,362	5,284,184	16,435	5,300,619
Change in proportion of investment in subsidiary	10	-	-	-	-	-	3,990	3,990	(3,990)	-
Payment of dividends	25	-	-	-	(275,000)	-	-	(275,000)	-	(275,000)
Total comprehensive income for the year		-	-	-	363,329	(35,076)	-	328,253	2,410	330,663
Ending Balance as at December 31, 2020		500,000	972,987	50,000	3,890,913	(78,825)	6,352	5,341,427	14,855	5,356,282

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, 2020 AND 2019

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, 2019		500,000	972,987	50,000	2,835,183	4,358,170
Payment of dividends	25	-	-	-	(225,000)	(225,000)
Total comprehensive income for the year		-	-	-	270,810	270,810
Ending Balance as at December 31, 2019						
- Balance previously reported		500,000	972,987	50,000	2,880,993	4,403,980
- Effect from first-time adoption of newly issued Thai financial reporting standards	2	-	-	-	(4,775)	(4,775)
- Balance as adjusted		500,000	972,987	50,000	2,876,218	4,399,205
Payment of dividends	25	-	-	-	(275,000)	(275,000)
Total comprehensive income for the year		-	-	-	223,779	223,779
Ending Balance as at December 31, 2020		500,000	972,987	50,000	2,824,997	4,347,984

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, 2020 AND 2019

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the Year	369,989	486,369	227,432	270,810
Adjustments				
Income tax expense	103,793	123,340	53,056	68,199
Depreciation and amortization	92,286	54,061	82,394	45,214
Expenses for post-employment benefits	3,607	12,512	3,114	10,587
Unrealized gain on exchange rate	-	(113)	-	(434)
Bad debt and loss on impairment of trade receivables	639,724	1,093,853	531,149	1,040,585
Decrease in allowance for diminution in value of asset foreclosed	(53,535)	(5,987)	(53,681)	(5,987)
Loss on write-off asset	924	-	-	-
Gain on sales of equipment	(547)	(5,671)	(443)	(5,671)
Interest income from trade receivables	(2,006,840)	(2,983,765)	(1,490,927)	(2,495,739)
Other interest income	(9,320)	(9,091)	(39,883)	(40,968)
Interest expense	73,309	125,318	66,713	117,935
Decrease (increase) in operating assets				
Trade receivables - hire-purchase contract receivables	2,275,687	1,039,649	2,061,519	1,386,931
Trade receivables - loan receivables	(102,561)	(241,403)	(100,432)	(242,330)
Trade receivables - nano finance receivables	(23,715)	(12)	-	-
Trade receivables - microfinance receivables	(721)	(450)	-	-
Trade receivables - other	29,603	32,934	29,395	32,678
Other receivables from related parties	-	-	361	(595)
Merchandises	(4,702)	778	(4,701)	775
Asset foreclosed	170,137	32,455	170,625	32,455
Other current assets	11,279	11,553	6,775	15,087
Other non-current assets	(100)	(245)	49	(144)
Increase (decrease) in operating liabilities				
Trade payables	15,283	(93,773)	8,782	(93,606)
Other payables to related parties	(978)	(40)	(1,948)	2,752
Deposits and advances from customers	3,337	26,366	14,304	27,197
Accrued expenses and Other current financial liabilities	(27,657)	18,357	(25,480)	(11,184)
Liability for post-employment benefits	(13,653)	(7,553)	(12,518)	(5,817)
Net cash flows provided by (used in) operations	1,544,629	(290,558)	1,525,655	148,730
Interest received from trade receivables	2,081,495	3,026,002	1,572,311	2,547,751
Income tax paid	(116,851)	(114,041)	(51,419)	(74,536)
Net Cash Flows Provided by Operating Activities	3,509,273	2,621,403	3,046,547	2,621,945

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted deposits at financial institutions	(713)	772	-	-
Increase in short-term loans to related parties	-	-	(42,000)	(94,239)
Collections from short-term loans to related parties	-	-	204,529	95,000
Increase in investment in subsidiaries	-	-	(16,952)	-
Increase in long-term loans to other parties	(1,415)	(55,863)	(1,415)	(55,863)
Collections from long-term loans to other parties	23,013	66,543	23,013	66,543
Purchases of fixed assets	(20,352)	(51,292)	(22,114)	(29,371)
Additions to right-of-use assets	(1,200)	-	(1,200)	-
Purchases of intangible assets	(1,057)	(6,326)	-	(4,091)
Proceeds from sales of equipment	992	6,215	852	6,786
Proceeds from right-of-use assets	57	-	57	-
Other interest received	9,560	9,181	40,504	46,695
Net Cash Flows Provided by (Used in) Investing Activities	8,885	(30,770)	185,274	31,460
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(8,342)	65,656	(20,598)	(14,919)
Increase in short-term loans from related party	-	-	140,000	138,000
Repayments of short-term loans from related party	-	-	(69,000)	(86,300)
Increase in long-term loans	261,050	321,150	-	-
Repayments of long-term loans	(325,291)	(244,113)	-	-
Payments of lease liabilities	(42,478)	-	(37,393)	-
Issuances of debentures	-	400,000	-	400,000
Redemption of debentures	(1,800,000)	(2,150,000)	(1,800,000)	(2,150,000)
Interest paid	(91,133)	(136,191)	(84,228)	(127,081)
Dividends paid	(275,000)	(225,000)	(275,000)	(225,000)
Net Cash Flows Used in by Financing Activities	(2,281,194)	(1,968,498)	(2,146,219)	(2,065,300)
DIFFERENCE ON FINANCIAL STATEMENT CONVERSION OF SUBSIDIARIES	(45,036)	(38,936)	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,191,928	583,199	1,085,602	588,105
Cash and Cash Equivalents at Beginning of Year	1,021,212	438,013	845,911	257,806
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,213,140	1,021,212	1,931,513	845,911
Supplementary disclosures of cash flow information				
a. Cash and cash equivalents at end of year				
Cash in hand	15,893	24,290	12,202	21,032
Current accounts at banks	262,301	97,863	39,488	44,854
Savings deposits at banks	1,434,946	649,054	1,379,823	530,025
Short-term fixed deposit at bank	500,000	250,005	500,000	250,000
Total	2,213,140	1,021,212	1,931,513	845,911
b. Non-cash transactions				
Purchases of fixed assets by means of payables	1,096	122	1,096	122
Initial recognition of right-of-use assets and lease liabilities	125,708	-	106,181	-
Right-of-use assets transferred from other current assets	8,069	-	4,638	-
Right-of-use assets transferred from other non-current assets	12,136	-	8,603	-

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, 2020 and 2019

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 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, 2020	December 31, 2019	December 31, 2020	December 31, 2019
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 and motorcycle 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	58,013*	41,061**	86.89	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 15,250 million **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.

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, 2020, the Group has adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), Thai Financial Reporting Interpretation (TFRIC), and accounting guidance, newly issued and revised by TFAC, which became effective from the accounting period starting on or after January 1, 2020. The aforesaid adoption of newly issued and revised TAS and TFRS as well as TSIC, TFRIC and accounting guidance did not have any material effect to the financial statements of the Group, 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

Thus, TFRS 9 affects the Group to classify and measure its financial assets and financial liabilities in statement of financial position in 2020 as well as recognizing impairment for the expected credit loss of financial assets with respect to the principles discussed in the significant accounting policies.

As at December 31, 2019, there was no material effect from measurement of financial assets and financial liabilities. In addition, no restatement on the figures of comparative information of previous periods has been made in relation to classification and measurement because the Group exercised the option of modified retrospective adjustment by recognizing the cumulative effect from the first-time adoption of TFRS 9 at the date of initial application (January 1, 2020).

In addition, As at December 31, 2019, the effect of impairment from the expected credit loss of hire-purchase contract receivables and loan receivables increased from the previously reported balance totalling approximately Baht 4.8 million in the separate financial statements and decreased from the previously reported balance totalling approximately Baht 15.8 million in the consolidated financial statements. No restatement on the figures of comparative information of previous periods has been made because the Group exercised the option of modified retrospective adjustment by recognizing the cumulative effect from the first-time adoption of TFRS 9 at the date of initial application (January 1, 2020). Therefore, the Company adjusted such effect by reducing (separate financial statements) or increasing (consolidated financial statements) the beginning unappropriated retained earnings as at January 1, 2020 and resulted in decrease (separate financial statements) or increase (consolidated financial statements) in balances of aforesaid accounts, total assets and shareholders’ equity as at that date with the same amount.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

TFRS 16 Leases

TFRS 16 specifies that lessee shall recognize right-of-use asset and lease liability for all lease agreements with the present value or discounted cash flows of payments throughout the lease term whereby the discount rate shall be considered appropriate in situation and to the entity. However, there is exception for short-term lease agreement (not exceeding 12-month period) or lease agreement for the underlying low-value asset whereby payments under the lease are able to be accounted for as expense. Right-of-use asset shall be depreciated by straight-line method over the lease term. Deferred interest, presented as deduction to lease liability, is amortized as finance cost over the lease term by the effective interest rate method. Each installment payment under the lease liability shall be separated into parts of principal and interest.

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

TFRS 16 affects the Group to recognize right-of-use assets (non-current asset) and lease liabilities (non-current liability) on the leases of building space whereby the remaining lease terms as at December 31, 2019 are between 7 months and 10 years 4 months. The balances of non-current asset and non-current liability in consolidated and separate statements of financial position as at December 31, 2019 increased from those previously reported of approximately Baht 125.7 million and Baht 106.2 million, respectively, whereas the effect to consolidated and separate statements of comprehensive income is immaterial. In addition, the Company reclassified balances in consolidated and separate statements of financial position as at January 1, 2020 of (1) prepaid rental charges under other current assets of approximately Baht 8.1 million and 4.6 million, respectively, and (2) rental guarantees under other non-current assets of approximately Baht 12.1 million and 8.6 million, respectively, to be a part of cost of the right-of-use assets.

The weighted average incremental borrowing rates that are used in determining the discounted cash flows by the Group is between 2.27% and 2.83% p.a. whereby the group has used practical expedients permitted by such standard to apply a single discount rate to a portfolio of leases with reasonably similar characteristics. In addition, no restatement on the figures of comparative information of previous periods has been made because the Group exercised the option of modified retrospective adjustment by recognizing the cumulative effect from the first-time adoption of TFRS 16 at the date of initial application (January 1, 2020).

Reconciling information of lease liabilities as at December 31, 2019 (or January 1, 2020)

	In Million Baht	
	Consolidated	The Company Only
Commitments on leases disclosed as at January 1, 2020	99.9	79.3
Less effect from service agreements related to lease agreements	(25.4)	(23.0)
Add consideration on renewal option of lease agreement	62.6	59.5
Less deferred interest	(11.4)	(9.6)
Lease liabilities as at January 1, 2020	125.7	106.2

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

TFAC issued several Notifications which were announced in the Royal Gazette during 2020 regarding the revision of TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period starting on or after January 1, 2021 whereby the Group had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Such revised TAS and TFRS as well as TSIC and TFRIC are as follows:

- TFRSs that are revised with reference to the revision of the Conceptual Framework for Financial Reporting i.e. TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22, TSIC 32. Revision of the Conceptual Framework for Financial Reporting comprised of the updated definitions of assets and liabilities, the updated basis of inclusion of assets and liabilities in the financial statements as well as the newly added principles and guidance as follows:
 - Measurement that includes factors for considering the measurement basis;
 - Presentation and disclosures of information that includes when the reclassification of revenues and expenses in other comprehensive income is required;
 - The reporting entities;
 - When the assets and liabilities shall be derecognized from the financial statements.

The Conceptual Framework also clearly explains more about the role of management's ability in overseeing the entity's economic resources, prudence and uncertainty in measurements for financial reporting.

- TFRS that is revised attributable to the revision of definition of business i.e. TFRS 3 whereby the revision is aimed for helping the entity to determine whether the transaction shall be accounted for as "business combination" or "acquisition of assets".
- TFRSs that are revised attributable to the revision of definition of materiality i.e. TAS 1, TAS 8, TAS 10, TAS 34, TAS 37 whereby the revision is aimed for more understanding in the definition of materiality.
- TFRSs that are revised attributable to the revision for IBOR reformation i.e. TFRS 7, TFRS 9 whereby the revision relates to change in certain provisions of hedge accounting in order to relief the impacts from uncertainties caused by IBOR reformation, e.g. Interbank offer rates - IBOR. In addition, the revision requires the entity to disclose additional information to the investors about the relationships of hedging activities that are directly affected by such uncertainties.

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

During the year ended December 31, 2020, a subsidiary in Cambodia was examined and assessed for value-added tax pertaining to the period January 2018 to May 2020 whereby the result of the examination concluding that such subsidiary incompletely submitted the value-added tax as required under the applicable law. Such matter was caused by misinterpretation of the substance relating to loan agreements with customers whereby the subsidiary's interpretation was not in line with that of the related government agency and resulted that such subsidiary was assessed for the prior period value-added tax as well as penalty and surcharge. The assessed amounts pertaining to each relevant accounting period was immaterial to the consolidated financial performances for the year ended December 31, 2019. However, for the sole purpose of clear comparability of information in the consolidated financial information of each prior year with current year, the effect for the year ended December 31, 2019 were virtually treat like the misinterpretation did not occur and also taken to revise the comparative corresponding figures in consolidated financial information of prior year which is summarized below:

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Related Effect	Consolidated Financial Statements (In Thousand Baht)		
	Previously Reported Balance	Revision - Increase (Decrease)	Revised Balance
<u>Consolidated statements of financial position</u>			
Beginning unappropriated retained earnings as at January 1, 2019	3,546,123	(15,362)	3,530,761
Ending unappropriated retained earnings as at December 31, 2019	3,825,603	(38,781)	3,786,822
Accrued expenses and other current liabilities as at December 31, 2019	86,652	38,781	125,433
 Consolidated Financial Statements (In Thousand Baht)			
Related Effect	Previously Reported Balance	Revision - Increase (Decrease)	Revised Balance
<u>Consolidated statement of comprehensive income for the year 2019</u>			
Administrative expenses	1,861,774	23,419	1,885,193
Profit for the year	509,788	(23,419)	486,369
Total comprehensive income for the year	470,852	(23,419)	447,433
Profit for the year attributable to the parent	504,480	(23,419)	481,061
Total comprehensive income for the year attributable to the parent	465,544	(23,419)	442,125
Basic earnings per share (Baht)	1.009	(0.047)	0.962

The related value-added tax as well as penalty and surcharge for the year 2020 (January to May) amounted to approximately Baht 10.2 million which was presented as part of “Administrative expenses” in the consolidated statement of comprehensive income whereas the outstanding balance of related liability (after partial payments) as at December 31, 2020 amounted to approximately Baht 36.1 million which was presented as part of "Accrued expenses and other current financial liabilities" in the consolidated statement of financial position.

The Group disclosed information for the year ended December 31, 2019 for being the comparative information in the financial statements for the year ended December 31, 2020 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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

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.

Foreign entity

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

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.

Hire-purchase Receivables, Loan Receivables, Nano Finance Receivables and Microfinance Receivables and Allowance for Impairment for Expected Credit Loss (2020) / Allowance for Doubtful Accounts (2019)

Hire-purchase receivables, loan receivables, nano finance receivables and microfinance receivables are stated at net realizable value which resulted from carrying book value less unearned interest income and allowance for impairment for expected credit loss (2020) / allowance for doubtful accounts (2019). The Group provides allowance for impairment for expected credit loss in accordance with the policies discussed in the section of financial instruments. Bad debts are written off when incurred.

Before 2020, 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.

Before 2020, 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, before 2020 the Group adopts the principle of conservatism and, therefore, provides the additional general allowance for doubtful accounts 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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Other Trade Receivables and Allowance for Impairment for Expected Credit Loss (2020) / Allowance for Doubtful Accounts (2019)

Other trade receivables are stated at their invoice values less expected credit loss (2020) / allowance for doubtful accounts (2019) (if any)

The Group provides allowance for impairment for expected credit loss in accordance with the policies discussed in the section of financial instruments.

Before 2020, 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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Leased assets under finance lease

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 to profit or loss.

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.

Right-of-use Asset

The Group measures right-of-use asset at cost less accumulated depreciation and allowance for impairment (if any) with adjustment pertaining to re-measurement of lease liabilities (if any).

At the commencement date, cost of the right-of-use asset comprised (1) the amount of initial measurement of lease liability, (2) lease payments made at or before the commencement date, less any lease incentives received, (3) initial direct costs incurred by the lessee (if any) and (4) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (if any and being material).

Depreciation is charged as expense in profit or loss and calculated by the straight-line method attributable to the related lease terms which are the leases of building space the terms are between 7 months and 10 years 4 months.

Intangible Assets

Leasehold rights

Leasehold rights (balances as at the end of 2020 and 2019 were insignificant) are stated at cost less accumulated amortization and allowance for impairment (if any), which are amortized on a straight-line method over the useful lives which are the lease terms.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

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.

Impairment of Non-Financial 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.

Lease Liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rates (average interest rates on borrowings with similar term and characteristics to the underlying asset) shall be used. The lease payments that are not paid comprised (1) fixed payments (less any lease incentives receivable), (2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (if any), (3) amounts expected to be payable under residual value guarantees (if any), (4) exercise price of a purchase option if it is reasonably certain to exercise that option (if any) and (5) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease (if any).

After the commencement date, the Group measures the lease liability by (1) increasing the carrying amount to reflect interest on the lease liability (if any), (2) reducing the carrying amount to reflect the lease payments made (if any) and (3) re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments (if any). Interest on lease liability and variable lease payments not included in the measurement of the lease liability is charged as expense in profit or loss.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

Lease fees attributable to short-term lease (not exceeding 12 months from commencement date) and lease of low-value asset are charged as expense in profit or loss on the straight-line method over the related lease terms.

Deferred interest, presented as deduction to lease liability, is amortized as finance cost over the lease term by the effective interest rate method. Each installment payment under the lease liability shall be separated into parts of principal and interest.

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 comprise current service cost, part service cost and interest cost, which are recognized as profit or loss whereas actuarial gain/loss on measurement is recognized as other comprehensive income or loss in the statement of comprehensive income.

Provisions

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

Fair Value Measurements

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

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

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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.

Financial Instruments

Recognition and measurement

The Group initially measures financial assets at fair value, plus transaction costs in case of financial assets that are not measured at fair value through profit or loss. 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.

The Group initially measures financial liabilities at fair value net of transaction costs. 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.

Classification and measurement

Assets classified and measured at amortized cost

- Cash and cash equivalents
- Restricted deposits at financial institutions
- Trade and other receivables
- Loans
- Advances and deposits or guarantees that are refundable

Assets classified and measured at fair value through other comprehensive income - none

Assets classified and measured at fair value through profit or loss - none

Liabilities classified and measured at amortized cost

- Bank overdrafts and short-term borrowings from financial institutions
- Lease liabilities, other borrowings and debentures
- Trade and other payables
- Advances received and deposits or guarantees received with payment obligation

Liabilities classified and measured at fair value through profit or loss - none

Impairment

Impairment loss (previously before 2020 was referred to as provision for doubtful account for certain items in the financial statements) from the expected credit loss of financial assets shall be recognized under General approach in the following stages:

- Stage 1 (performing): 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.
- Stage 2 (under-performing): upon significant rise in credit risk and not being at low level, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated based on the same principle to Stage 1.

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- Stage 3 (credit-impaired): upon significant rise in credit risk of financial asset that is considered as credit impaired, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount net of the allowance for impairment.

For trade receivables, contract assets and lease or other similar receivables, the entity is able to adopt Simplified approach by recognizing the full lifetime expected credit loss for financial assets considered as aforesaid. In consideration and measurement of expected credit loss for both General approach and Simplified approach, the historical credit loss shall be combined with the forward looking information pertaining to the assets and significant factors relating to economic environment. The Group has used General approach for such group of assets.

For receivables and loans, the Group categorizes the population by focusing on aging balance information whereby the past records were captured for historical credit loss each of aging balance for a period of approximately 4-5 years to create the business model and determine various variables that are fit to the Group which was conducted in coordination with the contracted independent external advisory company.

Hedge accounting

Hedge accounting is aimed 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. Relationships and related accounting treatment of hedge accounting are divided into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity.

Derivative financial instruments are used to manage fair value risk exposed by change in foreign exchange rates arising from operating activities. Derivatives are not intended to use for trading purpose. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value and then are re-measured at fair value. Gain or loss on re-measurement to fair value is recognized as profit or loss. The Group did not use derivatives in 2020 and 2019.

The fair value of derivatives is the quoted market price at the statement of financial position date, which is the Level 2 inputs of the fair value hierarchy whereby such price is the present value of the quoted derivative price where market approach was used as valuation technique and core information used in evaluation was the adjusted exchange rates in market to fit for the issued instrument which was computed by bank who was the counterparty.

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).

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Interest income from loan receivables, nano finance receivables and microfinance receivables 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 on operating lease is recognized over time on a straight-line basis over the lease term.

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.

The following revenues are considered about risk and high uncertainty and, therefore, are recognized upon cash collection i.e. bad debt recovery in cash, collection fee income, delay payment fee income.

Other income is recognized on an accrual basis.

Expense Recognition

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.

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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.

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 impairment (2020) and allowance for doubtful accounts (2019) of trade and other receivables
- Allowance for losses on diminution in value of merchandises and asset foreclosed
- Useful lives and residual values of building and equipment, right-of-use assets, property for lease and intangible assets
- Consideration of renewal lease agreement option and discount rates of lease liabilities
- 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 other financial instruments.

About the pandemic of Coronavirus Disease 2019 (COVID-19), the Group's management has after the situation and continuously assessed the impacts from such matter. However, the COVID-19 situation is highly uncertain and may affect, whether directly or indirectly, to the environment of business operations of the Group as well as estimates and judgements used for assessing values of assets, liabilities or provisions and contingent liabilities in the financial statements that are changeable depending on the assessment of COVID-19 situation in each period done by the Group's management.

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 and motorcycle business	Subsidiary
TK Ngern Tan Jai Co., Ltd.	Nano finance business	Subsidiary

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Company / Person Name	Type of Business	Type of Relationship
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)

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

Type of Transaction	Pricing Policies
Interest income on hire purchase	Market price
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
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
Interest expense under lease liabilities	2.59% and 2.83% per annum
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 office equipment	Mutually agreed prices
Sales of asset foreclosed (forfeited vehicles)	Mutually agreed prices

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Significant transactions with related parties for the years ended December 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Interest income on hire purchase				
Related company	97	-	-	-
Management fee income				
Subsidiary	-	-	31,878	15,053
Sales promotion income				
Related companies	126	344	-	-
Rental income				
Related company	432	72	-	-
Interest income				
Subsidiaries	-	-	30,773	32,542
Other income				
Subsidiaries	-	-	19	58
Rental and services				
Subsidiary	-	-	864	864
Related companies	13,447	33,651	13,447	33,651
Related person	-	900	-	900
Total	13,447	34,551	14,311	35,415
Amortization right-of-use assets				
Related companies	18,557	-	18,557	-
Related person	1,683	-	1,683	-
Total	20,240	-	20,240	-
Interest expense under lease liabilities				
Related companies	2,626	-	2,626	-
Related person	182	-	182	-
Total	2,808	-	2,808	-
Management fee				
Related companies	8,100	10,200	6,660	8,400
Utility expenses				
Related companies	3,170	3,585	3,170	3,585
Stationery expense				
Related companies	6,005	9,759	5,943	9,638
Other expenses				
Related companies	8,744	14,150	7,055	11,503
Service expenses				
Subsidiaries	-	-	128,808	135,828
Related companies	25,801	26,707	24,556	25,242
Total	25,801	26,707	153,364	161,070
Interest expense				
Subsidiaries	-	-	17,405	19,630
Directors	2,569	2,685	-	-
Total	2,569	2,685	17,405	19,630
Key management's remunerations				
Short-term benefits	33,157	41,314	33,157	41,314
Post-employment benefits	986	2,060	986	2,060
Total	34,143	43,374	34,143	43,374

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	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Purchase of vehicles for hire-purchases				
Related companies	67,433	133,862	-	-
Purchase of vehicles for use				
Related companies	-	3,047	-	3,047
Purchase of office equipment				
Related companies	819	3,133	819	3,133
Purchase of program				
Related companies	770	4,091	-	4,091
Sales of office equipment				
Subsidiaries	-	-	385	571
Sales of asset foreclosed (forfeited vehicles)				
Related company	467	579	-	-

Significant outstanding balances with related parties as at December 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Hire-purchase contract receivable - net				
Related company	1,481	-	-	-
Receivables and short-term loans				
Accrued interest				
Subsidiary	-	-	305	761
Advances				
Subsidiaries	-	-	4,988	5,349
Short-term loans				
Subsidiaries (interest rate at 2.875% - 3.875%, 6% and 9% p.a. in 2020 and 3.875%, 4.125%, 6% and 9% p.a. in 2019)	-	-	449,420	611,949
Total	-	-	454,713	618,059
Right-of-use assets - net				
Related companies	62,628	-	62,628	-
Related person	4,209	-	4,209	-
Total	66,837	-	66,837	-
Payables and short-term loans				
Accrued interest expenses				
Subsidiary	-	-	1,428	1,694
Accrued expenses				
Subsidiaries	-	-	11,261	12,245
Related companies	1,117	2,368	835	2,072
Total	1,117	2,368	12,096	14,317

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	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Payables on purchase of fixed assets				
Related company	273	-	273	-
Short-term loans				
Subsidiaries (interest rate at 2.875% - 3.875% p.a. in 2020 and 3.875% and 4.125% p.a. in 2019)	-	-	590,190	519,190
Directors (interest rate at 6% p.a.)	36,000	45,960	-	-
Total	36,000	45,960	590,190	519,190
Total	37,390	48,328	603,987	535,201
Lease liabilities - net				
Related companies	41,401	-	41,401	-
Related person	2,700	-	2,700	-
Total	44,101	-	44,101	-

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

	Consolidated (In Thousand Baht)			
	December 31, 2019	Increase	Decrease	December 31, 2020
Short-term loans from related persons				
Directors	45,960	-	9,960	36,000
	The Company Only (In Thousand Baht)			
	December 31, 2019	Increase	Decrease	December 31, 2020
Short-term loans to subsidiaries				
Suosdey Finance PLC.	157,181	-	-	157,181
Sabaidee Leasing Co., Ltd.	184,529	-	40,529	144,000
Chayapak Co., Ltd.	243,000	42,000	164,000	121,000
Mingalaba Thitikorn Microfinance Co., Ltd.	27,239	-	-	27,239
Total	611,949	42,000	204,529	449,420
Short-term loans from subsidiary				
C.V.A. Co., Ltd.	519,190	140,000	69,000	590,190

The Company has been guarantor for (1) short-term loan credit facilities granted by two local banks of Suosdey Finance PLC. amounting to USD 8 million (drawdown of approximately USD 3.3 million as at December 31, 2020) and long-term loan credit facilities granted by other three banks in Cambodia of such subsidiary totalling USD 34.3 million (drawdown of approximately USD 25.8 million as at December 31, 2020) and (2) short-term loan credit facility granted by a local bank of Sabaidee Leasing Co., Ltd., amounting to Kip 17,000 million (pertaining to percentage of shareholding) (fully drawdown as at December 31, 2020) and long-term loan credit facility granted by a bank in Lao PDR of such subsidiary amounting to Kip 8,000 million (pertaining to percentage of shareholding) (drawdown amounting to KIP 1,600 million as at December 31, 2020). There has been no intercompany charge on these guarantees.

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5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Cash	15,893	24,290	12,202	21,032
Current accounts (no interest)	262,301	97,863	39,488	44,854
Savings deposits at banks (interest at 0.05% - 0.625% p.a. in 2020 and 2019)	1,434,946	649,054	1,379,823	530,025
Fixed deposits at banks (bear interest at 0.40% - 1.50% p.a. in 2020 and 2019)	500,000	250,005	500,000	250,000
Total	2,213,140	1,021,212	1,931,513	845,911

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

Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	2020			2019		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	6,294,782	4,077,800	2,216,982	10,579,309	6,352,575	4,226,734
Accrued interest	68,363	68,363	-	111,049	111,049	-
Less Unearned income	(1,575,736)	(1,135,299)	(440,437)	(2,865,325)	(2,014,895)	(850,430)
Net	4,787,409	3,010,864	1,776,545	7,825,033	4,448,729	3,376,304
Less Allowance for impairment for expected credit loss	(518,821)	(365,539)	(153,282)	(574,417)	(358,849)	(215,568)
Net	4,268,588	2,645,325	1,623,263	7,250,616	4,089,880	3,160,736

	The Company Only (In Thousand Baht)					
	2020			2019		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	4,543,392	2,923,163	1,620,229	8,411,018	4,959,355	3,451,663
Accrued interest	48,792	48,792	-	93,989	93,989	-
Less Unearned income	(1,191,670)	(837,735)	(353,935)	(2,369,101)	(1,636,978)	(732,123)
Net	3,400,514	2,134,220	1,266,294	6,135,906	3,416,366	2,719,540
Less Allowance for impairment for expected credit loss	(458,723)	(320,604)	(138,119)	(506,983)	(306,864)	(200,119)
Net	2,941,791	1,813,616	1,128,175	5,628,923	3,109,502	2,519,421

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Hire-purchase contract receivables as at December 31, 2020 (major contract terms are 1 - 5 years) were classified by staging as discussed in the significant accounting policies as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Performing receivables	3,592,232	2,351,934
Under-performing receivables	758,239	694,741
Credit-impaired receivables	436,938	353,839
Total	4,787,409	3,400,514
Less Allowance for impairment for expected credit loss	(518,821)	(458,723)
Net	4,268,588	2,941,791

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

	In Thousand Baht	
	Consolidated	The Company Only
Current	4,904,188	3,551,142
Overdue 1 month	1,238,782	1,033,143
Overdue 2 - 3 months	1,319,063	1,250,975
Overdue 4 - 6 months	330,801	298,361
Overdue 7 - 12 months	30,922	1,583
Overdue longer than 12 months	1,277	702
Total	7,825,033	6,135,906
Less Allowance for impairment for expected credit loss	(574,417)	(506,983)
Net	7,250,616	5,628,923

The Group determines allowance for impairment for expected credit loss of hire-purchase contract receivables and loan receivables as at December 31, 2020, in accordance with the principle of TFRS 9 “Financial Instruments” as discussed in the significant accounting policies. Such principle 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, which are motorcycles and automobiles, from debtors. As at December 31, 2020, the Group had allowance for impairment for expected credit loss at 10.84% (13.49% for the Company only) of total hire-purchase contract receivables before deducting allowance for impairment for expected credit loss and 12.51% (13.19% for the Company only) of total loan contract receivables before deducting allowance for impairment for expected credit loss.

Loan Receivables

	Consolidated (In Thousand Baht)					
	2020			2019		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	347,098	281,313	65,785	331,980	251,854	80,126
Less Unearned income	(6,823)	(5,036)	(1,787)	(9,932)	(7,907)	(2,025)
Net	340,275	276,277	63,998	322,048	243,947	78,101
Less Allowance for impairment for expected credit loss	(42,561)	(38,669)	(3,892)	(135,081)	(103,045)	(32,036)
Net	297,714	237,608	60,106	186,967	140,902	46,065

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	The Company Only (In Thousand Baht)					
	2020			2019		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	323,672	270,820	52,852	310,797	242,564	68,233
Less Unearned income	(3,169)	(3,074)	(95)	(6,370)	(6,013)	(357)
Net	320,503	267,746	52,757	304,427	236,551	67,876
Less Allowance for impairment for expected credit loss	(42,259)	(38,401)	(3,858)	(134,920)	(102,938)	(31,982)
Net	278,244	229,345	48,899	169,507	133,613	35,894

Loan receivables as at December 31, 2020 were classified by staging as discussed in the significant accounting policies as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Performing receivables	251,130	233,330
Under-performing receivables	51,303	50,213
Credit-impaired receivables	37,842	36,960
Total	340,275	320,503
Less Allowance for impairment for expected credit loss	(42,561)	(42,259)
Net	297,714	278,244

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

	In Thousand Baht	
	Consolidated	The Company Only
Current	244,459	230,313
Overdue 1 month	38,475	36,296
Overdue 2 - 3 months	35,487	35,016
Overdue 4 - 6 months	3,082	2,701
Overdue 7 - 12 months	535	92
Overdue longer than 12 months	10	9
Total	322,048	304,427
Less Allowance for impairment for expected credit loss	(135,081)	(134,920)
Net	186,967	169,507

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 and continuant with the hire-purchase contract receivables.

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Allowance for impairment for expected credit loss of loan receivables as at December 31, 2020 significantly decreased from 2019 because the Company transferred hire-purchase contract receivables, pertaining to the extended installment period by entering into new loan agreements, to loan receivables totalling approximately to Baht 147.0 million in 2019 whereby the Company had provided allowance for doubtful accounts based on management's estimates at the rate 50% of the former overdue balances of hire-purchase contract receivables whereby payment history in 2020 of receivables has turned back to almost normal and resulted in the improvement of status of receivables as well as positive result in consideration and measurement of expected credit loss in accordance with the principle of TFRS 9 "Financial Instruments" as discussed in the significant accounting policies.

Nano Finance Receivables

	Consolidated (In Thousand Baht)					
	2020			2019		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	30,983	21,058	9,925	680	680	-
Less Unearned income	(6,854)	(5,580)	(1,274)	(53)	(53)	-
Net	24,129	15,478	8,651	627	627	-
Less Allowance for impairment for expected credit loss	(270)	(183)	(87)	(61)	(61)	-
Net	23,859	15,295	8,564	566	566	-

Nano finance receivables as at December 31, 2020 were classified by staging as discussed in the significant accounting policies as follows:

	Consolidated (In Thousand Baht)
Performing receivables	24,076
Under-performing receivables	15
Credit-impaired receivables	38
Total	24,129
Less Allowance for impairment for expected credit loss	(270)
Net	23,859

Nano finance receivables as at December 31, 2019 were aged by outstanding installment payments of each contract as follows:

	Consolidated (In Thousand Baht)
Current	343
Overdue 1 month	63
Overdue 2 - 3 months	198
Overdue 4 - 6 months	23
Total	627
Less Allowance for impairment for expected credit loss	(61)
Net	566

The abovementioned receivables are receivables under loan agreements with terms between 1-3 years.

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Microfinance Receivables

	Consolidated (In Thousand Baht)					
	2020			2019		
	Total	Current	Long-term	Total	Current	Long-term
Microfinance receivables	1,319	1,319	-	514	514	-
Less Unearned income	(149)	(149)	-	(64)	(64)	-
Net	1,170	1,170	-	450	450	-
Less Allowance for impairment for expected credit loss	(48)	(48)	-	(9)	(9)	-
Net	1,122	1,122	-	441	441	-

Microfinance receivables as at December 31, 2020 were classified by staging as discussed in the significant accounting policies as follows:

	Consolidated (In Thousand Baht)
Performing receivables	974
Under-performing receivables	196
Total	1,170
Less Allowance for impairment for expected credit loss	(48)
Net	1,122

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

	Consolidated (In Thousand Baht)
Current	450
Less Allowance for impairment for expected credit loss	(9)
Net	441

The abovementioned receivables are receivables under loan agreements with terms not exceeding one year.

During 2020, the Company and its subsidiaries in Thailand, Lao PDR and Cambodia, whose business are engaged in providing credit to retail customers, have launched and applied several measures with respect to the governmental aim of each country in order to relief the impacts on receivables from pandemic situation of the COVID-19 by rendering assistance and compromising on payments of principal and interest to certain hire-purchase contract receivables, loan receivables and nano finance receivables, whose status of balance is in line with frame of the policy specified by the Company and its subsidiaries. The aforesaid measures are deferral of installment payment (principal and interest) for three months, reduction in installment payment to the specified minimum amounts and giving special discount in addition to normal rate for customers who prefer to early settle the account balance.

7. OTHER TRADE RECEIVABLE

Other trade receivables aged by outstanding balances as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Current	25,865	55,468	25,163	54,558

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8. ASSET FORECLOSED - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Balance not exceeding one year	81,379	247,954	80,891	247,954
Balance exceeding one year	4,479	8,041	4,479	8,041
Total	85,858	255,995	85,370	255,995
Less Allowance for diminution in value	(28,892)	(82,427)	(28,746)	(82,427)
Net	56,966	173,568	56,624	173,568

9. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2020 and 2019, 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. Such deposits bear interest between 0.25% - 1.00% p.a.

As at December 31, 2020 and 2019, two foreign subsidiaries have collateralized their deposits totalling approximately Baht 9.3 million and Baht 8.6 million, respectively, with the National Bank of each country as guarantees for establishment and doing business in each country. Such deposits bear interest between 0.25% - 1.00% p.a.

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)	
	2020	2019	2020	2019	2020	2019
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)	58,013	41,061	73.77*	60.98*	42,001	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					322,787	305,835

* Total percentage of direct and indirect shareholding through its two wholly-owned (99.99%) subsidiaries is 86.89% in 2020 and 80.50% in 2019.

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 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 October 27, 2020. As a result from this increase in share capital that was entirely invested by the Company, the percentage of shareholding of the Company in such subsidiary increased from 80.50% to 86.89%.

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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 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, 2020.

At the general shareholders' meeting on April 23, 2020, the shareholders passed the resolution to approve the acquisition of a private company, whose business is engaged in microfinance in Myanmar, whereby the Company's management has been during the process to consider for the appropriate value for the acquisition.

11. LONG-TERM LOANS TO OTHER PARTIES

	Consolidated and The Company Only (In Thousand Baht)	
	2020	2019
Long-term loans to other parties	25,752	47,350
Less Current portion	-	-
Net	<u>25,752</u>	<u>47,350</u>

This account represents the unsecured loans to 28 agents in 2020 and 49 agents in 2019. These loans bear interest rate at 9% p.a. in 2020 and 2019 and mature during the years 2022 to 2023.

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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, 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
Acquisitions	-	-	861	7,517	-	-	10,881	19,259
Disposals	-	-	(40)	(3,760)	(1,512)	-	-	(5,312)
Transfers in (out)	-	-	13,823	1,986	-	-	(15,809)	-
Balance as at December 31, 2020	12,617	24,221	362,598	161,755	118,800	11,216	-	691,207
Accumulated depreciation								
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
Depreciation for the year	-	19	17,583	13,552	9,594	827	-	41,575
Accumulated depreciation for assets disposed	-	-	(39)	(3,351)	(1,474)	-	-	(4,864)
Balance as at December 31, 2020	-	24,183	294,512	132,648	99,191	8,778	-	559,312
Net book value								
December 31, 2019	12,617	57	70,986	33,565	29,241	3,265	4,928	154,659
December 31, 2020	12,617	38	68,086	29,107	19,609	2,438	-	131,895

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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, 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
Acquisitions	-	-	1,799	8,338	-	10,881	21,018
Disposals	-	-	(40)	(3,760)	(1,464)	-	(5,264)
Transfers in (out)	-	-	15,795	15	-	(15,810)	-
Balance as at December 31, 2020	7,802	15,291	345,572	145,635	95,605	-	609,905
Accumulated depreciation							
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
Depreciation for the year	-	-	22,803	10,547	7,081	-	40,431
Accumulated depreciation for assets disposed	-	-	(39)	(3,351)	(1,465)	-	(4,855)
Balance as at December 31, 2020	-	15,291	290,144	121,001	83,828	-	510,264
Net book value							
December 31, 2019	7,802	-	60,638	27,237	18,857	4,929	119,463
December 31, 2020	7,802	-	55,428	24,634	11,777	-	99,641

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As at December 31, 2020 and 2019, cost of building and equipment of the Group that has been fully depreciated but still in use amounting to approximately Baht 443.4 million and Baht 378.0 million, respectively (Baht 411.3 million and Baht 355.5 million, respectively, for the Company only).

13. RIGHT-OF-USE ASSETS - NET

	Leased Building Space (In Thousand Baht)	
	Consolidated	The Company Only
Cost		
Balance as at December 31, 2019	-	-
Additions	147,113	120,622
Deductions	(390)	(390)
Balance as at December 31, 2020	146,723	120,232
Accumulated depreciation		
Balance as at December 31, 2019	-	-
Depreciation for the year	45,908	39,236
Accumulated depreciation for assets deducted	(333)	(333)
Balance as at December 31, 2020	45,575	38,903
Net book value		
December 31, 2019	-	-
December 31, 2020	101,148	81,329

14. INTANGIBLE ASSETS - NET

	Consolidated (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
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
Acquisitions	-	1,057	1,057
Balance as at December 31, 2020	9,815	69,190	79,005
Accumulated amortization			
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
Amortization for the year	200	4,198	4,398
Balance as at December 31, 2020	9,656	63,463	73,119
Net book value			
December 31, 2019	359	8,868	9,227
December 31, 2020	159	5,727	5,886

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	The Company Only (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
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
Acquisitions	-	-	-
Balance as at December 31, 2020	7,794	65,052	72,846
Accumulated amortization			
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
Amortization for the year	200	2,527	2,727
Balance as at December 31, 2020	7,634	60,858	68,492
Net book value			
December 31, 2019	360	6,721	7,081
December 31, 2020	160	4,194	4,354

As at December 31, 2020 and 2019, cost of intangible assets of the Group that has been fully amortized but still in use amounting to approximately Baht 62.4 million and Baht 59.1 million, respectively (Baht 62.2 million and Baht 56.5 million, respectively, for the Company only).

15. PROPERTY FOR LEASE AND ASSETS NOT USED IN OPERATIONS

A local 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, 2019	Movements during the Year		
		Addition	Deduction	Transfer
Cost				
Land	12,800	-	-	-
Buildings and building improvements	8,075	-	-	-
Total cost	20,875	-	-	-
Accumulated depreciation				
Buildings and building improvements	2,762	405	-	-
Net	18,113			

Depreciation for each of the years ended December 31, 2020 and 2019 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 December 2020, amounted to approximately Baht 39.4 million.

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Assets not used in operations consists of land and commercial buildings of the Company and the aforesaid local subsidiary which have been temporarily not used in operations as at December 31, 2020 and 2019, 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).

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

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Bank overdrafts	233	18,841	233	6,879
Short-term loans from banks	154,613	144,347	-	13,952
Total	154,846	163,188	233	20,831

As at December 31, 2020 and 2019, the Group had credit facilities with several financial institutions as follows:

	2020	2019
Bank overdrafts (million Baht)	188.00	188.00
Short-term loans (million Baht)	2,145.00	2,145.00
Short-term loans (million USD)	8.12	8.58
Short-term loans (million KIP)	17,000.00	17,000.00

Such loans bear interest rates ranging between 3.05% - 5.95% p.a. in 2020 and 4.64% - 6.30% p.a. in 2019. 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.

17. LONG -TERM LOANS - NET

	Consolidated (In Thousand Baht)	
	2020	2019
Long-term loans of a foreign subsidiary	250,069	314,310
Less Current portion	(196,297)	(239,475)
Net	53,772	74,835

As at December 31, 2020 and 2019, (1) the subsidiary in Cambodia had the balance of long-term loans with three and two foreign banks amounting to U.S. Dollar 8.303 million and U.S. Dollar 10.250 million, respectively. (credit facilities totalling U.S. Dollar 31 million as at the end of 2020), which is guaranteed in full amount by the Company. These loans bear interest at LIBOR plus 2.5% and 4% p.a. and interest is payable quarterly whereas loan principals are repayable during 2021 to 2022 and (2) the subsidiary in Lao PDR had the balance of long-term loan with a foreign bank amounting to KIP 200 million and KIP 1,000 million, respectively, under credit facilities amounting to KIP 8,000 million, which is guaranteed in pertaining to percentage of shareholding by the Company. This loan bear interest at LIBOR plus 4% p.a. and interest is payable quarterly whereas loan principals are repayable in 2021.

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18. LEASE LIABILITIES

	2020 (In Thousand Baht)	
	Consolidated	The Company Only
Lease liabilities		
- Due for payments within one year	41,224	35,176
- Due for payments within 2 - 5 years	47,967	38,387
Total	89,191	73,563
<u>Less</u> deferred interest	(5,961)	(4,775)
Lease liabilities - net of deferred interest	83,230	68,788
<u>Less</u> current portion	(37,724)	(32,303)
Net	45,506	36,485

During 2020, the Group's decrease in lease liabilities represented payments for lease fees in the consolidated financial statements amounting to approximately Baht 46.7 million and in the separate financial statements amounting to approximately Baht 40.8 million.

The Group had lease fees for short-term leases in the consolidated financial statements amounting to approximately Baht 4.0 million and in the separate financial statements amounting to approximately Baht 0.9 million, which was presented as part of "Administrative expenses" in the statements of comprehensive income for the year 2020.

Amortized interest in the consolidated financial statements amounting to approximately Baht 5.8 million and in the separate financial statements amounting to approximately Baht 4.9 million, was presented as part of "Finance costs" in the statements of comprehensive income for the year 2020.

19. 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	
				2020	2019
February 28, 2017 / 2020	Semi-annually	2.83	1,000,000	-	1,000,000
August 18, 2017 / 2020	Semi-annually	2.56	800,000	-	800,000
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
July 19, 2019 / 2022	Semi-annually	2.70	400,000	400,000	400,000
Total				1,070,000	2,870,000
Less Current portion				(670,000)	(1,800,000)
Net				400,000	1,070,000

As at December 31, 2020 and 2019, the total amount for issuance and offering of the Company's debentures was 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.

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20. LIABILITY FOR POST-EMPLOYMENT BENEFITS

The Group has obligations on post-employment benefits which were reassessed and recomputed by the qualified actuary during 2020. Movements of liability for post-employment benefits for the years ended December 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Liability for post-employment benefits as at January 1	36,625	31,666	30,919	26,149
Current service cost	2,933	2,303	2,543	1,974
Past service cost	-	9,088	-	7,666
Interest cost	674	1,121	571	947
Actuarial loss on measurement	5,312	-	4,566	-
Expense recognized in statement of comprehensive income	8,919	12,512	7,680	10,587
Employee benefits paid during the year	(13,653)	(7,553)	(12,518)	(5,817)
Liability for post-employment benefits as at December 31	31,891	36,625	26,081	30,919

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

- Discount rate 1.50% and 2.10% p.a. (2.71% p.a. as at December 31, 2019)
- Salary escalation rate 5.90% and 6.74% p.a. (5.66% p.a. as at December 31, 2019)
- Employee turnover rate 0% - 67% and 0% - 22% p.a. (0% - 22% p.a. as at December 31, 2019)

The abovementioned actuarial loss on measurement in the 2020 consolidated financial statements comprised of (1) loss from changes in financial assumptions amounting to approximately Baht 3,707 thousand, (2) loss from experience adjustment amounting to approximately Baht 2,589 thousand, and (3) gain from changes in demographic assumptions amounting to approximately Baht 984 thousand.

The abovementioned actuarial loss on measurement in the 2020 separate financial statements comprised of (1) loss from changes in financial assumptions amounting to approximately Baht 3,307 thousand, (2) loss from experience adjustment amounting to approximately Baht 2,159 thousand, and (3) gain from changes in demographic assumptions amounting to approximately Baht 900 thousand.

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

Significant Assumptions	Liability May Increase (Decrease) from Changes in Significant Assumptions (In Thousand Baht)			
	If Assumption Increased		If Assumption Decreased	
	Consolidated	The Company Only	Consolidated	The Company Only
Discount rate (increase/decrease by 0.5%)	(1,210)	(1,089)	1,286	1,157
Salary escalation rate (increase/decrease by 0.5%)	1,339	1,201	(1,272)	(1,141)
Employee turnover rate (increase/decrease by 1%)	(3,149)	(2,830)	3,532	3,207

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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 2019.

21. 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.

22. OTHER INCOME

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Bad debt recovery	240,576	259,767	237,861	258,542
Collection fee income	96,989	147,432	95,691	146,168
Service income	87,132	149,749	84,749	146,377
Delay payment fee income	39,660	62,652	32,780	61,339
Service charge income	25,455	36,135	25,118	35,909
Engagement fee income	12,809	38,169	12,767	38,047
Interest income	9,320	9,091	39,883	40,968
Management fee income	-	-	31,878	15,053
Others	29,181	28,120	24,870	23,225
Total	541,122	731,115	585,597	765,628

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23. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Bad debt and loss on impairment of trade receivables	639,724	1,093,853	531,149	1,040,585
Employee expenses	613,972	749,152	512,540	640,718
Vehicle modification and gain/loss on sales of repossessed vehicle	238,401	450,584	240,395	469,220
Sales promotion	139,110	239,578	124,423	236,746
Depreciation and amortization	92,286	54,061	82,394	45,214
Finance costs	73,309	125,318	66,713	117,935
Connected system service fees	28,163	29,430	25,494	26,111
Debt collection fees	-	-	108,664	85,172
Decrease in allowance for diminution in value of asset foreclosed	(53,535)	(5,987)	(53,681)	(5,987)

24. 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, 2020 and 2019 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Income tax computed from accounting profit	94,679	126,414	56,097	67,802
Effects from non-deductible expenses	32,593	20,972	10,127	19,112
Effects from benefit of tax loss carryforward	(3,682)	-	-	-
Effects from additional deductible expenses	(51,796)	(8,706)	(51,528)	(3,475)
Current tax on taxable profit	71,794	138,680	14,696	83,439
Income tax from other comprehensive loss	1,062	-	913	-
Decrease (increase) in deferred tax assets	30,937	(15,340)	37,447	(15,240)
Income tax presented in statement of comprehensive income	103,793	123,340	53,056	68,199

As at December 31, 2020, a local subsidiary had tax loss carryforward amounting to approximately Baht 24.0 million whereby such loss carryforward is able to be used during the years 2021 to 2024.

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Deferred tax assets presented in statements of financial positions as at December 31, 2020 and 2019 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Effects from non-deductible items from				
- Allowance for impairment for expected credit loss	108,234	129,932	100,199	128,383
- Allowance for diminution in value of asset foreclosed	5,779	16,485	5,749	16,485
- Liability for post-employment benefits	6,351	7,325	5,216	6,184
- Lease liability - net	2,441	-	2,441	-
Total	122,805	153,742	113,605	151,052

25. PAYMENTS OF DIVIDENDS

At the general shareholders' meeting on April 23, 2020, the shareholders unanimously approved the Company to pay dividends for the 2019 operations at Baht 0.55 per share, totalling Baht 275 million. The Company paid such dividends to the shareholders on May 12, 2020.

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.

26. 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 does not include the operating segment information on products and key customers.

Information on Geographic Operating Segment

	Consolidated (In Thousand Baht)					
	2020			2019		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest income on hire purchase	1,519,311	474,244	1,993,555	2,506,797	459,804	2,966,601
Other income	547,202	7,396	554,598	752,267	275	752,542
Total revenues	2,066,513	481,640	2,548,153	3,259,064	460,079	3,719,143
Total expenses	(1,817,050)	(361,114)	(2,178,164)	(2,974,667)	(258,107)	(3,232,774)
Profit for the year	249,463	120,526	369,989	284,397	201,972	486,369

	Consolidated (In Thousand Baht)					
	2020			2019		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Total assets by segment	5,986,519	1,370,307	7,356,826	7,764,098	1,399,224	9,163,322
Total liabilities by segment	1,435,517	565,027	2,000,544	3,258,804	619,661	3,878,465

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Interest income on hire purchase - abroad

	Consolidated (In Thousand Baht)	
	2020	2019
Cambodia	383,633	358,859
Lao PDR	90,611	100,945
Total	474,244	459,804

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, 2020, the subsidiaries incorporated in Cambodia, Lao PDR and Myanmar had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 23.9 million, Baht 2.1 million and Baht 0.2 million, respectively, were presented in the consolidated statement of financial position as at December 31, 2020 (as at December 31, 2019 : Baht 25.4 million, Baht 3.2 million and Baht 0.2 million, respectively).

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

	Consolidated (In Thousand Baht)	
	2020	2019
At a point in time	262,026	434,137
Over time	-	-

Other income between segments, classified by geographic segment (charged from domestic segment to abroad segment), before elimination in the preparation of the consolidated financial statements is as follows:

	In Thousand Baht	
	2020	2019
Management fee income	31,878	15,053
Interest income	24,144	23,218
Total	56,022	38,271

27. FINANCIAL INSTRUMENTS

The Group is exposed to the normal business risks relating to credit risk, interest rate risk, and foreign currency exchange rate 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 2020 and 2019.

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 (loan receivables). Therefore, the management of the Group does not anticipate realization losses for bank deposits and debt collections from receivables in excess of the carrying amounts shown in the accompanying financial statements.

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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, lease liabilities and debentures bear interest at fixed rates which approximate or referenced to market interest rates. Significant information regarding interest rates and due dates were disclosed in the related areas in the accompanying financial statements.

Foreign currency exchange rate risk

The Group has certain foreign currency transactions, which mainly is investment in subsidiaries, whose businesses are operated in abroad, 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 of foreign currency transactions of the Group as compared to the entire business transactions. Hence, no derivative financial instrument was used to mitigate this risk.

Fair value measurements

As at December 31, 2020 and 2019, 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, significant financial assets and liabilities that are not measured and presented at fair value in the statements of financial position as at December 31, 2020 and 2019 had their fair values as follows:

Fair Value - Consolidated (In Million Baht)			
Item in the Financial Statements	2020	2019	Fair Value Hierarchy
Hire-purchase contract receivables	5,173.8	8,603.9	Level 3 inputs
Loan receivables	284.7	270.1	(discounted cash flows
Nano finance receivables	21.4	0.5	using market interest rates
Long-term loans to other parties	26.9	50.2	for the similar credits)
Fair Value - The Company Only (In Million Baht)			
Item in the Financial Statements	2020	2019	Fair Value Hierarchy
Hire-purchase contract receivables	3,724.0	6,830.0	Level 3 inputs
Loan receivables	267.5	254.6	(discounted cash flows
Long-term loans to other parties	26.9	50.2	using market interest rates
			for the similar credits)
Fair Value - Consolidated and the Company Only (In Million Baht)			
Item in the Financial Statements	2020	2019	Fair Value Hierarchy
Debentures	1,074.8	2,884.6	Level 2 inputs
			(the prices announced and
			referenced by the Thai
			Bond Market Association)

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Other than the abovementioned items, the following assumptions were used by the Group in measuring the fair values of financial assets and financial liabilities (Level 2 inputs of the fair value hierarchy).

Cash and cash equivalents, restricted deposits at financial institutions, bank overdrafts, trade receivables and payables, other receivables and payables, loan receivables and payables and lease liabilities 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 fixed rates which approximate market interest rates or referenced to market interest rates.

28. COMMITMENTS ON LONG-TERM SERVICE AGREEMENTS

As at December 31, 2020, the Group had commitments on service agreements in connection with the building space lease agreements for office premises and branches whereby the related service fees are committed to pay as follows:

	Consolidated and The Company Only (In Million Baht)
Due for payments within 1 year	11.1
Due for payments within 2 - 5 years	6.3
Total	17.4

29. 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 2020 and 2019.

As at December 31, 2020 and 2019, the Group's Debt-to-Equity ratio was 0.37:1.00 and 0.73:1.00, respectively (0.46:1.00 and 0.85:1.00 for the Company only, respectively).

30. REGISTERED EMPLOYEES' PROVIDENT FUND

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

The Group's contributions, which were recorded as part of administrative expenses for each of the years ended December 31, 2020 and 2019, amounted to totalling approximately Baht 0.4 million (same amount for the Company only).

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31. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 23, 2021, the Board of Directors approved the Company to pay the dividends for the 2020 operations at Baht 0.42 per share, totalling Baht 210 million, that will be proposed to the shareholders in the upcoming shareholders' meeting to be held in April 2021 with the specified date for dividend payment on May 13, 2021.

32. 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 23, 2021.