

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Financial Statements

For the Year Ended December 31, 2023

and Report of Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and 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, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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, 2023, and the separate statement of comprehensive income, separate statement of changes in shareholders' equity and separate statement of cash flows for the year then ended, and notes to the separate 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, 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with Thai Financial Reporting Standards. Also, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Thitikorn Public Company Limited as at December 31, 2023, and its separate financial performance and its separate 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) 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 the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 Group operates 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 Group 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, 6 and 26 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 information systems relating to calculation of interest income on hire purchase.
- 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 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

Consideration and estimation of 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 Thai Financial Reporting Standards no.9 "Financial Instruments" (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 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 Matter

The comparative consolidated financial statements of Thitikorn Public Company Limited and its subsidiaries and the comparative separate financial statements of Thitikorn Public Company Limited for the year ended December 31, 2022 were audited by another auditor in my office, whose report dated February 21, 2023, expressed an unmodified opinion on those statements.

Other Information

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

My opinion on the 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 information included in the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order 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, 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.

(Ms. Kornthip Wanichwisedkul)
 Certified Public Accountant
 Registration No. 6947

M.R. & ASSOCIATES CO., LTD.
 Bangkok
 February 29, 2024

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023 AND 2022

ASSETS

	Note	In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
CURRENT ASSETS					
Cash and cash equivalents	5	1,314,473	1,326,044	861,518	1,173,921
Trade receivables					
- Current portion of hire-purchase contract receivables - net	4, 6	1,755,101	2,038,542	1,100,137	1,278,101
- Current portion of loan receivables - net	6	48,104	13,293	37	5,968
- Current portion of nano finance receivables - net	6	5,881	14,368	-	-
- Other trade receivables	7	7,009	6,159	6,172	5,816
Receivables from and short-term loans to related parties	4	-	-	297,051	227,635
Current portion of loans to other parties	8	3,507	2,230	3,507	2,230
Merchandises		-	3,805	-	3,805
Asset foreclosed - net	9	64,974	67,512	13,521	57,811
Other current financial assets					
- Fixed deposits at financial institutions	5	865,000	630,000	420,000	630,000
Other current assets		60,863	9,509	34,218	8,179
Total current assets		4,124,912	4,111,462	2,736,161	3,393,466

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, 2023 AND 2022

ASSETS (Continued)

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	10	33,548	33,955	-	-
Hire-purchase contract receivables - net	4, 6	1,788,138	2,082,720	981,199	1,430,559
Loan receivables - net	6	59,489	7,530	-	-
Nano finance receivables - net	6	2,118	2,101	-	-
Investments in subsidiaries accounted for using the cost method - net	1, 11	-	-	321,129	321,129
Loans to other parties	8	25,397	29,053	25,397	29,053
Property for lease - net	12	102,587	16,900	86,090	-
Assets not used in operations	12	14,282	14,282	5,708	5,708
Property, plant and equipment - net	4, 13	65,305	79,443	37,763	50,344
Right-of-use assets - net	4, 14	102,827	108,933	68,763	89,177
Intangible assets - net	4	950	2,020	585	1,396
Deferred tax assets - net	15	75,976	68,528	63,718	58,019
Other non-current assets		9,187	1,417	8,967	1,234
Total non-current assets		2,279,804	2,446,882	1,599,319	1,986,619
TOTAL ASSETS		6,404,716	6,558,344	4,335,480	5,380,085

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, 2023 AND 2022

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Note		2023	2022	2023	2022
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	16	74,240	64,116	416	197
Trade and other payables		75,447	84,923	28,164	49,315
Current portion of long-term borrowings	17	214,508	211,624	-	-
Current portion of lease liabilities	4, 18	41,149	38,845	31,450	31,390
Payables to and short-term borrowings					
from related parties	4	4,030	913	5,975	788,885
Income tax payable		54,478	87,633	-	2,297
Deposits and advances from customers		143,490	158,753	124,252	143,566
Total current liabilities		607,342	646,807	190,257	1,015,650
NON-CURRENT LIABILITIES					
Long-term borrowings	17	116,023	89,770	-	-
Lease liabilities	4, 18	46,022	53,850	26,139	45,723
Liability for post-employment benefits	19	46,466	10,097	43,508	8,379
Total non-current liabilities		208,511	153,717	69,647	54,102
Total liabilities		815,853	800,524	259,904	1,069,752

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, 2023 AND 2022

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
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 common shares	20	972,987	972,987	972,987	972,987
Retained earnings					
- Appropriated for legal reserve	20	50,000	50,000	50,000	50,000
- Unappropriated		4,118,588	4,269,749	2,552,589	2,787,346
Other components of shareholders' equity		(63,403)	(54,604)	-	-
Equity attributable to owners of the parent		5,578,172	5,738,132	4,075,576	4,310,333
Non-controlling interests		10,691	19,688	-	-
Total shareholders' equity		5,588,863	5,757,820	4,075,576	4,310,333
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		6,404,716	6,558,344	4,335,480	5,380,085

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, 2023 AND 2022

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
REVENUES					
Interest income on hire purchase	4	1,204,643	1,457,233	736,720	966,806
Interest income on loan		14,260	2,068	-	54
Interest income on nano finance		3,173	8,559	-	-
Interest income on microfinance		-	11	-	-
Sales of merchandises		36,369	20,587	36,369	20,586
Other income	4, 21	395,485	459,328	310,614	435,854
Total revenues		1,653,930	1,947,786	1,083,703	1,423,300
EXPENSES					
	22				
Cost of sales		31,348	18,049	31,348	18,049
Distribution costs		906	1,543	906	1,544
Administrative expenses	4	822,332	1,070,717	643,627	990,035
Bad debt and loss on impairment of trade receivables	6	590,164	336,874	387,460	254,977
Total expenses		1,444,750	1,427,183	1,063,341	1,264,605
Profit from operating activities		209,180	520,603	20,362	158,695
Finance costs	4	39,683	31,837	11,942	30,512
Profit before income tax		169,497	488,766	8,420	128,183
Tax expense	23	74,143	119,463	2,513	25,783
Profit for the year		95,354	369,303	5,907	102,400

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Other comprehensive loss					
Item that will be reclassified subsequently to profit or loss					
- Currency translation differences of subsidiaries		(21,004)	(18,443)	-	-
Items that will not be reclassified subsequently to profit or loss					
- Actuarial loss on remeasurement of liability for post-employment benefits - net of income tax effect of Baht 8,121 Thousand for consolidated and Baht 7,684 Thousand for Separate	19	(33,383)	-	(30,740)	-
Other comprehensive loss for the year		<u>(54,387)</u>	<u>(18,443)</u>	<u>(30,740)</u>	<u>-</u>
Total comprehensive income (loss) for the year		<u><u>40,967</u></u>	<u><u>350,860</u></u>	<u><u>(24,833)</u></u>	<u><u>102,400</u></u>
Profit for the year attributable to:					
Equity holders of the parent		92,146	367,075	5,907	102,400
Non-controlling interests		<u>3,208</u>	<u>2,228</u>	<u>-</u>	<u>-</u>
		<u><u>95,354</u></u>	<u><u>369,303</u></u>	<u><u>5,907</u></u>	<u><u>102,400</u></u>
Total comprehensive income (loss) for the year attributable to:					
Equity holders of the parent		39,486	348,632	(24,833)	102,400
Non-controlling interests		<u>1,481</u>	<u>2,228</u>	<u>-</u>	<u>-</u>
		<u><u>40,967</u></u>	<u><u>350,860</u></u>	<u><u>(24,833)</u></u>	<u><u>102,400</u></u>
Basic earnings per share (In Baht)		<u><u>0.184</u></u>	<u><u>0.734</u></u>	<u><u>0.012</u></u>	<u><u>0.205</u></u>
Weighted average number of common shares (In Thousand shares)					
		<u><u>500,000</u></u>	<u><u>500,000</u></u>	<u><u>500,000</u></u>	<u><u>500,000</u></u>

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, 2023 AND 2022

Consolidated financial statements (In Thousand Baht)											
			Retained earnings		Other components of shareholders' equity						
		Issued and fully paid-up share capital	Premium on common shares	Appropriated for legal reserve	Unappropriated	Currency translation differences of subsidiaries	Gain on change in proportion of investment in subsidiary	Total other components of shareholders' equity	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
	Note										
Balance at January 1, 2022		500,000	972,987	50,000	4,152,674	(42,513)	6,352	(36,161)	5,639,500	17,460	5,656,960
Comprehensive income											
for the year											
Profit for the year		-	-	-	367,075	-	-	-	367,075	2,228	369,303
Other comprehensive											
loss for the year		-	-	-	-	(18,443)	-	(18,443)	(18,443)	-	(18,443)
Total comprehensive income											
(loss) for the year		-	-	-	367,075	(18,443)	-	(18,443)	348,632	2,228	350,860
Dividends	24	-	-	-	(250,000)	-	-	-	(250,000)	-	(250,000)
Balance at December 31, 2022		500,000	972,987	50,000	4,269,749	(60,956)	6,352	(54,604)	5,738,132	19,688	5,757,820
Transfer of currency translation											
differences of subsidiaries		-	-	-	-	10,478	-	10,478	10,478	(10,478)	-
Comprehensive income											
for the year											
Profit for the year		-	-	-	92,146	-	-	-	92,146	3,208	95,354
Other comprehensive											
loss for the year		-	-	-	(33,383)	(19,277)	-	(19,277)	(52,660)	(1,727)	(54,387)
Total comprehensive income											
(loss) for the year		-	-	-	58,763	(19,277)	-	(19,277)	39,486	1,481	40,967
Dividends	24	-	-	-	(209,924)	-	-	-	(209,924)	-	(209,924)
Balance at December 31, 2023		500,000	972,987	50,000	4,118,588	(69,755)	6,352	(63,403)	5,578,172	10,691	5,588,863

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, 2023 AND 2022

Separate financial statements (In Thousand Baht)					
Note	Issued and fully paid-up share capital	Premium on common shares	Retained earnings		Total shareholders' equity
			Appropriated for legal reserve	Unappropriated	
Balance at January 1, 2022	500,000	972,987	50,000	2,934,946	4,457,933
Comprehensive income for the year					
Profit for the year	-	-	-	102,400	102,400
Dividends	24	-	-	(250,000)	(250,000)
Balance at December 31, 2022	500,000	972,987	50,000	2,787,346	4,310,333
Comprehensive income for the year					
Profit for the year	-	-	-	5,907	5,907
Other comprehensive loss for the year	-	-	-	(30,740)	(30,740)
Total comprehensive loss for the year	-	-	-	(24,833)	(24,833)
Dividends	24	-	-	(209,924)	(209,924)
Balance at December 31, 2023	500,000	972,987	50,000	2,552,589	4,075,576

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, 2023 AND 2022

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit for the year	95,354	369,303	5,907	102,400
Adjustments for				
Tax expense	74,143	119,463	2,513	25,783
Depreciation and amortization	67,060	77,622	52,475	64,467
Expenses for post-employment benefits	3,106	2,823	2,906	2,520
Unrealized loss (gain) on exchange rate	-	-	3,150	(7,386)
Gain on remeasurement of lease liabilities	(948)	(402)	(948)	(364)
Bad debt and loss on impairment of trade receivables	590,164	336,874	387,460	254,977
Allowance for diminution in value of asset foreclosed				
(reversal)	(1,006)	12,648	(19,040)	10,174
Loss on write-off asset	1,052	727	1,052	-
Gain on sales of equipment	(6,681)	(422)	(5,747)	(404)
Interest income from trade receivables	(1,222,076)	(1,467,871)	(736,721)	(966,860)
Other interest income	(25,915)	(15,101)	(34,565)	(31,145)
Interest expense	39,683	31,837	11,942	30,512
Decrease (increase) in operating assets				
Trade receivables - hire-purchase contract receivables	(7,737)	(628,643)	225,302	(479,009)
Trade receivables - loan receivables	(96,896)	75,259	6,132	73,653
Trade receivables - nano finance receivables	6,619	15,007	-	-
Trade receivables - microfinance receivables	-	821	-	-
Trade receivables - other	(857)	6,292	(363)	6,295
Other receivables from related parties	-	-	5	(1)
Merchandises	800	(2,199)	800	(2,199)
Asset foreclosed	(28,073)	(46,498)	31,713	(38,679)
Other current assets	(52,466)	4,959	(29,874)	4,809
Other non-current assets	(57)	18	(28)	11

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Increase (decrease) in operating liabilities				
Trade and other payables	(6,774)	(44,402)	(28,715)	(34,016)
Deposits and advances from customers	(15,263)	(17,644)	(19,314)	4,465
Employee benefits paid	(8,241)	(7,961)	(6,201)	(6,956)
Net cash flows used in operations	(595,009)	(1,177,490)	(150,159)	(986,953)
Interest received from trade receivables	1,232,252	1,459,380	753,685	961,389
Income tax paid	(114,113)	(82,659)	(10,530)	(29,694)
Net cash flows provided by (used in)				
operating activities	<u>523,130</u>	<u>199,231</u>	<u>592,996</u>	<u>(55,258)</u>
Cash flows from investing activities				
Decrease (increase) in other current financial assets				
- fixed deposits at financial institutions	(235,000)	1,270,000	210,000	1,270,000
Decrease in restricted deposits at financial institutions	407	792	-	-
Increase in short-term loans to related parties	-	-	(104,040)	(43,000)
Collections from short-term loans to related parties	-	-	31,665	42,727
Collections from loans to other parties	2,379	28,913	2,379	28,913
Additions to property for lease	(52,175)	-	(52,175)	-
Purchases of fixed assets	(7,047)	(7,441)	(3,701)	(3,688)
Decrease (increase) in right-of-use assets	(4)	(3,343)	66	(1)
Purchases of intangible assets	(211)	(32)	(189)	(32)
Proceeds from sales of equipment	7,655	1,864	6,721	1,815
Other interest received	<u>24,431</u>	<u>15,575</u>	<u>35,608</u>	<u>31,625</u>
Net cash flows provided by (used in)				
investing activities	<u>(259,565)</u>	<u>1,306,328</u>	<u>126,334</u>	<u>1,328,359</u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and				
short-term borrowings from financial institutions	10,124	(24,338)	219	(1,491)
Increase in short-term borrowings from related company	-	-	13,000	135,000
Repayments of short-term borrowings				
from related company	-	-	(786,190)	(35,000)
Increase in long-term borrowings	314,750	-	-	-
Repayments of long-term borrowings	(285,613)	(90,144)	-	-
Payments of lease liabilities	(43,818)	(41,894)	(34,740)	(37,133)
Redemption of debentures	-	(400,000)	-	(400,000)
Interest paid	(39,268)	(36,577)	(14,098)	(34,809)
Dividends paid	(209,924)	(250,000)	(209,924)	(250,000)
Net cash flows used in financing activities	<u>(253,749)</u>	<u>(842,953)</u>	<u>(1,031,733)</u>	<u>(623,433)</u>
 Currency translation differences	 <u>(21,387)</u>	 <u>(18,212)</u>	 <u>-</u>	 <u>-</u>
 Net increase (decrease) in cash and				
 cash equivalents	(11,571)	644,394	(312,403)	649,668
 Cash and cash equivalents at beginning of year	 <u>1,326,044</u>	 <u>681,650</u>	 <u>1,173,921</u>	 <u>524,253</u>
 Cash and cash equivalents at end of year	 <u><u>1,314,473</u></u>	 <u><u>1,326,044</u></u>	 <u><u>861,518</u></u>	 <u><u>1,173,921</u></u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Supplemental disclosures of cash flow information				
a. Cash and cash equivalents at end of year				
Cash on hand	20,186	23,098	11,257	14,958
Cash at banks - current accounts	117,299	107,537	36,149	15,034
Cash at banks - savings accounts	686,988	595,409	654,112	543,929
Time deposits - less than 3 months from acquisition date	490,000	600,000	160,000	600,000
Total	<u>1,314,473</u>	<u>1,326,044</u>	<u>861,518</u>	<u>1,173,921</u>
b. Non-cash transactions				
Purchase of fixed assets - unpaid	-	179	-	179
Increase in property for lease from merchandises				
and asset foreclosed	34,622	-	34,622	-
Increase in right-of-use assets and lease liabilities				
from the new leases	5,121	-	-	-
Increase in right-of-use assets and lease liabilities				
from remeasurement of lease liabilities	34,844	65,721	16,400	60,612

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements
December 31, 2023 and 2022

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 of the Company (%)	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
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 and personal loan businesses	50,000	50,000	99.99	99.99
TK Broker Co., Ltd.	Non-life insurance broker business	3,000	3,000	99.99	99.99
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	58,013*	58,013*	86.89	86.89
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

** 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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which is the principal 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.

The Group disclosed information for the year ended December 31, 2022 for being the comparative information in the financial statements for the year ended December 31, 2023 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.

Thai Financial Reporting Standards (TFRS) that became effective

Starting from January 1, 2023, the Group has adopted the Conceptual Framework for Financial Reporting, Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) as well as Thai Accounting Interpretation (TSIC), Thai Financial Reporting Interpretation (TFRIC) and accounting guidance that were revised by TFAC, in overall, for the Thai financial reporting standards to be more explicit and appropriate whereby this revision became effective for the accounting period starting on or after January 1, 2023. Notwithstanding, there is a significant change relating to recognition in TAS 16 “Property, Plant and Equipment” that proceeds before intended use of property, plant and equipment shall be recognized as revenue together with related cost in profit or loss while such items were previously regulated to be recognized as deduction to cost of property, plant and equipment. The aforesaid adoption of revised TAS / TFRS / TSIC / TFRIC and accounting guidance did not have any material effect to the financial statements of the Group.

Thai Financial Reporting Standards (TFRS) that are not yet effective

The Federation of Accounting Professions has revised several TAS, TFRS and accounting guidance which become effective for the accounting period starting on or after January 1, 2024 and issued the new TFRS 17 “Insurance Contracts” to supersede TFRS 4 that will become effective for the accounting period starting on or after January 1, 2025. In overall, this revision is done for more explicit and appropriate in word and substance as well as for alignment with the new TFRS 17. The Group has not yet adopted the aforesaid revised or new TAS, TFRS and accounting guidance in preparation of the accompanying financial statements and has no policy to adopt early before the effective periods. In overall, management has preliminarily assessed and believed that there is no material effect to the financial statements of the Group upon adoption. However, certain revised TAS and TFRS are significant as follows:

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

TAS 1 (Presentation of Financial Statements), TFRS 7 (Financial Instruments: Disclosures), and TAS 34 (Interim Financial Reporting) from change relating to disclosures on accounting policies

In this part there are changes in provisions from previously disclosing significant accounting policies to disclosing material accounting policies instead. In addition, the new provisions also give guidelines for practical use on the definition of being material to influence decisions for the disclosed information. Thus, the effect on the financial statements is disclosures on accounting policies and other related matters in the notes to financial statements (both annual and interim), from 2024 and onwards, will be fewer and more concise.

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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

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

Foreign entity

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

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

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

Cash and cash equivalents

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

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

Hire-purchase receivables, loan receivables and nano finance receivables and allowance for impairment for expected credit loss

Hire-purchase receivables, loan receivables and nano finance receivables are stated at net realizable value which resulted from carrying book value less unearned interest income and allowance for impairment for expected credit loss. 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.

Other trade receivables and allowance for impairment for expected credit loss

Other trade receivables are stated at their invoice values less expected credit loss (if any)

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

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).

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

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.

Property, plant and equipment and property for lease

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.

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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

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 of which the terms are between 1 year to 10 years, and vehicles of which the term is 3 years.

Intangible assets

Leasehold rights

Leasehold rights (balances as at the end of 2023 and 2022 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.

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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

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.

Lease fees attributable to short-term lease (not exceeding 12 months from commencement date) and lease of low-value asset (based on physical characteristics of the 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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

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 is recognized as an expense in profit or loss when contribution to the fund on an accrual basis.

The Group's obligation in respect of post-employment benefits, which are compensations under labor protection acts, is recognized as liability and expense in the financial statements based on the amount calculated, using the projected unit credit method by a qualified actuary. Expenses from the estimated liability for post-employment benefits are recognized in profit or loss and comprise of current service cost and interest cost. Actuarial gain or loss on remeasurements of defined benefit plan is recognized in other comprehensive income. This employee benefit plan is unfunded and has no any incurred plan asset.

Provisions

A provision is recognized 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").

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

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 and fixed deposits at banks
- 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 and other borrowings
- 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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

Impairment

Impairment loss from the expected credit loss of financial assets is recognized under General approach in the following stages:

- Stage 1 (performing): the 12-month expected credit loss is recognized in profit or loss. Interest income (if any) is 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 Group recognizes the full lifetime expected credit loss in profit or loss. Interest income (if any) is calculated based on the same principle to Stage 1.
- Stage 3 (credit-impaired): upon significant rise in credit risk of financial asset that is considered as credit impaired, the Group recognizes the full lifetime expected credit loss in profit or loss. Interest income (if any) is calculated base on gross carrying amount net of the allowance for impairment.

For trade receivables, contract assets and lease or other similar receivables, the Group 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 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 (if any) 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 2023 and 2022.

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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

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).

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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
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Deferred tax

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

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

Use of estimates

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

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

Significant estimates and underlying assumptions used in preparation of the accompanying financial statements which may be affected by uncertainty are as follows:

- Allowance for impairment of trade and other receivables
- Allowance for losses on diminution in value of merchandises and asset foreclosed
- Allowance for impairment of investment in subsidiary
- Useful lives and residual values of building and equipment, right-of-use assets, property for lease and intangible assets
- Consideration on cancellation or renewal options of lease agreements and discount rates of lease liabilities
- Assumptions and parameters used in calculation of the liability for post-employment benefits
- Expected amount and periods that deferred tax assets will be utilized
- Assessment and estimates for the fair values of financial assets and financial liabilities.

Basic earnings per share

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

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4. TRANSACTIONS WITH RELATED PARTIES

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

Types of relationship of related parties are as follows:

<u>Company / Person Name</u>	<u>Type of Business</u>	<u>Type of Relationship</u>
<u>Subsidiaries</u>		
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 and personal loan businesses	Subsidiary
TK Broker Co., Ltd.	Non-life insurance broker business	Subsidiary
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	Subsidiary through direct and indirect shareholding
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	Subsidiary
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	Microfinance business	Subsidiary
<u>Related companies</u>		
Sinthonglor Co., Ltd.	Holding company	Being major shareholder and Co-directors & Co-shareholders
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 parties</u>		
Prin Phonprapha	-	Relative of the Company's directors
<u>Key management</u>		
	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

Type of transactions	Pricing policies
Interest income on hire purchase	Market price
Management fee income	Mutually agreed prices
Rental income	Contract price
Interest income	MOR - 3% for domestic and 9% per annum in abroad
Rental (short-term contract) 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 9% per annum in abroad
Key management's remunerations	Mutually agreed prices
Purchase of vehicles for hire-purchases	Market price
Purchase of office equipment and computer program	Mutually agreed prices
Sales of office equipment and vehicles	Mutually agreed prices

Significant transactions with related parties for the years ended December 31, 2023 and 2022 were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Subsidiaries				
Management fee income	-	-	35,820	36,016
Interest income	-	-	18,331	16,136
Sales of office equipment and vehicles	-	-	382	-
Rental and services	-	-	864	864
Service expenses	-	-	65,918	146,901
Interest expense	-	-	8,165	21,512
Related companies				
Interest income on hire purchase	62	83	-	-
Rental income	432	432	-	-
Gross amount paid for lease liabilities	18,728	20,578	18,728	20,578
Interest expense	2,347	1,405	2,347	1,405
Purchase of vehicles for hire-purchases	69,371	127,856	-	-
Purchase of office equipment and computer program	50	926	50	926
Sales of office equipment and vehicles	7	20	7	20
Rental and services	11,706	13,417	11,706	13,417

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	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Related companies (continued)				
Management fee	6,322	7,902	5,078	6,348
Utility expenses	3,131	3,173	3,131	3,173
Stationery expense	1,779	2,235	1,760	2,230
Other expenses	6,476	7,842	4,161	5,309
Service expenses	28,025	26,260	24,755	25,006
Related person				
Gross amount paid for lease liabilities	1,800	1,800	1,800	1,800
Interest expense	180	262	180	262
Sales of office equipment and vehicles	935	-	-	-
Key management's remunerations				
Short-term benefits	32,858	36,749	32,858	36,749
Post-employment benefits	983	526	983	526
Total	33,841	37,275	33,841	37,275

Significant outstanding balances with related parties as at December 31, 2023 and 2022 were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Subsidiaries				
Accrued interest income	-	-	271	75
Advance payment	-	-	3,475	3,480
Short-term loans receivable (interest rate at MOR - 3% and 9% p.a. in 2023 and 2.875%, 3.35% and 9% p.a. in 2022)	-	-	293,305	224,080
Short-term borrowings (interest rate at 2.875% and 3.35% p.a. in 2022)	-	-	-	773,190
Accrued interest expense	-	-	-	2,156
Accrued expenses	-	-	5,330	12,717
Related companies				
Hire-purchase contract receivables - net	748	1,257	-	-
Accrued expenses	4,030	913	645	822
Lease liabilities - net	38,916	53,492	38,916	53,492
Related person				
Lease liabilities - net	2,700	4,500	2,700	4,500

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

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

	Separate financial statements (In Thousand Baht)			
	January 1, 2023	Increase	Decrease	December 31, 2023
Short-term loans receivable to subsidiaries				
Suosdey Finance PLC.	165,078	32,464 *	-	197,542
Chayapak Co., Ltd.	33,000	12,000	31,000	14,000
Mingalaba Thitikorn Microfinance Co., Ltd.	26,002	-	1,239 **	24,763
TK Ngern Tan Jai Co., Ltd.	-	57,000	-	57,000
Total	<u>224,080</u>	<u>101,464</u>	<u>32,239</u>	<u>293,305</u>
Short-term borrowings from subsidiary				
C.V.A. Co., Ltd.	<u>773,190</u>	<u>13,000</u>	<u>786,190</u>	<u>-</u>

* included foreign currency difference of approximately Baht 2,576 thousand

** included foreign currency difference of approximately Baht 574 thousand

The Company has been guarantor for (1) short-term and long-term borrowings credit facilities granted by commercial banks of Suosdey Finance PLC. Totaling USD 50.7 million and (2) short-term borrowings credit facilities granted by commercial banks of Sabaidee Leasing Co., Ltd. totalling Kip 66,289 million (pertaining to the percentage of shareholding). There has been no intercompany charge on these guarantees.

5. CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSET-FIXED DEPOSITS AT FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash and cash equivalents				
Cash	20,186	23,098	11,258	14,958
Current accounts (no interest)	117,299	107,537	36,149	15,034
Savings deposits at banks (interest at 0.125% - 0.55% p.a. in 2023 and 0.50% - 1.125% p.a. in 2022)	686,988	595,409	654,111	543,929
Short-term fixed deposits at banks (interest at 1.3% - 2.25% p.a. in 2023 and 0.65% - 1.5% p.a. in 2022)	<u>490,000</u>	<u>600,000</u>	<u>160,000</u>	<u>600,000</u>
Total	<u>1,314,473</u>	<u>1,326,044</u>	<u>861,518</u>	<u>1,173,921</u>
Other current financial asset				
6-month and 12-month fixed deposits at banks (interest at 1.3% - 2.4% p.a. in 2023 and 0.75% - 1.45% p.a. in 2022)	<u>865,000</u>	<u>630,000</u>	<u>420,000</u>	<u>630,000</u>

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

Hire-purchase contract receivables

	Consolidated financial statements (In Thousand Baht)					
	2023			2022		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	5,221,887	2,774,015	2,447,872	6,131,559	3,349,992	2,781,567
Accrued interest income	55,218	55,218	-	68,557	68,557	-
Less unearned income	(1,380,140)	(849,029)	(531,111)	(1,737,617)	(1,164,492)	(573,125)
Net	3,896,965	1,980,204	1,916,761	4,462,499	2,254,057	2,208,442
Less allowance for impairment for expected credit loss	(353,726)	(225,103)	(128,623)	(341,237)	(215,515)	(125,722)
Net	<u>3,543,239</u>	<u>1,755,101</u>	<u>1,788,138</u>	<u>4,121,262</u>	<u>2,038,542</u>	<u>2,082,720</u>

	Separate financial statements (In Thousand Baht)					
	2023			2022		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	3,029,393	1,714,388	1,315,005	4,165,185	2,185,524	1,979,661
Accrued interest income	26,517	26,517	-	43,481	43,481	-
Less unearned income	(706,084)	(469,305)	(236,779)	(1,237,436)	(798,824)	(438,612)
Net	2,349,826	1,271,600	1,078,226	2,971,230	1,430,181	1,541,049
Less allowance for impairment for expected credit loss	(268,490)	(171,463)	(97,027)	(262,570)	(152,080)	(110,490)
Net	<u>2,081,336</u>	<u>1,100,137</u>	<u>981,199</u>	<u>2,708,660</u>	<u>1,278,101</u>	<u>1,430,559</u>

Hire-purchase contract receivables as at December 31, 2023 and 2022 were classified by staging as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Performing receivables	3,050,927	3,678,628	1,732,550	2,345,926
Under-performing receivables	539,071	475,125	410,314	404,351
Credit-impaired receivables	306,967	308,746	206,962	220,953
Total	3,896,965	4,462,499	2,349,826	2,971,230
Less allowance for impairment for expected credit loss	(353,726)	(341,237)	(268,490)	(262,570)
Net	<u>3,543,239</u>	<u>4,121,262</u>	<u>2,081,336</u>	<u>2,708,660</u>

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The Group determines allowance for impairment for expected credit loss of hire-purchase contract receivables and loan receivables as at December 31, 2023, in accordance with the principle of TFRS 9 “Financial Instruments”. 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, 2023, the Group had allowance for impairment for expected credit loss at 9.08% (11.43% for the Company) of total hire-purchase contract receivables before deducting allowance for impairment for expected credit loss and 11.16% (51.95% for the Company) of total loan receivables before deducting allowance for impairment for expected credit loss.

Loan receivables

	Consolidated financial statements (In Thousand Baht)					
	2023			2022		
	Total	Current	Long-term	Total	Current	Long-term
Loans receivables	122,046	53,058	68,988	24,535	16,110	8,425
Less unearned income	(937)	(611)	(326)	(1,906)	(1,046)	(860)
Net	121,109	52,447	68,662	22,629	15,064	7,565
Less allowance for impairment for expected credit loss	(13,516)	(4,343)	(9,173)	(1,806)	(1,771)	(35)
Net	<u>107,593</u>	<u>48,104</u>	<u>59,489</u>	<u>20,823</u>	<u>13,293</u>	<u>7,530</u>

	Separate financial statements (In Thousand Baht)					
	2023			2022		
	Total	Current	Long-term	Total	Current	Long-term
Loans receivables	77	77	-	7,605	7,605	-
Less unearned income	-	-	-	-	-	-
Net	77	77	-	7,605	7,605	-
Less allowance for impairment for expected credit loss	(40)	(40)	-	(1,637)	(1,637)	-
Net	<u>37</u>	<u>37</u>	<u>-</u>	<u>5,968</u>	<u>5,968</u>	<u>-</u>

Loan receivables as at December 31, 2023 and 2022 were classified by staging as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Performing receivables	97,611	16,207	-	2,188
Under-performing receivables	7,295	3,254	-	2,887
Credit-impaired receivables	16,203	3,168	77	2,530
Total	121,109	22,629	77	7,605
Less allowance for impairment for expected credit loss	(13,516)	(1,806)	(40)	(1,637)
Net	<u>107,593</u>	<u>20,823</u>	<u>37</u>	<u>5,968</u>

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The abovementioned loan receivables 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.

Nano finance receivables

	Consolidated financial statements (In Thousand Baht)					
	2023			2022		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	8,658	6,485	2,173	19,829	17,605	2,224
Less unearned income	(58)	(58)	-	(2,013)	(1,932)	(81)
Net	8,600	6,427	2,173	17,816	15,673	2,143
Less allowance for impairment for expected credit loss	(601)	(546)	(55)	(1,347)	(1,305)	(42)
Net	<u>7,999</u>	<u>5,881</u>	<u>2,118</u>	<u>16,469</u>	<u>14,368</u>	<u>2,101</u>

Nano finance receivables as at December 31, 2023 and 2022 were classified by staging as follows:

	Consolidated financial statements (In Thousand Baht)	
	2023	2022
Performing receivables	7,352	14,534
Under-performing receivables	594	1,643
Credit-impaired receivables	654	1,639
Total	8,600	17,816
Less allowance for impairment for expected credit loss	(601)	(1,347)
Net	<u>7,999</u>	<u>16,469</u>

7. OTHER TRADE RECEIVABLES

Other trade receivables, aged by outstanding balances, were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current	<u>7,009</u>	<u>6,159</u>	<u>6,172</u>	<u>5,816</u>

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Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

8. LOANS TO OTHER PARTIES

	Consolidated financial statements/ Separate financial statements (In Thousand Baht)	
	2023	2022
Long-term loans to other parties	28,904	31,283
Less current portion	(3,507)	(2,230)
Net	<u>25,397</u>	<u>29,053</u>

Unsecured loan to other parties comprised of (1) loans to a local non-related company whose business is engaged in sales of solar-cell panel amounting to Baht 13.1 million as at December 31, 2023 (Baht 14.3 million as at December 31, 2022), bears interest at 10% p.a. and is repayable monthly, totalling 72 months, starting from March 2022 until February 2028 and (2) loans to agents amounting to Baht 15.8 million as at December 31, 2023 (Baht 17 million as at December 31, 2022), bear interest rate at 9% p.a. and mature within 2025.

9. ASSET FORECLOSED - NET

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance not exceeding one year	92,820	96,445	19,316	82,588
Balance exceeding one year	74	346	74	132
Total	92,894	96,791	19,390	82,720
Less allowance for diminution in value	(27,920)	(29,279)	(5,869)	(24,909)
Net	<u>64,974</u>	<u>67,512</u>	<u>13,521</u>	<u>57,811</u>

10. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2023 and 2022, 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 0.45% - 1.00% p.a. in 2023 and 0.25% - 1.00% p.a. in 2022.

As at December 31, 2023 and 2022, two foreign subsidiaries have collateralized their deposits totalling approximately Baht 8.5 million and Baht 9.0 million, respectively, with the National Bank of each country as guarantees for establishment and doing the business in each country. Such deposits are non-interest bearing.

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Notes to the Financial Statements (Continued)
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11. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD - NET

	Separate financial statements					
	Paid-up share capital (In Thousand Baht)		Percentage of direct shareholding		Cost of investments (In Thousand Baht)	
	2023	2022	2023	2022	2023	2022
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
TK Broker Co., Ltd.	3,000	3,000	99.99	99.99	3,000	3,000
Sabaidee Leasing Co., Ltd.						
(Lao PDR)	58,013	58,013	73.77*	73.77*	42,001	42,001
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	99.90	99.00	4,658	4,658
Total					325,787	325,787
Less allowance for impairment					(4,658)	(4,658)
Net					321,129	321,129

* Total percentage of direct and indirect shareholding through its two wholly-owned subsidiaries (at 99.99% of holding) is 86.89%.

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12. PROPERTY FOR LEASE AND ASSETS NOT USED IN OPERATIONS

Property for lease

	Consolidated financial statements (In Thousand Baht)			
	Land	Building and building improvement	Vehicles	Total
Cost				
At January 1, 2022, December 31, 2022 and January 1, 2023	12,800	8,075	-	20,875
Additions	-	-	52,175	52,175
Transfers from “Merchandises”	-	-	3,005	3,005
Transfers from “Asset foreclosed”	-	-	31,617	31,617
At December 31, 2023	<u>12,800</u>	<u>8,075</u>	<u>86,797</u>	<u>107,672</u>
Accumulated depreciation				
At January 1, 2022	-	3,571	-	3,571
Depreciation charge for the year	-	404	-	404
At December 31, 2022	-	3,975	-	3,975
Depreciation charge for the year	-	403	707	1,110
At December 31, 2023	<u>-</u>	<u>4,378</u>	<u>707</u>	<u>5,085</u>
Net book value				
December 31, 2022	12,800	4,100	-	16,900
December 31, 2023	<u>12,800</u>	<u>3,697</u>	<u>86,090</u>	<u>102,587</u>

	Separate financial statements (In Thousand Baht)
	<u>Vehicles</u>
Cost	
At January 1, 2022, December 31, 2022 and January 1, 2023	-
Additions	52,175
Transfers from “Merchandises”	3,005
Transfers from “Asset foreclosed”	31,617
At December 31, 2023	<u>86,797</u>
Accumulated depreciation	
At January 1, 2022, December 31, 2022 and January 1, 2023	-
Depreciation charge for the year	707
At December 31, 2023	<u>707</u>
Net book value	
December 31, 2022	-
December 31, 2023	<u>86,090</u>

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Depreciation for the years 2023 and 2022 in the consolidated financial statements amounted to approximately Baht 1.1 million and Baht 0.4 million, respectively, and in the separate financial statements amounted to approximately Baht 0.7 million in 2023.

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 2022, amounted to approximately Baht 39.4 million.

Lease payments to be received for assets for lease are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Within 1 year	28,516	444	28,096	-
After 1 year but not over 2 years	12,734	70	12,664	-
Total	41,250	514	40,760	-

Assets not used in operations

Assets not used in operations consists of land and commercial buildings of the Group which have been temporarily not used in operations as at December 31, 2023 and 2022, 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 market approach and cost approach as per their reports in March 2023, amounted to totalling approximately Baht 88.7 million (Baht 40.9 million for the Company only).

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13. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated financial statements (In Thousand Baht)						Total
	Land	Building and building improvement	Buildings and building improvements on rental land	Furniture, fixtures and office equipment	Vehicles	Construction in progress	
Cost							
At January 1, 2022	12,617	24,221	365,073	165,910	118,774	373	686,968
Additions	-	-	1,543	4,754	42	185	6,524
Disposals	-	-	(564)	(4,651)	(1,383)	-	(6,598)
Transfers	-	-	434	-	-	(434)	-
Currency translation differences	-	-	(79)	(551)	521	(124)	(233)
At December 31, 2022	12,617	24,221	366,407	165,462	117,954	-	686,661
Additions	-	-	1,976	3,955	1,116	-	7,047
Disposals	-	-	(56,417)	(2,400)	(28,618)	-	(87,435)
Currency translation differences	-	-	(479)	(491)	(155)	-	(1,125)
At December 31, 2023	12,617	24,221	311,487	166,526	90,297	-	605,148

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December 31, 2023 and 2022

	Consolidated financial statements (In Thousand Baht)						
	Land	Building and building improvement	Buildings and building improvements on rental land	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
Accumulated depreciation							
At January 1, 2022	-	24,202	310,792	143,163	104,496	-	582,653
Depreciation charge for the year	-	19	13,877	9,642	6,801	-	30,339
Disposals	-	-	(539)	(3,233)	(1,383)	-	(5,155)
Currency translation differences	-	-	(485)	(444)	310	-	(619)
At December 31, 2022	-	24,221	323,645	149,128	110,224	-	607,218
Depreciation charge for the year	-	-	7,181	7,744	3,916	-	18,841
Disposals	-	-	(55,358)	(1,433)	(28,618)	-	(85,409)
Currency translation differences	-	-	(285)	(388)	(134)	-	(807)
At December 31, 2023	-	24,221	275,183	155,051	85,388	-	539,843
Net book value							
December 31, 2022	12,617	-	42,762	16,334	7,730	-	79,443
December 31, 2023	12,617	-	36,304	11,475	4,909	-	65,305

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December 31, 2023 and 2022

	Separate financial statements (In Thousand Baht)						
	Land	Building and building improvement	Buildings and building improvements on rental land	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
Cost							
At January 1, 2022	7,802	15,291	345,114	148,457	83,986	-	600,650
Additions	-	-	37	3,473	-	-	3,510
Disposals	-	-	(564)	(4,535)	(1,383)	-	(6,482)
At December 31, 2022	7,802	15,291	344,587	147,395	82,603	-	597,678
Additions	-	-	1,975	1,725	-	-	3,700
Disposals	-	-	(56,417)	(2,400)	(20,818)	-	(79,635)
At December 31, 2023	7,802	15,291	290,145	146,720	61,785	-	521,743
Accumulated depreciation							
At January 1, 2022	-	15,291	305,254	129,324	77,092	-	526,961
Depreciation charge for the year	-	-	12,704	8,052	4,687	-	25,443
Disposals	-	-	(539)	(3,149)	(1,382)	-	(5,070)
At December 31, 2022	-	15,291	317,419	134,227	80,397	-	547,334
Depreciation charge for the year	-	-	6,025	6,235	1,996	-	14,256
Disposals	-	-	(55,358)	(1,433)	(20,819)	-	(77,610)
At December 31, 2023	-	15,291	268,086	139,029	61,574	-	483,980
Net book value							
December 31, 2022	7,802	-	27,168	13,168	2,206	-	50,344
December 31, 2023	7,802	-	22,059	7,691	211	-	37,763

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As at December 31, 2023 and 2022, cost of building and equipment of the Group that has been fully depreciated but still in use amounting to approximately Baht 445.5 million and Baht 482.5 million, respectively (Baht 421.1 million and Baht 451.0 million, respectively, for the Company only).

14. RIGHT-OF-USE ASSETS - NET

	In Thousand Baht		
	Building space	Vehicles	Total
<u>Consolidated financial statements</u>			
Cost			
At January 1, 2022	175,236	-	175,236
Additions	66,324	2,740	69,064
Deductions	(2,519)	-	(2,519)
At December 31, 2022	239,041	2,740	241,781
Additions	38,261	1,708	39,969
Deductions	(3,700)	-	(3,700)
At December 31, 2023	273,602	4,448	278,050
Accumulated depreciation			
At January 1, 2022	90,227	-	90,227
Depreciation charge for the year	45,068	72	45,140
Deductions	(2,519)	-	(2,519)
At December 31, 2022	132,776	72	132,848
Depreciation charge for the year	44,357	1,482	45,839
Deductions	(3,464)	-	(3,464)
At December 31, 2023	173,669	1,554	175,223
Net Book Value			
December 31, 2022	106,265	2,668	108,933
December 31, 2023	99,933	2,894	102,827
<u>Separate financial statements</u>			
Cost			
At January 1, 2022	143,030	-	143,030
Additions	60,613	-	60,613
Deductions	(2,519)	-	(2,519)
At December 31, 2022	201,124	-	201,124
Additions	16,334	-	16,334
Deductions	(3,700)	-	(3,700)
At December 31, 2023	213,758	-	213,758
Accumulated depreciation			
At January 1, 2022	76,725	-	76,725
Depreciation charge for the year	37,741	-	37,741
Deductions	(2,519)	-	(2,519)
At December 31, 2022	111,947	-	111,947
Depreciation charge for the year	36,512	-	36,512
Deductions	(3,464)	-	(3,464)
At December 31, 2023	144,995	-	144,995
Net Book Value			
December 31, 2022	89,177	-	89,177
December 31, 2023	68,763	-	68,763

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Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

15. DEFERRED TAX ASSETS - NET

Details of deferred tax assets (liabilities) are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Deferred tax assets</u>				
Allowance for impairment for expected credit loss	71,618	63,979	54,228	52,842
Allowance for diminution in value of asset foreclosed	1,174	4,987	1,174	4,982
Allowance for impairment for investment in subsidiary	-	-	932	932
Lease liabilities	11,518	15,422	11,518	15,422
Liability for post-employment benefits	9,293	1,975	8,701	1,676
Tax loss	6,983	-	6,983	-
Total	100,586	86,363	83,536	75,854
<u>Deferred tax liabilities</u>				
Prepaid expense	(10,857)	-	(6,065)	-
Right-of-use assets	(13,753)	(17,835)	(13,753)	(17,835)
Total	(24,610)	(17,835)	(19,818)	(17,835)
Deferred tax assets - net	75,976	68,528	63,718	58,019

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

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Bank overdrafts	416	197	416	197
Short-term borrowings from financial institutions	73,824	63,919	-	-
Total	74,240	64,116	416	197

As at December 31, 2023 and 2022, the Group had credit facilities with several financial institutions as follows:

	2023	2022
Bank overdrafts (million Baht)	188.0	188.0
Short-term borrowings (million Baht)	2,145.0	2,145.0
Short-term borrowings (million USD)	8.5	8.5
Short-term borrowings (million KIP)	76,300.0	63,300.0

Short-term borrowings bear interest ranging between 7.25% - 8.40% p.a. in 2023 and 2.94% - 5.96% p.a. in 2022. In addition, the Company has to comply with the specified conditions of the credit facilities which include maintaining Debt-to-Equity ratio at the rate not exceeding 7:1 for the annual separate financial statements.

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A portion of overdraft lines and short-term borrowings discussed above is secured by the Company and certain directors of the Group.

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

17. LONG -TERM BORROWINGS

	Consolidated financial statements (In Thousand Baht)	
	2023	2022
Long-term borrowings of a foreign subsidiary	330,531	301,394
Less current portion	(214,508)	(211,624)
Net	<u>116,023</u>	<u>89,770</u>

As at December 31, 2023 and 2022, the subsidiary in Cambodia had the balance of long-term borrowings with four local banks and foreign banks amounting to U.S. Dollar 9.7 million and U.S. Dollar 8.6 million, respectively (total credit facilities amounting to U.S. Dollar 42.2 million), which is guaranteed in full amount by the Company. These loans bear interest referenced to SOFR + 2.76% to 3.72% p.a. and interest is payable quarterly whereas loan principals are repayable during 2023 to 2026.

As at December 31, 2022 the subsidiary in Lao PDR had the balance of long-term borrowing with a foreign bank amounting to KIP 2,400 million. The borrowing bears interest rate at 4.32% p.a. and fully paid up in September 2023.

18. LEASE LIABILITIES

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Lease liabilities				
- Due for payments within one year	44,619	42,642	33,656	34,621
- Due for payments within 2 - 5 years	48,517	56,652	26,931	48,033
Total	93,136	99,294	60,587	82,654
Less deferred interest	(5,965)	(6,599)	(2,998)	(5,541)
Lease liabilities - net of deferred interest	87,171	92,695	57,589	77,113
Less current portion	(41,149)	(38,845)	(31,450)	(31,390)
Net	<u>46,022</u>	<u>53,850</u>	<u>26,139</u>	<u>45,723</u>

During 2023 and 2022, the Group had cash outflow from leases (gross amount of lease fees) in the consolidated financial statements amounting to approximately Baht 43.8 million and Baht 45.9 million, respectively, and in the separate financial statements amounting to approximately Baht 34.7 million and Baht 40.2 million, respectively.

The Group had lease fees attributable to short-term leases for the years 2023 and 2022 which were presented as part of administrative expenses in the consolidated financial statements amounted to approximately Baht 1.2 million and Baht 2.1 million, respectively, and in the separate financial statements for each of the years amounted to approximately Baht 1.2 million and Baht 0.9 million, respectively.

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Amortized interest for the years 2023 and 2022, which was presented as part of finance costs in the consolidated statements of comprehensive income, amounted to approximately Baht 4.6 million and Baht 4.0 million, respectively (for the Company only amounted to approximately Baht 3.8 million and Baht 3.0 million, respectively).

19. LIABILITY FOR POST-EMPLOYMENT BENEFITS

The Group has obligations on post-employment benefits which were reassessed and recomputed by the qualified actuary during 2023. Movements of liability for post-employment benefits for the years ended December 31, 2023 and 2022 are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Liability for post-employment benefits as at January 1	10,097	15,235	8,379	12,815
Current service cost	2,248	2,240	2,106	2,001
Interest cost	858	583	800	519
Expense recognized in profit or loss	3,106	2,823	2,906	2,520
Actuarial loss on re-measurements of defined benefit plan recognized in other comprehensive income	41,504	-	38,424	-
Employee benefits paid during the year	(8,241)	(7,961)	(6,201)	(6,956)
Liability for post-employment benefits as at December 31	46,466	10,097	43,508	8,379

The abovementioned actuarial loss on re-measurement in 2023 in the consolidated financial statements comprised of (1) loss from experience adjustment amounting to approximately Baht 42,106 thousand and (2) gain from changes in financial assumptions amounting to approximately Baht 602 thousand.

The abovementioned actuarial loss on re-measurement in 2023 in the separate financial statements comprised of (1) loss from experience adjustment amounting to approximately Baht 38,975 thousand and (2) gain from changes in financial assumptions amounting to approximately Baht 551 thousand.

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

	% (per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Discount rate	2.47 and 2.52	1.50	2.47	1.50
Salary increase rate	0.00	5.90	0.00	5.90
Employee turnover rate	6.00 - 43.11	0.00 - 67.00	6.00 - 43.11	0.00 - 67.00

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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 financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Discount rate (increase/decrease by 1%)	(1,597)	(1,478)	1,767	1,636
Salary increase rate (increase/decrease by 1%)	1,563	1,443	-	-
Employee turnover rate (increase/decrease by 20%)	(4,294)	(3,975)	5,494	5,095

20. 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.

21. OTHER INCOME

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Bad debt recovery	92,511	197,277	82,406	184,451
Service income	61,312	70,124	59,437	68,790
Engagement fee income	116,928	58,540	12,133	14,790
Collection fee income	33,239	50,643	32,294	49,495
Delay payment fee income	21,130	30,169	12,003	17,027
Interest income	25,916	15,101	34,565	31,145
Service charge income	10,098	11,296	10,010	11,137
Management fee income	-	-	35,820	36,016
Rental income	3,106	1,548	2,230	696
Others	31,245	24,630	29,716	22,307
Total	<u>395,485</u>	<u>459,328</u>	<u>310,614</u>	<u>435,854</u>

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22. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Employee expenses	383,934	488,509	297,464	389,017
Bad debt and loss on impairment of trade receivables	590,164	336,874	387,460	254,977
Sales promotion	37,729	190,422	23,975	171,261
Vehicle modification and loss on sales of repossessed vehicle	150,529	107,473	106,015	89,361
Depreciation and amortization	67,060	77,622	52,475	64,467
Finance costs	39,683	31,837	11,942	30,512
Connected system service fees	28,552	28,573	25,662	25,927
Gasoline for vehicles	14,390	18,570	11,463	15,849
Cost of goods sold	31,348	18,049	31,348	18,049
Allowance for diminution in value of asset foreclosed (reversal)	(1,006)	12,648	(19,040)	10,174
Debt collection fees	-	-	55,485	132,986

23. TAX EXPENSES

Corporate income tax rate announced in Thailand, Cambodia and Lao PDR is the same rate, i.e. 20% (tax rate for SME in Thailand, net profit not over Baht 3 million, is 15%), whereas Myanmar is 22%.

Tax expense for the years ended December 31, 2023 and 2022 are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current tax	69,374	105,027	-	20,773
Income tax adjustments of prior years	3,871	18,786	528	-
Deferred income tax				
Movements in temporary differences	898	(4,350)	1,985	5,010
Total	74,143	119,463	2,513	25,783
<u>Reconciliation of effective tax rate</u>				
Profit before income tax	169,497	488,766	8,420	128,183
Income tax using the corporate tax rate	33,847	97,743	1,684	25,636
Income tax adjustments of prior years	3,871	18,786	528	-
Effects from additional deductible expenses - net from non-deductible expenses	36,309	2,794	301	147
Tax loss which deferred tax asset has not yet been recognized	133	140	-	-
Effects from benefit of tax loss carry forward	(17)	-	-	-
Total	74,143	119,463	2,513	25,783

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24. DIVIDENDS

At the general shareholders' meeting on April 24, 2023, the shareholders unanimously approved the Company to pay dividends for the 2022 operations at Baht 0.42 per share, totalling Baht 210 million. The Company paid such dividends to the shareholders on May 18, 2023.

At the general shareholders' meeting on April 25, 2022, the shareholders unanimously approved the Company to pay dividends for the 2021 operations at Baht 0.50 per share, totalling Baht 250 million. The Company paid such dividends to the shareholders on May 19, 2022.

25. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT

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

Information on geographic operating segment

	Consolidated financial statements (In Thousand Baht)		
	Domestic	Abroad	Total
<u>For the year ended December 31, 2023</u>			
Interest income on hire purchase	750,864	453,779	1,204,643
Other income	327,535	121,752	449,287
Total revenues	1,078,399	575,531	1,653,930
Total expenses	(1,079,349)	(479,227)	(1,558,576)
Profit (loss) for the year	(950)	96,304	95,354
<u>For the year ended December 31, 2022</u>			
Interest income on hire purchase	982,188	475,045	1,457,233
Other income	425,171	65,382	490,553
Total revenues	1,407,359	540,427	1,947,786
Total expenses	(1,254,768)	(323,715)	(1,578,483)
Profit for the year	152,591	216,712	369,303
	Consolidated financial statements (In Thousand Baht)		
	Domestic	Abroad	Total
<u>At December 31, 2023</u>			
Total assets by segment	4,931,417	1,473,299	6,404,716
Total liabilities by segment	277,578	538,275	815,853
<u>At December 31, 2022</u>			
Total assets by segment	5,184,176	1,374,168	6,558,344
Total liabilities by segment	303,963	496,561	800,524

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Interest income on hire purchase - abroad

	Consolidated financial statements (In Thousand Baht)	
	2023	2022
Cambodia	397,625	412,088
Lao PDR	56,154	62,957
Total	453,779	475,045

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, 2023, the subsidiaries incorporated in Cambodia and Lao PDR had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 21.7 million and Baht 0.7 million, respectively, were presented in the consolidated statement of financial position as at December 31, 2023 (at December 31, 2022: Baht 22.1 million and Baht 1.4 million, respectively).

Other income classified by geographic segment and included revenues from contracts with customers which are not attributable to core business activities. Such revenues had timing of recognition as follows:

	Consolidated financial statements (In Thousand Baht)	
	2023	2022
At a point in time	242,707	220,772
Over time	3,106	1,548

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 are as follows:

	Consolidated financial statements (In Thousand Baht)	
	2023	2022
Management fee income	35,820	36,016
Interest income	16,439	15,251
Total	52,259	51,267

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26. 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 2023 and 2022.

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.

Interest rate risk

Interest rate risk arises from the potential change in interest rates. However, the Group expects that the interest rate risk is not significant since a portion of deposits at banks are current accounts while saving deposits and fixed deposits as well as loans receivables / payables and lease liabilities 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 immaterial because of insignificant 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, 2023 and 2022, the Group had no any financial assets and financial liabilities that is measured and presented at fair value (both on 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, 2023 and 2022 had their fair values as follows:

Item in the financial statements	Fair value - Consolidated financial statements (In Million Baht)		Fair value hierarchy
	2023	2022	
Hire-purchase contract receivables	3,244.4	3,213.0	Level 3 inputs (discounted cash flows using market interest rates for the similar credits)
Loan receivables	99.5	18.0	
Nano finance receivables	6.1	11.7	
Loans to other parties	29.8	30.5	

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Item in the financial statements	Fair value - Separate financial statements (In Million Baht)		Fair value hierarchy
	2023	2022	
Hire-purchase contract receivables	1,954.7	2,060.4	Level 3 inputs (discounted cash flows using market interest rates for the similar credits)
Loan receivables	-	5.0	
Loans to other parties	29.8	30.5	

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, fixed deposits at banks, 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 the market interest rates or referenced to the market interest rates.

27. COMMITMENTS ON LONG-TERM SERVICE AGREEMENTS

As at December 31, 2023, 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:

	<u>In Million Baht</u>
	<u>Consolidated</u>
	<u>financial statements/</u>
	<u>Separate</u>
	<u>financial statements</u>
Due for payments within 1 year	12.9
Due for payments after 1 year but not over 5 years	11.9
Total	<u>24.8</u>

28. CAPITAL MANAGEMENT

Significant objectives of the Group's capital management are to ensure that it has appropriate financial and capital structures as well as maintaining the financial liquidity and ability to continue its businesses as a going concern. The Group did not have any significant change relating to capital management policy during 2023 and 2022.

As at December 31, 2023 and 2022, the Group's Debt-to-Equity ratio was 0.15:1.00 and 0.14:1.00, respectively (0.06:1.00 and 0.25:1.00 for the Company only, respectively).

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29. REGISTERED EMPLOYEES' PROVIDENT FUND

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

The Group's contributions, which were recorded as part of administrative expenses for each of the years ended December 31, 2023 and 2022 amounted to approximately Baht 0.2 million and Baht 0.3 million, respectively (same amount for the Company only).

30. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 29, 2024, the Board of Directors approved the Company to pay the dividends for the 2023 operations at Baht 0.25 per share, totalling Baht 125 million, that will be proposed to the shareholders in the upcoming shareholders' meeting to be held in April 2024 with the specified date for dividend payment on May 15, 2024.

31. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved for issuance by the Company's Board of Directors' meeting on February 29, 2024.