

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Interim Financial Information

For the Period Ended June 30, 2018

and Report on Review of Interim Financial Information

Performed by the Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY THE CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of Thitikorn Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thitikorn Public Company Limited and its subsidiaries as at June 30, 2018 and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the consolidated financial statements. I have also reviewed the accompanying separate statement of financial position of Thitikorn Public Company Limited as at June 30, 2018 and the related separate statements of comprehensive income for the three-month and six-month periods then ended, the separate statements of changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the separate financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with the Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the Thai Accounting Standard No. 34 "Interim Financial Reporting".

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

M.R. & ASSOCIATES CO., LTD.
Bangkok
August 8, 2018

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2018 AND DECEMBER 31, 2017

ASSETS

		In Thousand Baht			
		Consolidated		The Company Only	
		June 30, 2018 (Reviewed) (Unaudited)	December 31, 2017 (Audited)	June 30, 2018 (Reviewed) (Unaudited)	December 31, 2017 (Audited)
Note					
CURRENT ASSETS					
	Cash and cash equivalents	226,467	192,810	120,675	73,394
	Trade receivables				
	- Current portion of hire-purchase contract receivables - net	4,438,944	4,183,021	3,854,788	3,718,029
	- Current portion of loan receivables - net	67,579	67,759	61,872	63,752
	- Nano finance receivables - net	589	698	-	-
	- Other trade receivables	60,957	76,066	60,283	74,772
	Receivables from and short-term loans to related parties	-	-	601,499	601,038
	Current portion of long-term loans to other parties	62,418	6,242	62,418	6,242
	Merchandises	4,918	6,895	4,750	6,576
	Asset foreclosed - net	196,951	228,553	197,038	228,553
	Other current assets	60,233	32,167	55,711	29,536
	Total Current Assets	5,119,056	4,794,211	5,019,034	4,801,892
NON-CURRENT ASSETS					
	Restricted deposits at financial institutions	32,148	28,673	-	-
	Hire-purchase contract receivables - net	4,825,854	4,762,154	4,329,097	4,276,090
	Loan receivables - net	18,935	18,139	8,799	9,723
	Investments in subsidiaries accounted for using the cost method	-	-	256,541	183,867
	Long-term loans to other parties - net	2,235	58,359	2,235	58,359
	Property, plant and equipment - net	162,657	158,612	141,963	137,917
	Intangible assets - net	6,806	7,540	6,588	7,285
	Deferred tax assets	141,513	139,648	138,474	136,892
	Property for lease - net	18,720	18,921	-	-
	Assets not used in operations	14,282	14,282	5,708	5,708
	Other non-current assets	14,280	17,636	10,008	10,646
	Total Non-Current Assets	5,237,430	5,223,964	4,899,413	4,826,487
	TOTAL ASSETS	10,356,486	10,018,175	9,918,447	9,628,379

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2018 AND DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company Only	
		June 30, 2018 (Reviewed) (Unaudited)	December 31, 2017 (Audited)	June 30, 2018 (Reviewed) (Unaudited)	December 31, 2017 (Audited)
Note					
CURRENT LIABILITIES					
	Bank overdrafts and short-term borrowings from financial institutions	366,766	708,019	295,926	605,484
	Trade payables	169,774	90,833	167,563	87,747
	Current portion of long-term loans	47,853	27,920	-	-
6	Current portion of debentures	800,000	200,000	800,000	200,000
3	Payables to and short-term loans from related parties	35,686	39,657	462,043	445,273
	Income tax payable	58,093	71,533	43,650	61,147
	Deposits and advances from customers	111,042	103,074	76,116	82,371
	Accrued expenses and other current liabilities				
	- Accrued sales promotions and rewards	99,383	69,258	95,191	65,347
	- Others	70,130	67,119	61,385	61,066
	Total Current Liabilities	1,758,727	1,377,413	2,001,874	1,608,435
NON-CURRENT LIABILITIES					
	Long-term loans - net of current portion	28,384	12,318	-	-
6	Debentures - net of current portion	3,800,000	3,800,000	3,800,000	3,800,000
8	Liability for post-employment benefits	31,638	39,605	26,198	33,262
	Other non-current liabilities	3,536	3,536	-	-
	Total Non-Current Liabilities	3,863,558	3,855,459	3,826,198	3,833,262
	Total Liabilities	5,622,285	5,232,872	5,828,072	5,441,697
SHAREHOLDERS' EQUITY					
	Share capital - common shares, Baht 1 par value				
	Authorized share capital - 500,000,000 shares, Baht 1 par value	500,000	500,000	500,000	500,000
	Issued and fully paid-up share capital - 500,000,000 shares, Baht 1 par value	500,000	500,000	500,000	500,000
	Premium on shares	972,987	972,987	972,987	972,987
	Retained earnings				
	- Appropriated for legal reserve	50,000	50,000	50,000	50,000
	- Unappropriated	3,203,736	3,249,946	2,567,388	2,663,695
	Other component of equity				
	- Difference on financial statement conversion of subsidiaries	(6,217)	(523)	-	-
1	- Gain on change in proportion of investment in subsidiary	2,362	-	-	-
	Equity attributable to Owners of the Parent	4,722,868	4,772,410	4,090,375	4,186,682
	Non-controlling interests	11,333	12,893	-	-
	Total Shareholders' Equity	4,734,201	4,785,303	4,090,375	4,186,682
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,356,486	10,018,175	9,918,447	9,628,379

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(REVIEWED)
(UNAUDITED)

In Thousand Baht					
		Consolidated		The Company Only	
	Note	2018	2017	2018	2017
REVENUES					
Interest income on hire purchase		787,183	710,030	721,029	678,825
Interest income on loan		5,457	5,341	4,932	5,182
Interest income on nano finance		38	65	-	-
Sales of merchandises		299	1,347	299	1,347
Other income	1, 3	172,943	189,853	173,951	190,575
Total Revenues		965,920	906,636	900,211	875,929
EXPENSES					
Cost of sales		268	1,311	268	1,311
Distribution costs		21	10	21	10
Administrative expenses	1, 3	540,795	488,030	515,441	475,883
Bad debt and provision for doubtful accounts		261,585	239,333	257,474	232,510
Finance costs	3	31,027	25,670	33,464	28,424
Total Expenses		833,696	754,354	806,668	738,138
PROFIT BEFORE INCOME TAX EXPENSE		132,224	152,282	93,543	137,791
Income Tax Expense	1, 7	29,551	30,488	19,292	28,422
PROFIT FOR THE PERIOD	1	102,673	121,794	74,251	109,369
Other Comprehensive Income					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		49	704	-	-
Other Comprehensive Income for the Period		49	704	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1	102,722	122,498	74,251	109,369
Profit Attributable to:					
Owners of the parent	1	102,000	120,260	74,251	109,369
Non-controlling interests		673	1,534	-	-
Profit for the Period		102,673	121,794	74,251	109,369
Total Comprehensive Income Attributable to:					
Owners of the parent	1	102,049	120,964	74,251	109,369
Non-controlling interests		673	1,534	-	-
Total Comprehensive Income for the Period		102,722	122,498	74,251	109,369
Basic Earnings per Share (Baht)	1	0.20	0.24	0.15	0.22
Weighted average number of common shares		500,000,000	500,000,000	500,000,000	500,000,000

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(REVIEWED)
(UNAUDITED)

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2018	2017	2018	2017
REVENUES					
Interest income on hire purchase		1,570,492	1,383,796	1,451,671	1,327,339
Interest income on loan		11,087	11,708	9,992	11,473
Interest income on nano finance		79	129	-	-
Sales of merchandises		5,943	3,629	5,943	3,629
Other income	1, 3	335,995	379,009	337,596	379,828
Total Revenues		1,923,596	1,778,271	1,805,202	1,722,269
EXPENSES					
Cost of sales		5,707	3,524	5,707	3,524
Distribution costs		150	42	150	42
Administrative expenses	1, 3	1,089,687	970,743	1,041,604	946,539
Bad debt and provision for doubtful accounts		494,852	466,268	485,454	454,121
Finance costs	3	60,934	52,995	66,095	59,022
Total Expenses		1,651,330	1,493,572	1,599,010	1,463,248
PROFIT BEFORE INCOME TAX EXPENSE		272,266	284,699	206,192	259,021
Income Tax Expense	1, 7	57,722	58,030	42,499	53,876
PROFIT FOR THE PERIOD	1	214,544	226,669	163,693	205,145
Other Comprehensive Income (Loss)					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		(5,694)	980	-	-
<i>Item that will not be subsequently reclassified to profit or loss</i>					
- Actuarial loss on measurement of liability for post-employment benefits (net of income tax expense of Baht 2,875 thousand for consolidated and Baht 2,845 thousand for the company only) in 2017	7, 8	-	(11,500)	-	(11,380)
Other Comprehensive Loss for the Period		(5,694)	(10,520)	-	(11,380)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1	208,850	216,149	163,693	193,765
Profit Attributable to:					
Owners of the parent	1	213,790	223,992	163,693	205,145
Non-controlling interests		754	2,677	-	-
Profit for the Period		214,544	226,669	163,693	205,145
Total Comprehensive Income Attributable to:					
Owners of the parent	1	208,096	213,472	163,693	193,765
Non-controlling interests		754	2,677	-	-
Total Comprehensive Income for the Period		208,850	216,149	163,693	193,765
Basic Earnings per Share (Baht)	1	0.43	0.45	0.33	0.41
Weighted average number of common shares		500,000,000	500,000,000	500,000,000	500,000,000

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(REVIEWED)

(UNAUDITED)

Consolidated (In Thousand Baht)										
Equity attributable to Owners of the Parent										
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Other Components of Equity		Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity
				Appropriated for Legal Reserve	Unappropriated	Difference on Financial Statement Conversion of Subsidiary	Gain on Change in Proportion of Investment in Subsidiary			
Beginning Balance as at January 1, 2018		500,000	972,987	50,000	3,249,946	(523)	-	4,772,410	12,893	4,785,303
Change in proportion of investment in subsidiary	1	-	-	-	-	-	2,362	2,362	(2,362)	-
Increase in non-controlling interests	1	-	-	-	-	-	-	-	48	48
Payment of dividends	9	-	-	-	(260,000)	-	-	(260,000)	-	(260,000)
Total comprehensive income for the period		-	-	-	213,790	(5,694)	-	208,096	754	208,850
Ending Balance as at June 30, 2018		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>3,203,736</u>	<u>(6,217)</u>	<u>2,362</u>	<u>4,722,868</u>	<u>11,333</u>	<u>4,734,201</u>
Beginning Balance as at January 1, 2017		500,000	972,987	50,000	3,019,504	(180)	-	4,542,311	7,610	4,549,921
Payment of dividends	9	-	-	-	(225,000)	-	-	(225,000)	-	(225,000)
Total comprehensive income for the period		-	-	-	212,492	980	-	213,472	2,677	216,149
Ending Balance as at June 30, 2017		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>3,006,996</u>	<u>800</u>	<u>-</u>	<u>4,530,783</u>	<u>10,287</u>	<u>4,541,070</u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(REVIEWED)
(UNAUDITED)

The Company Only (In Thousand Baht)						
	Note	Issued and Fully Paid-up Share Capital	Premium on Shares	Retained Earnings		Total
				Appropriated for Legal Reserve	Unappropriated	
Beginning Balance as at January 1, 2018		500,000	972,987	50,000	2,663,695	4,186,682
Payment of dividends	9	-	-	-	(260,000)	(260,000)
Total comprehensive income for the period		-	-	-	163,693	163,693
Ending Balance as at June 30, 2018		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>2,567,388</u>	<u>4,090,375</u>
Beginning Balance as at January 1, 2017		500,000	972,987	50,000	2,491,240	4,014,227
Payment of dividends	9	-	-	-	(225,000)	(225,000)
Total comprehensive income for the period		-	-	-	193,765	193,765
Ending Balance as at June 30, 2017		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>2,460,005</u>	<u>3,982,992</u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(REVIEWED)
(UNAUDITED)

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	272,266	284,699	206,192	259,021
Adjustments				
Depreciation and amortization	29,793	33,665	26,825	31,259
Expenses for post-employment benefits	1,440	1,997	1,239	1,716
Unrealized loss (gain) on exchange rate	(5,468)	892	226	(88)
Bad debt and provision for doubtful accounts	494,852	466,268	485,454	454,121
Decrease in allowance for diminution in value of asset foreclosed	(12,061)	(7,060)	(12,148)	(7,060)
Loss (gain) on sales of investment in subsidiary	3,636	-	(467)	-
Gain on sales of equipment	(429)	(2,651)	(429)	(2,651)
Loss on written-off asset	878	2,559	878	2,559
Interest income	(3,313)	(3,495)	(10,635)	(13,396)
Interest expense	60,934	52,995	66,095	59,022
(Increase) Decrease in operating assets :				
Trade receivables - hire-purchase contract receivables	(813,201)	(1,136,198)	(673,978)	(1,058,263)
Trade receivables - loan receivables	(1,876)	24,038	1,562	30,489
Trade receivables - nano finance receivables	95	25	-	-
Trade receivables - other	15,109	16,267	14,489	15,480
Other receivables from related parties	-	-	(893)	40
Merchandises	1,977	994	1,826	951
Asset foreclosed	43,663	15,496	43,663	15,496
Other current assets	(28,487)	2,397	(26,117)	2,871
Other non-current assets	(1,028)	(398)	(240)	(261)
Increase (Decrease) in operating liabilities :				
Trade payables	78,941	(80,657)	79,816	(66,135)
Other payables to related parties	1,744	513	2,268	1,276
Deposits and advances from customers	7,968	(2,503)	(6,255)	(6,018)
Accrued expenses and other current liabilities	24,885	3,492	21,997	5,186
Liability for post-employment benefits	(9,407)	(6,050)	(8,303)	(5,314)
Other non-current liabilities	-	(2,713)	-	(2,712)
	162,911	(335,428)	213,065	(282,411)
Income tax paid	(73,074)	(55,504)	(61,578)	(49,420)
Net Cash Provided by (Used in) Operating Activities	89,837	(390,932)	151,487	(331,831)

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

(REVIEWED)
(UNAUDITED)

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in restricted deposits at financial institutions	(3,475)	(641)	-	-
Increase in short-term loans to related party	-	-	(147,890)	(74,665)
Collections from short-term loans to related party	-	-	127,970	89,590
Increase in investment in subsidiaries	-	-	(52,628)	(17,329)
Increase in long-term loans to other parties	(900)	(3,175)	(900)	(3,175)
Collections from long-term loans to other parties	848	3,150	848	3,150
Purchases of fixed assets	(27,695)	(22,626)	(24,966)	(21,348)
Purchases of intangible assets	(1,036)	(1,549)	(1,025)	(1,444)
Proceeds from sales of investment in subsidiary - net of subsidiary's cash divested by Baht 256 thousand for consolidated in 2018	211	-	467	-
Proceeds from sales of equipment	922	7,758	922	7,758
Interest received	3,250	3,359	10,883	13,383
Net Cash Used in Investing Activities	(27,875)	(13,724)	(86,319)	(4,080)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(341,479)	759,820	(309,784)	707,032
Increase in short-term loans from related parties	-	11,430	50,000	34,000
Repayments of short-term loans from related parties	(5,715)	-	(35,500)	(16,600)
Increase in long-term loans	52,013	35,077	-	-
Repayments of long-term loans	(16,014)	(14,707)	-	-
Issuances of debentures	600,000	1,000,000	600,000	1,000,000
Redemption of debentures	-	(1,120,000)	-	(1,120,000)
Increase in non-controlling interests	48	-	-	-
Interest paid	(57,158)	(46,447)	(62,603)	(52,567)
Dividends paid	(260,000)	(225,000)	(260,000)	(225,000)
Net Cash Provided by (Used in) Financing Activities	(28,305)	400,173	(17,887)	326,865
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,657	(4,483)	47,281	(9,046)
Cash and Cash Equivalents at Beginning of Period	192,810	103,579	73,394	32,554
CASH AND CASH EQUIVALENTS AT END OF PERIOD	226,467	99,096	120,675	23,508
Supplementary disclosures of cash flow information				
a. Cash and cash equivalents at end of period				
Cash in hand	13,157	14,224	7,992	11,826
Current accounts at banks	110,717	28,557	66,085	11,682
Savings deposits at banks	102,593	56,315	46,598	-
Total	226,467	99,096	120,675	23,508
b. Non-cash transactions				
Purchases of equipment by means of payables	4,676	657	4,676	657
Transfer of other non-current assets to restricted deposits at financial institutions	-	2,310	-	-
Transfer of short-term loan to related party to investment in subsidiary	-	-	20,046	-

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements
June 30, 2018 and 2017 (Reviewed) (Unaudited)
And December 31, 2017 (Audited)

1. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL INFORMATION

The accompanying interim financial information is prepared on a condensed basis and in accordance with The Thai Accounting Standard No. 34 (Revised 2017) “Interim Financial Reporting” including interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission, and applicable announcement of the Department of Business Development.

The accompanying interim financial information is prepared as updated information to the financial statements for the year ended December 31, 2017 with an emphasis on the more current information about activities, events and situations, not a duplicate of information previously reported. This interim financial information should therefore be read in conjunction with the financial statements for the year ended December 31, 2017.

For convenience of the readers, an English translation of the interim financial information is prepared from the Thai language interim financial information that is issued for domestic financial reporting purposes.

The consolidated financial statements for the three-month and six-month periods ended June 30, 2018 and 2017 and the consolidated financial statements for the year ended December 31, 2017, which are a component of this interim financial information, include the accounts of the Company and its subsidiaries which the Company has the controlling power or direct and indirect holdings on those subsidiaries as follows:

Name of Companies	Type of Business	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct and Indirect Holdings (%)	
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services including vehicle modification services	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile business	40,000	40,000	99.99	99.99
TK Debt Services Co., Ltd.	Debt collection and forfeiture services and vehicle modification services	-	700	-	99.99
TK Ngern Tan Jai Co., Ltd.	Nano finance business	50,000	50,000	99.99	99.99
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	41,061**	21,015*	80.50	61.90
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	82,915****	34,945****	99.92	99.80
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	Microfinance business	4,705*****	-	99.00	-

*KIP 5,250 million **KIP 10,250 million ***USD 1,000,000 ****USD 2,500,000
***** Kyat 200 million

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
June 30, 2018 and 2017 (Reviewed) (Unaudited)
And December 31, 2017 (Audited)

At the Board of Directors' meeting on August 10, 2017, the Board of Directors passed the resolution to approve the budget for the increase in the authorized share capital of Suosdey Finance PLC., for an additional amount of U.S. Dollar 1.5 million whereby such subsidiary increased its share capital and registered the increase in share capital on March 29, 2018. As a result from this increase in share capital, the percentage of shareholding in such subsidiary increased from 99.80% to 99.92%. In addition, at the Board of Directors' meeting on May 9, 2018, the Board of Directors passed the resolution to approve the budget for the increase in the authorized share capital of such subsidiary for an additional amount of U.S. Dollar 1.5 million whereby such subsidiary is during the process to increase and register the increase in share capital as at June 30, 2018.

At the Board of Directors' meeting on May 8, 2017, the Board of Directors passed the resolution to approve the budget for the increase in the authorized share capital of Sabaidee Leasing Co., Ltd., for an additional amount of Kip 5,000 million whereby such subsidiary increased its share capital and registered the increase in share capital on March 26, 2018. As a result from this increase in share capital, the percentage of shareholding in such subsidiary increased from 61.90% to 80.50%.

At the Board of Directors' meeting on September 27, 2017, the Board of Directors passed the resolution to approve the Company to establish a new subsidiary at Bago City in the Republic of the Union of Myanmar ("Myanmar"), i.e. "Mingalaba Thitikorn Microfinance Co., Ltd." ("Mingalaba"), whereby the Company and its director are shareholders of such company at the proportion of 99% and 1%, respectively, and source of fund for this investment derived from the Company's working capital. Mingalaba was registered as a juristic company under the laws of Myanmar in April 2018 in order to conduct its business relating to microfinance and other kinds of finance businesses in Myanmar. Authorized share capital of Mingalaba comprises of 200,000 common shares at Kyat 1,000 par value, totalling Kyat 200 million or approximately Baht 4.71 million.

The Company sold its investment in TK Debt Services Co., Ltd. ("TKD") to a non-related person at the price of Baht 0.5 million and incurred loss on sales to the Group of approximately Baht 3.6 million which was presented as a part of administrative expenses in the consolidated statement of comprehensive income for the six-month period ended June 30, 2018 whereby the Company registered the change of the authorized directors and list of shareholders of such company in early February 2018. Near the end of February 2018, TKD was registered the change in name to "Stone Collector Co., Ltd." The financial performance of TKD for January 2018 to early February 2018 was not included in the accompanying consolidated interim financial statements for the three-month and six-month periods ended June 30, 2018 of the Group in respect of the insignificant amounts (in thousand Baht) as well as incurrence of undue costs to the Group if included.

In addition, the financial performance for the three-month and six-month periods ended June 30, 2017 of TKD which was included in the accompanying consolidated interim financial statements for the three-month and six-month periods then ended of the Group (after elimination of inter-company transactions) is as follows:

Financial Performance for the Three-Month and Six-Month Periods ended June 30, 2017 of TKD	In Thousand Baht	
	Three-Month Period	Six-Month Period
Other income	627	1,313
Administrative expenses	19,089	39,490
Tax income	9	17
Loss for the period / Loss for the period attributable to the parent	18,453	38,160
Comprehensive loss for the period / Comprehensive loss for the period attributable to the parent	18,453	37,648
Basic loss per share (Baht)	0.04	0.08

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

Starting from January 1, 2018, the Group had adopted the revision of Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), issued by FAP, which have been effective from the accounting period starting on or after January 1, 2018. The aforesaid adoption of revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Group.

Subsequently, FAP issued the Notification which was announced in the Royal Gazette in March 2018 regarding the issuance of new TFRS, i.e. TFRS 15 “Revenue from Contracts with Customers”, with effective from the accounting period starting on or after January 1, 2019 whereby the Group has not yet adopted in preparation of the accompanying interim financial reporting and has no policy to early adopt before the effective period. Management of the Group has preliminarily assessed and believed that there will be no material effect to the financial reporting of the Group upon adoption of the aforesaid new TFRS.

2. SIGNIFICANT ACCOUNTING POLICIES

The Group applied significant accounting policies and methods of computation to the preparation of interim financial information for the three-month and six-month periods ended June 30, 2018 and 2017 which are similar to those applied to the preparation of financial statements for the year ended December 31, 2017 except the adoption of revised TAS and TFRS as well as TIC and TFRIC as discussed in Note 1 which had no any material effect.

3. TRANSACTIONS WITH RELATED PARTIES

During the three-month and six-month periods ended June 30, 2018, the Company had related company in addition to the year 2017 as follows:

Name of Company	Type of Business	Type of Relationship
Software Development Company Limited	Sales of computer and services relating to computer programs	Co-shareholders

Significant transactions with related parties for the three-month and six month periods ended June 30, 2018 and 2017 are as follows:

	Three-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Interest income				
Subsidiaries	-	-	3,590	4,980
Other income				
Subsidiaries	-	-	5	17
Rental and services				
Subsidiaries	-	-	216	216
Related companies	9,020	8,699	9,020	8,355
Total	9,020	8,699	9,236	8,571
Management fee				
Related companies	2,550	2,550	2,100	1,800
Utility expenses				
Related companies	927	943	927	943

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	Six-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Key management's remunerations				
Short-term benefits	11,725	12,068	11,725	12,068
Post-employment benefits	246	455	246	455
Total	11,971	12,523	11,971	12,523
Purchase of vehicles for hire-purchases				
Related companies	44,484	146,931	-	-
Purchase of vehicles for use				
Related companies	20,753	-	20,753	-
Purchase of office equipment				
Related companies	2,407	-	2,407	-
Sales of office equipment (mutually agreed prices)				
Related person	6	-	6	-
Purchase of computer program (mutually agreed prices)				
Related companies	630	-	630	-

Significant outstanding balances with related parties as at June 30, 2018 and December 31, 2017 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Receivables and short-term loans				
Accrued interest				
Subsidiaries	-	-	1,135	1,441
Advances				
Subsidiaries	-	-	4,218	3,325
Short-term loans				
Subsidiaries (interest rate at 4.125 p.a. in 2018 and 4.125 - 4.375 p.a. in 2017)	-	-	596,146	596,272
Total	-	-	601,499	601,038
Payables and short-term loans				
Accrued expenses				
Subsidiaries	-	-	12,978	12,442
Related companies	3,341	1,597	3,075	1,341
Total	3,341	1,597	16,053	13,783
Short-term loans				
Subsidiaries (interest rate at 4.125 p.a. in 2018 and 4.125 - 4.375 p.a. in 2017)	-	-	445,990	431,490
Directors (non-interest bearing)	32,345	38,060	-	-
Total	32,345	38,060	445,990	431,490
Total	35,686	39,657	462,043	445,273

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

	Consolidated (In Thousand Baht)			
	December 31, 2017	Increase	Decrease	June 30, 2018
Short-term loans from related persons				
Directors	38,060	-	5,715	32,345
	The Company Only (In Thousand Baht)			
	December 31, 2017	Increase	Decrease	June 30, 2018
Short-term loans to subsidiaries				
Suosdey Finance PLC.	110,286	141,890	47,970	204,206
Sabaidee Leasing Co., Ltd.	81,986	-	20,046	61,940
Chayapak Co., Ltd.	404,000	6,000	80,000	330,000
Total	596,272	147,890	148,016	596,146
Short-term loans from subsidiary				
C.V.A. Co., Ltd.	431,490	50,000	35,500	445,990

As at June 30, 2018 and December 31, 2017, the Company has been guarantor for (1) short-term loan credit facilities granted by a local commercial bank to Chayapak Co., Ltd. amounting to Baht 600 million (2) short-term loan credit facilities granted by a commercial bank incorporated in Cambodia of Suosdey Finance PLC. amounting to USD 3 million (drawdown of approximately USD 2.1 million as at June 30, 2018) and long-term loan credit facilities granted by another commercial banks incorporated in Cambodia of such subsidiary amounting to USD 16 million (drawdown of approximately USD 4.1 million as at June 30, 2018) and (3) loan credit facilities granted by a commercial bank incorporated in Lao PDR of Sabaidee Leasing Co., Ltd., amounting to Kip 4,952 million (pertaining to 61.9% of former shareholding) (not yet been drawdown as at June 30, 2018). There has been no intercompany charge on these guarantees.

At the Board of Directors' meeting on February 21, 2018, the Board of Directors passed the resolution to approve the increase in amount of temporary advances for use as working capital in operations of foreign subsidiaries, i.e. Suosdey Finance PLC., Sabaidee Leasing Co., Ltd., and Mingalaba Thitikorn Microfinance Co., Ltd., totalling Baht 1,000 million, whereby the Company's Management Board is authorized to approve the payment of each advance under such amount.

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

Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	Total	June 30, 2018		December 31, 2017		
		Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	14,046,298	7,530,511	6,515,787	13,557,636	7,124,864	6,432,772
Less Unearned income	(4,197,858)	(2,722,861)	(1,474,997)	(4,058,862)	(2,599,170)	(1,459,692)
Net	9,848,440	4,807,650	5,040,790	9,498,774	4,525,694	4,973,080
Less Allowance for doubtful accounts	(583,642)	(368,706)	(214,936)	(553,599)	(342,673)	(210,926)
Net	9,264,798	4,438,944	4,825,854	8,945,175	4,183,021	4,762,154

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	The Company Only (In Thousand Baht)					
	June 30, 2018			December 31, 2017		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	12,685,105	6,735,679	5,949,426	12,389,155	6,505,974	5,883,181
Less Unearned income	(3,937,226)	(2,524,705)	(1,412,521)	(3,857,900)	(2,457,066)	(1,400,834)
Net	8,747,879	4,210,974	4,536,905	8,531,255	4,048,908	4,482,347
Less Allowance for doubtful accounts	(563,994)	(356,186)	(207,808)	(537,136)	(330,879)	(206,257)
Net	8,183,885	3,854,788	4,329,097	7,994,119	3,718,029	4,276,090

Hire-purchase contract receivables at June 30, 2018 and December 31, 2017 (major contract terms are 1 - 5 years) are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Current	6,548,262	6,299,229	5,624,673	5,477,670
Overdue 1 month	1,387,343	1,404,421	1,306,328	1,341,385
Overdue 2 - 3 months	1,424,108	1,341,732	1,380,855	1,290,516
Overdue 4 - 6 months	462,348	442,982	435,021	421,684
Overdue 7 - 12 months	24,696	6,660	1,002	-
Overdue longer than 12 months	1,683	3,750	-	-
Total	9,848,440	9,498,774	8,747,879	8,531,255
Less Allowance for doubtful accounts	(583,642)	(553,599)	(563,994)	(537,136)
Net	9,264,798	8,945,175	8,183,885	7,994,119

The Group determine allowance for doubtful accounts in line with the accounting policy for the year 2017. Such policy is not compliance with the accounting guidance for determination of allowance of doubtful accounts for consumer finance business, which was mutually defined by the Securities and Exchange Commission (SEC) and the Institute of Certified Accountants and Auditors of Thailand (“ICAAT”) in 2004, because the Group is able to forfeit or repossess a portion of collaterals from debtors. As at June 30, 2018, the Group had allowance for doubtful accounts at 5.93% (6.45% for the Company only) of total hire-purchase contract receivables before deducting allowance for doubtful accounts.

Loan Receivables

	Consolidated (In Thousand Baht)					
	June 30, 2018			December 31, 2017		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	103,485	82,251	21,234	102,898	82,513	20,385
Less Unearned income	(13,800)	(11,647)	(2,153)	(14,109)	(12,005)	(2,104)
Net	89,685	70,604	19,081	88,789	70,508	18,281
Less Allowance for doubtful accounts	(3,171)	(3,025)	(146)	(2,891)	(2,749)	(142)
Net	86,514	67,579	18,935	85,898	67,759	18,139

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	The Company Only (In Thousand Baht)					
	June 30, 2018			December 31, 2017		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	84,217	74,717	9,500	87,496	77,011	10,485
Less Unearned income	(10,418)	(9,835)	(583)	(11,156)	(10,518)	(638)
Net	73,799	64,882	8,917	76,340	66,493	9,847
Less Allowance for doubtful accounts	(3,128)	(3,010)	(118)	(2,865)	(2,741)	(124)
Net	70,671	61,872	8,799	73,475	63,752	9,723

Loan receivables as at June 30, 2018 and December 31, 2017 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		Company Only	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Current	68,031	70,982	55,119	59,218
Overdue 1 month	11,683	10,261	10,560	9,886
Overdue 2 - 3 months	7,843	6,000	6,228	5,691
Overdue 4 - 6 months	1,570	1,020	1,334	1,020
Overdue 7 - 12 months	364	359	364	358
Overdue longer than 12 months	194	167	194	167
Total	89,685	88,789	73,799	76,340
Less Allowance for doubtful accounts	(3,171)	(2,891)	(3,128)	(2,865)
Net	86,514	85,898	70,671	73,475

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

Nano Finance Receivables

	Consolidated (In Thousand Baht)					
	June 30, 2018			December 31, 2017		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	679	679	-	778	778	-
Less Unearned income	(66)	(66)	-	(70)	(70)	-
Net	613	613	-	708	708	-
Less Allowance for doubtful accounts	(24)	(24)	-	(10)	(10)	-
Net	589	589	-	698	698	-

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Nano finance receivables as at June 30, 2018 and December 31, 2017 are aged by outstanding installment payments of each contract as follows:

	Consolidated (In Thousand Baht)	
	June 30, 2018	December 31, 2017
Current	563	664
Overdue 1 month	15	38
Overdue 2 - 3 months	11	-
Overdue 4 - 6 months	15	6
Overdue 7 - 12 months	9	-
Total	613	708
Less Allowance for doubtful accounts	(24)	(10)
Net	589	698

5. ASSET FORECLOSED - NET

	In Thousand Baht		
	Consolidated June 30, 2018	The Company Only June 30, 2018	Consolidated and The Company Only December 31, 2017
Balance not exceeding one year	281,483	281,483	326,505
Balance exceeding one year	14,596	14,596	13,237
Total	296,079	296,079	339,742
Less Allowance for diminution in value	(99,128)	(99,041)	(111,189)
Net	196,951	197,038	228,553

6. DEBENTURES

Consolidated and The Company Only				In Thousand Baht	
Date of Issuance / Year of Redemption	Interest Payment	Interest Rate Per Annum (%)	Number of Unit (Baht 1,000 Each)	June 30, 2018	December 31, 2017
September 3, 2015 / 2018	Semi-annually	2.59	200,000	200,000	200,000
May 16, 2016 / 2019	Semi-annually	2.15	600,000	600,000	600,000
July 20, 2016 / 2019	Semi-annually	2.36	600,000	600,000	600,000
September 1, 2016 / 2019	Semi-annually	2.41	500,000	500,000	500,000
November 7, 2016 / 2019	Semi-annually	2.48	300,000	300,000	300,000
February 28, 2017 / 2020	Semi-annually	2.83	1,000,000	1,000,000	1,000,000
August 18, 2017 / 2020	Semi-annually	2.56	800,000	800,000	800,000
February 23, 2018 / 2021	Semi-annually	2.27	600,000	600,000	-
Total				4,600,000	4,000,000
Less Current portion				(800,000)	(200,000)
Net				3,800,000	3,800,000

As at June 30, 2018, the amount for issuance and offering of the Company's debentures was totally Baht 7,000 million, which comprised of the amount approved by the shareholders' meeting in April 2016 amounting to Baht 4,000 million and another approved by the extraordinary shareholders' meeting in September 2017 amounting to Baht 3,000 million. Subsequently, at the shareholders' meeting in April 2018, the shareholders unanimously passed the resolution to approve the increase in amount for issuance and offering of debentures by Baht 600 million.

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

7. INCOME TAX

Corporate income tax recorded as expense (income) for the three-month and six-month periods ended June 30, 2018 and 2017 consists of:

	Three-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Income tax computed from accounting profit	26,618	30,735	18,708	27,558
Effects from non-deductible expenses	6,902	10,541	5,439	7,622
Effects from benefit of tax loss carryforward	215	-	-	-
Effects from additional deductible expenses	(737)	(3,654)	(1,431)	(152)
Current tax on taxable profit	32,998	37,622	22,716	35,028
Increase in deferred tax assets	(3,447)	(7,134)	(3,424)	(6,606)
Income tax presented in statement of comprehensive income	<u>29,551</u>	<u>30,488</u>	<u>19,292</u>	<u>28,422</u>

	Six-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Income tax computed from accounting profit	55,519	57,218	41,238	51,804
Effects from non-deductible expenses	9,378	15,742	7,331	12,677
Effects from benefit of tax loss carryforward	(634)	-	-	-
Effects from additional deductible expenses	(4,676)	(6,408)	(4,488)	(2,759)
Current tax on taxable profit	59,587	66,552	44,081	61,722
Increase in deferred tax assets	(1,865)	(8,522)	(1,582)	(7,846)
Income tax presented in statement of comprehensive income	<u>57,722</u>	<u>58,030</u>	<u>42,499</u>	<u>53,876</u>
Increase in deferred tax assets from item under other comprehensive income	<u>-</u>	<u>(2,875)</u>	<u>-</u>	<u>(2,845)</u>

Deferred tax assets presented in statements of financial positions as at June 30, 2018 and December 31, 2017 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Effects from non-deductible items from				
- Allowance for doubtful accounts	115,360	109,489	113,426	108,002
- Allowance for diminution in value of asset foreclosed	19,825	22,238	19,808	22,238
- Liability for post-employment benefits	6,328	7,921	5,240	6,652
Total	<u>141,513</u>	<u>139,648</u>	<u>138,474</u>	<u>136,892</u>

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8. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the six-month periods ended June 30, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Liability for post-employment benefits as at January 1	39,605	27,287	33,262	20,919
Current service cost	978	1,395	842	1,207
Interest cost	462	602	397	509
Actuarial loss on measurement	-	14,375	-	14,225
Expense recognized in statement of comprehensive income	1,440	16,372	1,239	15,941
Employee benefits paid during the period	(9,407)	(6,050)	(8,303)	(5,314)
Liability for post-employment benefits as at June 30	<u>31,638</u>	<u>37,609</u>	<u>26,198</u>	<u>31,546</u>

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

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

The abovementioned actuarial loss on measurement in the 2017 consolidated financial statements comprised of (1) loss from experience adjustment amounting to approximately Baht 14,350 thousand, (2) gain from changes in demographic assumptions amounting to approximately Baht 5,989 thousand, and (3) loss from changes in financial assumptions amounting to approximately Baht 6,014 thousand.

The abovementioned actuarial loss on measurement in the 2017 separate financial statements comprised of (1) loss from experience adjustment amounting to approximately Baht 14,159 thousand, (2) gain from changes in demographic assumptions amounting to approximately Baht 5,114 thousand, and (3) loss from changes in financial assumptions amounting to approximately Baht 5,180 thousand.

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

Significant Assumptions	Liability May Increase (Decrease) from Changes in Significant Assumptions (In Thousand Baht)			
	If Increased by 0.5%		If Decreased by 0.5%	
	Consolidated	The Company Only	Consolidated	The Company Only
Discount rate	(929)	(811)	985	861
Salary escalation rate	1,211	1,045	(1,150)	(992)
Employee turnover rate	(1,383)	(1,198)	1,569	1,361

9. DIVIDENDS

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

At the general shareholders' meeting held on April 26, 2017, the shareholders unanimously approved the Company to pay dividends for the 2015 operations at Baht 0.45 per share, totalling Baht 225 million. The Company paid such dividends to the shareholders on May 18, 2017.

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10. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT

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

Information on geographic areas

The subsidiaries in Cambodia and Lao PDR started their business activities near the end of 2014. Currently, their operations have been insignificant portion as compared to the entire volumes and business activities whereby the subsidiary in Myanmar had just established and has not yet started any business activities. Accordingly, the accompanying interim financial information does not include the operating segment information on geographic areas.

The Company and its subsidiaries incorporated in Thailand have no any non-current asset located in the countries other than Thailand. However, as at June 30, 2018, the subsidiaries incorporated in Cambodia, Lao PDR and Myanmar had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 10.27 million, Baht 2.92 million and Baht 0.03 million, respectively, were presented in the consolidated statement of financial position as at June 30, 2018 (as at December 31, 2017 : Baht 10.66 million and Baht 1.76 million, respectively).

11. COMMITMENTS

As at June 30, 2018, the Group had commitments on lease and service agreements for office premises and branches whereby the related lease and service fees are committed to pay as follows:

• Due for payments within one year	38.4	million Baht
• Due for payments after one year but not exceeding five years	45.0	
• Due for payments beyond five years	<u>0.5</u>	
• Total	<u>83.9</u>	million Baht

12. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The accompanying interim financial information has been approved to be issued by the Company's Board of Directors' meeting on August 8, 2018.