

**THITIKORN PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES**

**Interim Financial Information**

**For the Period Ended March 31, 2019**

**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 March 31, 2019 and the related consolidated statement of comprehensive income, the consolidated statements of changes in shareholders' equity and cash flows for the three-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 March 31, 2019 and the related separate statement of comprehensive income, the separate statements of changes in shareholders' equity and cash flows for the three-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  
May 13, 2019

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

**ASSETS**

		In Thousand Baht			
		Consolidated		The Company Only	
		March 31, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)	March 31, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)
Note					
<b>CURRENT ASSETS</b>					
	Cash and cash equivalents	832,763	438,013	675,217	257,806
	Trade receivables				
	- Current portion of hire-purchase contract receivables - net	4,579,965	4,547,047	3,736,390	3,805,742
	- Current portion of loan receivables - net	4,579,965	4,547,047	3,736,390	3,805,742
	- Nano finance receivables - net	495	619	-	-
	- Other trade receivables	64,206	88,402	63,477	87,236
	Receivables from and short-term loans to related parties	-	-	594,787	623,870
	Current portion of long-term loans to other parties	52,509	55,225	52,509	55,225
	Merchandises	1,308	1,184	1,141	1,015
	Asset foreclosed - net	188,768	200,036	188,705	200,036
	Other current assets	35,193	40,028	29,025	34,327
	<b>Total Current Assets</b>	<b>5,810,942</b>	<b>5,431,414</b>	<b>5,389,754</b>	<b>5,119,235</b>
<b>NON-CURRENT ASSETS</b>					
	Restricted deposits at financial institutions	38,343	34,382	-	-
	Hire-purchase contract receivables - net	4,345,435	4,595,974	3,731,529	4,033,117
	Loan receivables - net	18,332	19,160	6,363	7,575
	Investments in subsidiaries accounted for using the cost method	-	-	305,835	305,835
	Long-term loans to other parties - net	2,013	2,805	2,013	2,805
	Property, plant and equipment - net	151,568	154,001	125,638	133,209
	Intangible assets - net	5,603	6,346	5,366	6,080
	Deferred tax assets	141,210	138,402	138,303	135,812
	Property for lease - net	18,417	18,517	-	-
	Assets not used in operations	14,282	14,282	5,708	5,708
	Other non-current assets	14,274	14,353	10,007	10,046
	<b>Total Non-Current Assets</b>	<b>4,749,477</b>	<b>4,998,222</b>	<b>4,330,762</b>	<b>4,640,187</b>
	<b>TOTAL ASSETS</b>	<b>10,560,419</b>	<b>10,429,636</b>	<b>9,720,516</b>	<b>9,759,422</b>

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 MARCH 31, 2019 AND DECEMBER 31, 2018**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		In Thousand Baht			
		Consolidated		The Company Only	
		March 31, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)	March 31, 2019 (Reviewed) (Unaudited)	December 31, 2018 (Audited)
Note					
<b>CURRENT LIABILITIES</b>					
	Bank overdrafts and short-term borrowings from financial institutions	138,076	97,966	18,589	36,184
	Trade payables	5,523	115,218	-	107,501
	Current portion of long-term loans	189,992	137,873	-	-
	Current portion of debentures	6	3,150,000	2,150,000	3,150,000
	Payables to and short-term loans from related parties	3	47,037	50,180	491,617
	Income tax payable	59,981	56,429	46,933	28,829
	Deposits and advances from customers	151,045	135,278	102,606	94,438
	Accrued expenses and other current liabilities				
	- Accrued sales promotions and rewards	79,250	86,053	73,096	78,687
	- Others	64,955	70,591	55,920	63,997
	<b>Total Current Liabilities</b>	<b>3,885,859</b>	<b>2,899,588</b>	<b>3,938,761</b>	<b>3,040,319</b>
<b>NON-CURRENT LIABILITIES</b>					
	Long-term loans - net of current portion	126,953	99,400	-	-
	Debentures - net of current portion	6	1,470,000	2,470,000	1,470,000
	Liability for post-employment benefits	8	28,443	31,666	23,918
	<b>Total Non-Current Liabilities</b>	<b>1,625,396</b>	<b>2,601,066</b>	<b>1,493,918</b>	<b>2,496,149</b>
	<b>Total Liabilities</b>	<b>5,511,255</b>	<b>5,500,654</b>	<b>5,432,679</b>	<b>5,536,468</b>
<b>SHAREHOLDERS' EQUITY</b>					
	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	3,510,163	3,397,319	2,764,850	2,699,967
	Other component of equity				
	- Difference on financial statement conversion of subsidiaries	1,786	(4,813)	-	-
	- Gain on change in proportion of investment in subsidiary	2,362	2,362	-	-
	<b>Equity attributable to Owners of the Parent</b>	<b>5,037,298</b>	<b>4,917,855</b>	<b>4,287,837</b>	<b>4,222,954</b>
	Non-controlling interests	11,866	11,127	-	-
	<b>Total Shareholders' Equity</b>	<b>5,049,164</b>	<b>4,928,982</b>	<b>4,287,837</b>	<b>4,222,954</b>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>10,560,419</b>	<b>10,429,636</b>	<b>9,720,516</b>	<b>9,759,422</b>

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 MARCH 31, 2019 AND 2018**

(REVIEWED)  
(UNAUDITED)

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2019	2018	2019	2018
<b>REVENUES</b>					
Interest income on hire purchase		805,851	783,309	699,107	730,642
Interest income on loan		4,679	5,630	4,022	5,060
Interest income on nano finance		35	41	-	-
Sales of merchandises		2,192	5,644	2,192	5,644
Other income	3	166,912	163,052	171,588	163,645
<b>Total Revenues</b>		<b>979,669</b>	<b>957,676</b>	<b>876,909</b>	<b>904,991</b>
<b>EXPENSES</b>					
Cost of sales		2,186	5,439	2,186	5,439
Distribution costs		3	129	3	129
Administrative expenses	3	540,588	548,892	509,422	526,163
Bad debt and provision for doubtful accounts		261,411	233,267	250,548	227,980
Finance costs	3	33,994	29,907	32,954	32,631
<b>Total Expenses</b>		<b>838,182</b>	<b>817,634</b>	<b>795,113</b>	<b>792,342</b>
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		<b>141,487</b>	<b>140,042</b>	<b>81,796</b>	<b>112,649</b>
<b>Income Tax Expense</b>	7	<b>27,904</b>	<b>28,171</b>	<b>16,913</b>	<b>23,207</b>
<b>PROFIT FOR THE PERIOD</b>		<b>113,583</b>	<b>111,871</b>	<b>64,883</b>	<b>89,442</b>
<b>Other Comprehensive Income (Loss)</b>					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		6,599	(5,743)	-	-
<b>Other Comprehensive Income (Loss) for the Period</b>		<b>6,599</b>	<b>(5,743)</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>120,182</b>	<b>106,128</b>	<b>64,883</b>	<b>89,442</b>
<b>Profit Attributable to:</b>					
Owners of the parent		112,844	111,790	64,883	89,442
Non-controlling interests		739	81	-	-
<b>Profit for the Period</b>		<b>113,583</b>	<b>111,871</b>	<b>64,883</b>	<b>89,442</b>
<b>Total Comprehensive Income Attributable to:</b>					
Owners of the parent		119,443	106,047	64,883	89,442
Non-controlling interests		739	81	-	-
<b>Total Comprehensive Income for the Period</b>		<b>120,182</b>	<b>106,128</b>	<b>64,883</b>	<b>89,442</b>
<b>Basic Earnings per Share (Baht)</b>		<b>0.226</b>	<b>0.224</b>	<b>0.130</b>	<b>0.179</b>
<b>Weighted average number of common shares</b>		<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>

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 THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018**

(REVIEWED)  
(UNAUDITED)

	Consolidated (In Thousand Baht)								
	Equity attributable to Owners of the Parent								
	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Other Components of Equity		Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity
			Appropriated for Legal Reserve	Unappropriated	Difference on Financial Statement Conversion of Subsidiaries	Gain on Change in Proportion of Investment in Subsidiary			
<b>Beginning Balance as at January 1, 2019</b>	500,000	972,987	50,000	3,397,319	(4,813)	2,362	4,917,855	11,127	4,928,982
Total comprehensive income for the period	-	-	-	112,844	6,599	-	119,443	739	120,182
<b>Ending Balance as at March 31, 2019</b>	<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>3,510,163</u>	<u>1,786</u>	<u>2,362</u>	<u>5,037,298</u>	<u>11,866</u>	<u>5,049,164</u>
<b>Beginning Balance as at January 1, 2018</b>	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	-	-	-	-	-	2,362	2,362	(2,362)	-
Total comprehensive income for the period	-	-	-	111,790	(5,743)	-	106,047	81	106,128
<b>Ending Balance as at March 31, 2018</b>	<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>3,361,736</u>	<u>(6,266)</u>	<u>2,362</u>	<u>4,880,819</u>	<u>10,612</u>	<u>4,891,431</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 THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018**

(REVIEWED)  
(UNAUDITED)

	The Company Only (In Thousand Baht)				
	Issued and Fully Paid-up Share Capital	Premium on Shares	Retained Earnings		Total
			Appropriated for Legal Reserve	Unappropriated	
<b>Beginning Balance as at January 1, 2019</b>	500,000	972,987	50,000	2,699,967	4,222,954
Total comprehensive income for the period	-	-	-	64,883	64,883
<b>Ending Balance as at March 31, 2019</b>	<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>2,764,850</u>	<u>4,287,837</u>
<b>Beginning Balance as at January 1, 2018</b>	500,000	972,987	50,000	2,663,695	4,186,682
Total comprehensive income for the period	-	-	-	89,442	89,442
<b>Ending Balance as at March 31, 2018</b>	<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>2,753,137</u>	<u>4,276,124</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 THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018**

(REVIEWED)  
(UNAUDITED)

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	141,487	140,042	81,796	112,649
Adjustments				
Depreciation and amortization	13,052	15,092	11,378	13,642
Expenses for post-employment benefits	667	720	569	619
Unrealized loss (gain) on exchange rate	5,820	(5,724)	323	19
Bad debt and provision for doubtful accounts	261,411	233,267	250,548	227,980
Increase (decrease) in allowance for diminution in value of asset foreclosed	660	(6,788)	633	(6,788)
Loss (gain) on sales of investment in subsidiary	-	3,636	-	(467)
Gain on sales of equipment	(1,592)	(133)	(1,592)	(133)
Loss on written-off asset	-	878	-	878
Interest income from trade receivables	(810,565)	(788,980)	(703,129)	(735,702)
Other interest income	(1,762)	(1,497)	(9,229)	(5,384)
Interest expense	33,994	29,907	32,954	32,631
(Increase) Decrease in operating assets :				
Trade receivables - hire-purchase contract receivables	(40,027)	(403,443)	122,468	(311,167)
Trade receivables - loan receivables	5,385	(938)	6,145	1,085
Trade receivables - nano finance receivables	117	139	-	-
Trade receivables - other	24,196	13,276	23,759	12,997
Other receivables from related parties	-	-	(454)	(113)
Merchandises	(124)	5,292	(126)	5,293
Asset foreclosed	10,608	28,319	10,698	28,522
Other current assets	4,749	(6,002)	5,275	(3,483)
Other non-current assets	106	(190)	39	(333)
Increase (Decrease) in operating liabilities :				
Trade payables	(109,695)	17,878	(107,501)	18,234
Other payables to related parties	92	921	2,201	1,073
Deposits and advances from customers	15,767	6,620	8,168	(3,873)
Accrued expenses and other current liabilities	5,257	9,528	4,755	7,264
Liability for post-employment benefits	(3,890)	(8,219)	(2,800)	(7,585)
	(444,287)	(716,399)	(263,122)	(612,142)
Interest received from trade receivables	807,377	780,047	701,595	728,481
Income tax paid	(27,187)	(7,384)	(1,301)	(225)
<b>Net Cash Provided by Operating Activities</b>	<b>335,903</b>	<b>56,264</b>	<b>437,172</b>	<b>116,114</b>



**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018**

(REVIEWED)  
(UNAUDITED)

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in restricted deposits at financial institutions	(3,961)	(3,077)	-	-
Increase in short-term loans to related party	-	-	(8,000)	(68,700)
Collections from short-term loans to related party	-	-	32,000	41,000
Increase in investment in subsidiary	-	-	-	(47,970)
Increase in long-term loans to other parties	-	(900)	-	(900)
Collections from long-term loans to other parties	3,508	592	3,508	592
Purchases of fixed assets	(9,758)	(9,279)	(3,074)	(8,224)
Proceeds from sales of equipment	1,592	187	1,592	187
Purchases of intangible assets	-	(672)	-	(660)
Proceeds from sales of investment in subsidiary - net of subsidiary's cash divested by Baht 256 thousand for consolidated in 2018	-	211	-	467
Other interest received	1,848	1,501	14,793	5,436
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(6,771)</b>	<b>(11,437)</b>	<b>40,819</b>	<b>(78,772)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	39,787	(595,561)	(17,918)	(571,707)
Increase in short-term loans from related parties	-	-	30,000	29,000
Repayments of short-term loans from related parties	-	-	(21,300)	(21,000)
Increase in long-term loans	120,257	16,180	-	-
Repayments of long-term loans	(40,585)	(9,701)	-	-
Issuances of debentures	-	600,000	-	600,000
Interest paid	(53,841)	(44,622)	(51,362)	(47,477)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>65,618</b>	<b>(33,704)</b>	<b>(60,580)</b>	<b>(11,184)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>394,750</b>	<b>11,123</b>	<b>417,411</b>	<b>26,158</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>438,013</b>	<b>192,810</b>	<b>257,806</b>	<b>73,394</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>832,763</b>	<b>203,933</b>	<b>675,217</b>	<b>99,552</b>
<b>Supplementary disclosures of cash flow information</b>				
<b>a. Cash and cash equivalents at end of period</b>				
Cash in hand	17,422	14,761	10,263	11,110
Current accounts at banks	60,406	48,979	21,216	17,021
Savings deposits at banks	754,935	140,193	643,738	71,421
<b>Total</b>	<b>832,763</b>	<b>203,933</b>	<b>675,217</b>	<b>99,552</b>
<b>b. Non-cash transactions</b>				
Purchases of equipment by means of payables	18	317	18	317
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**  
**March 31, 2019 and 2018 (Reviewed) (Unaudited)**  
**And December 31, 2018 (Audited)**

**1. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL INFORMATION**

The accompanying interim financial information has been prepared on a condensed basis and in accordance with the Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” including interpretations and guidelines promulgated by the Thai Federation of Accounting Professions (“TFAC”), 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, 2018 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, 2018.

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

Management of the Group is during the assessment and consideration of the impacts from adoption of the new five TFRS (Financial Instruments) and TFRS 16 “Lease” that will become effective from 2020 whereby the Group has not yet adopted in the preparation of the accompanying interim financial information and has no policy to early adopt before the effective period.

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 periods ended March 31, 2019 and 2018 and the consolidated financial statements for the year ended December 31, 2018, 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 (%)	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services including vehicle modification services	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile business	40,000	40,000	99.99	99.99
TK Ngern Tan Jai Co., Ltd.	Nano finance business	50,000	50,000	99.99	99.99
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	41,061*	41,061*	80.50	80.50
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	132,209**	132,209**	99.95	99.95

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Condensed Notes to Financial Statements (Continued)**  
**March 31, 2019 and 2018 (Reviewed) (Unaudited)**  
**And December 31, 2018 (Audited)**

Name of Companies	Type of Business	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct and Indirect Holdings (%)	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	Microfinance business	4,705***	4,705***	99.00	99.00

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

At the Board of Directors' meeting on November 12, 2018, the Board of Directors passed the resolution to approve the budget for the increase in the authorized share capital of Sabaidee Leasing Co., Ltd. for an additional amount of Kip 5,000 million whereby such subsidiary was during the process to increase and register the increase in share capital as at March 31, 2019.

At the Board of Directors' meeting on November 9, 2017, the Board of Directors passed the resolution to approve in principle for the increase in authorized share capital (after completion of establishment and registration) of Mingalaba Thitikorn Microfinance Co., Ltd. to support the business expansion amounting to Kyat 1,320 million (approximately Baht 33 million) whereby such subsidiary was during the process to increase and register the increase in share capital as at March 31, 2019.

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

## 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 periods ended March 31, 2019 and 2018 which are similar to those applied to the preparation of financial statements for the year ended December 31, 2018 except the adoption of newly issued and revised TAS and TFRS as well as TSIC and TFRIC as discussed in Note 1 which had no any material effect.

## 3. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties for the three-month periods ended March 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
<b>Interest income</b>				
Subsidiaries	-	-	7,601	3,955
<b>Other income</b>				
Subsidiaries	-	-	23	3
<b>Rental and services</b>				
Subsidiaries	-	-	216	216
Related companies	8,349	9,016	8,349	9,016
Total	8,349	9,016	8,565	9,232
<b>Management fee</b>				
Related companies	2,550	2,550	2,100	2,100
<b>Utility expenses</b>				
Related companies	880	851	880	851

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	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
<b>Stationery expense</b>				
Related companies	2,585	2,610	2,542	2,563
<b>Other expenses</b>				
Related companies	3,237	3,797	2,908	3,484
<b>Service expenses</b>				
Subsidiaries	-	-	31,072	29,984
Related company	5,994	5,629	5,808	5,443
Total	5,994	5,629	36,880	35,427
<b>Interest expense</b>				
Subsidiaries	-	-	4,791	4,425
Directors	662	-	-	-
Total	662	-	4,791	4,425
<b>Key management's remunerations</b>				
Short-term benefits	6,391	6,098	6,391	6,098
Post-employment benefits	115	128	115	128
Total	6,506	6,226	6,506	6,226
<b>Purchase of vehicles for hire-purchases</b>				
Related companies	18,406	25,112	-	-
<b>Purchase of vehicles for use</b>				
Related companies	-	2,249	-	2,249
<b>Purchase of office equipment</b>				
Related companies	896	1,571	896	1,571
<b>Purchase of program</b>				
Related companies	-	630	-	630
<b>Sales of office equipment</b>				
Related person	-	6	-	6
<b>Sales of asset foreclosed (forfeited vehicles) (mutually agreed prices)</b>				
Related company	579	-	-	-

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

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
<b>Receivables and short-term loans</b>				
<b>Accrued interest</b>				
Subsidiaries	-	-	868	6,406
<b>Advances</b>				
Subsidiaries	-	-	5,209	4,754
<b>Short-term loans</b>				
Subsidiaries				
(Interest rate at 4.125% and 6% p.a.)	-	-	588,710	612,710
Total	-	-	594,787	623,870

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	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
<b>Payables and short-term loans</b>				
<b>Accrued interest</b>				
Subsidiary	-	-	1,661	1,628
Directors	-	2,133	-	-
Total	-	2,133	1,661	1,628
<b>Accrued expenses</b>				
Subsidiaries	-	-	11,563	9,452
Related companies	2,500	2,408	2,203	2,113
Total	2,500	2,408	13,766	11,565
<b>Short-term loans</b>				
Subsidiaries				
(Interest rate at 4.125% p.a.)	-	-	476,190	467,490
Directors (Interest rate at 6% p.a.)	44,537	45,639	-	-
Total	44,537	45,639	476,190	467,490
Total	47,037	50,180	491,617	480,683

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

	Consolidated (In Thousand Baht)			
	December 31, 2018	Increase	Decrease	March 31, 2019
<b>Short-term loans from related persons</b>				
Directors	45,639	-	1,102	44,537
	The Company Only (In Thousand Baht)			
	December 31, 2018	Increase	Decrease	March 31, 2019
<b>Short-term loans to subsidiaries</b>				
Suosdey Finance PLC.	157,181	-	-	157,181
Sabaidee Leasing Co., Ltd.	184,529	-	-	184,529
Chayapak Co., Ltd.	271,000	8,000	32,000	247,000
Total	612,710	8,000	32,000	588,710
<b>Short-term loans from subsidiary</b>				
C.V.A. Co., Ltd.	467,490	30,000	21,300	476,190

As at March 31, 2019 and December 31, 2018, the Company has been guarantor for (1) short-term loan credit facilities granted by a local bank to Chayapak Co., Ltd. amounting to Baht 600 million, (2) short-term loan credit facilities granted by a local bank of Suosdey Finance PLC. amounting to USD 6 million (drawdown of approximately USD 3.7 million as at March 31, 2019) and long-term loan credit facilities granted by other two banks in Cambodia of such subsidiary amounting to USD 19 million (drawdown of approximately USD 9.7 million as at March 31, 2019) and (3) long-term loan credit facilities granted by other two banks in Lao PDR of Sabaidee Leasing Co., Ltd., amounting to Kip 18,552 million (pertaining to percentage of shareholding) (drawdown of approximately KIP 1,600 million as at March 31, 2019). There has been no intercompany charge on these guarantees.

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

Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	March 31, 2019			December 31, 2018		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	13,380,339	7,553,888	5,826,451	13,767,979	7,576,993	6,190,986
Less Unearned income	( 3,839,397)	(2,584,404)	(1,254,993)	( 4,032,120)	(2,664,189)	(1,367,931)
Net	9,540,942	4,969,484	4,571,458	9,735,859	4,912,804	4,823,055
Less Allowance for doubtful accounts	( 615,542)	( 389,519)	( 226,023)	( 592,838)	( 365,757)	( 227,081)
Net	<u>8,925,400</u>	<u>4,579,965</u>	<u>4,345,435</u>	<u>9,143,021</u>	<u>4,547,047</u>	<u>4,595,974</u>

  

	The Company Only (In Thousand Baht)					
	March 31, 2019			December 31, 2018		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	11,451,571	6,353,542	5,098,029	12,064,682	6,534,492	5,530,190
Less Unearned income	( 3,408,689)	(2,254,875)	(1,153,814)	( 3,664,930)	(2,383,961)	(1,280,969)
Net	8,042,882	4,098,667	3,944,215	8,399,752	4,150,531	4,249,221
Less Allowance for doubtful accounts	( 574,963)	( 362,277)	( 212,686)	( 560,893)	( 344,789)	( 216,104)
Net	<u>7,467,919</u>	<u>3,736,390</u>	<u>3,731,529</u>	<u>7,838,859</u>	<u>3,805,742</u>	<u>4,033,117</u>

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

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Current	6,498,100	6,800,992	5,262,729	5,677,021
Overdue 1 month	1,401,013	1,332,297	1,231,930	1,214,238
Overdue 2 - 3 months	1,204,973	1,201,539	1,158,742	1,154,216
Overdue 4 - 6 months	406,391	381,491	383,284	354,277
Overdue 7 - 12 months	28,033	19,449	6,197	-
Overdue longer than 12 months	2,432	91	-	-
Total	9,540,942	9,735,859	8,042,882	8,399,752
Less Allowance for doubtful accounts	( 615,542)	( 592,838)	( 574,963)	( 560,893)
Net	<u>8,925,400</u>	<u>9,143,021</u>	<u>7,467,919</u>	<u>7,838,859</u>

The Group determines allowance for doubtful accounts in line with the accounting policy for the year 2018. Such policy is not compliance with the accounting guidance for determination of allowance of doubtful accounts for consumer finance business, which was mutually defined by the Securities and Exchange Commission (SEC) and the Institute of Certified Accountants and Auditors of Thailand (“ICAAT”) in 2004, because the Group is able to forfeit or repossess a portion of collaterals from debtors. As at March 31, 2019, the Group had allowance for doubtful accounts at 6.45% (7.15% for the Company only) of total hire-purchase contract receivables before deducting allowance for doubtful accounts.

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Loan Receivables

	Consolidated (In Thousand Baht)					
	March 31, 2019			December 31, 2018		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	89,682	68,854	20,828	96,539	74,904	21,635
Less Unearned income	( 11,913)	( 9,653)	( 2,260)	( 12,837)	( 10,601)	( 2,236)
Net	77,769	59,201	18,568	83,702	64,303	19,399
Less Allowance for doubtful accounts	( 3,702)	( 3,466)	( 236)	( 3,682)	( 3,443)	( 239)
Net	<u>74,067</u>	<u>55,735</u>	<u>18,332</u>	<u>80,020</u>	<u>60,860</u>	<u>19,160</u>

  

	The Company Only (In Thousand Baht)					
	March 31, 2019			December 31, 2018		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	66,392	59,429	6,963	74,210	65,934	8,276
Less Unearned income	( 7,944)	( 7,515)	( 429)	( 9,061)	( 8,548)	( 513)
Net	58,448	51,914	6,534	65,149	57,386	7,763
Less Allowance for doubtful accounts	( 3,582)	( 3,411)	( 171)	( 3,596)	( 3,408)	( 188)
Net	<u>54,866</u>	<u>48,503</u>	<u>6,363</u>	<u>61,553</u>	<u>53,978</u>	<u>7,575</u>

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

	In Thousand Baht			
	Consolidated		Company Only	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Current	55,388	63,113	39,863	47,496
Overdue 1 month	12,397	10,999	10,306	9,849
Overdue 2 - 3 months	6,958	6,401	6,166	5,873
Overdue 4 - 6 months	2,399	2,727	1,701	1,469
Overdue 7 - 12 months	517	333	302	333
Overdue longer than 12 months	110	129	110	129
Total	77,769	83,702	58,448	65,149
Less Allowance for doubtful accounts	( 3,702)	( 3,682)	( 3,582)	( 3,596)
Net	<u>74,067</u>	<u>80,020</u>	<u>54,866</u>	<u>61,553</u>

The abovementioned loan receivables are receivables under loan agreements with terms between 1-5 years which are repayable monthly at the fixed equally amount per month. The characteristics of agreements or contracts of such receivables are relevant to the hire-purchase contract receivables.

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Nano Finance Receivables

	Consolidated (In Thousand Baht)					
	March 31, 2019			December 31, 2018		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	573	573	-	718	718	-
Less Unearned income	( 48)	( 48)	-	( 66)	( 66)	-
Net	525	525	-	652	652	-
Less Allowance for doubtful accounts	( 30)	( 30)	-	( 33)	( 33)	-
Net	495	495	-	619	619	-

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

	Consolidated (In Thousand Baht)	
	March 31, 2019	December 31, 2018
Current	422	561
Overdue 1 month	47	43
Overdue 2 - 3 months	30	34
Overdue 4 - 6 months	23	-
Overdue 7 - 12 months	-	11
Overdue longer than 12 months	3	3
Total	525	652
Less Allowance for doubtful accounts	( 30)	( 33)
Net	495	619

**5. ASSET FORECLOSED - NET**

	In Thousand Baht		
	Consolidated March 31, 2019	The Company Only March 31, 2019	Consolidated and The Company Only December 31, 2018
Balance not exceeding one year	269,668	269,578	285,765
Balance exceeding one year	8,174	8,174	2,685
Total	277,842	277,752	288,450
Less Allowance for diminution in value	( 89,074)	( 89,047)	( 88,414)
Net	188,768	188,705	200,036



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**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)	March 31, 2019	December 31, 2018
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	600,000
September 5, 2018 / 2021	Quarterly	2.64	70,000	70,000	70,000
September 21, 2018 / 2019	Semi-annually	2.00	150,000	150,000	150,000
Total				4,620,000	4,620,000
Less Current portion				( 3,150,000)	( 2,150,000)
Net				1,470,000	2,470,000

As at March 31, 2019, the amount for issuance and offering of the Company's debentures was totally Baht 7,600 million, which was approved by the shareholders' meetings in April 2016, September 2017 and April 2018.

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

**7. INCOME TAX**

Corporate income tax recorded as expense (income) for the three-month periods ended March 31, 2019 and 2018 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Income tax computed from accounting profit	28,446	28,901	16,359	22,530
Effects from non-deductible expenses	4,634	2,476	3,804	1,892
Effects from benefit of tax loss carryforward	( 500)	( 849)	-	-
Effects from additional deductible expenses	( 1,868)	( 3,939)	( 759)	( 3,057)
Current tax on taxable profit	30,712	26,589	19,404	21,365
Decrease (increase) in deferred tax assets	( 2,808)	1,582	( 2,491)	1,842
Income tax presented in statement of comprehensive income	27,904	28,171	16,913	23,207

As at March 31, 2019, a local subsidiary had tax loss carryforward amounting to approximately Baht 38.0 million whereby such loss carryforward is able to be used as tax credit until 2022.

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

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Effects from non-deductible items from				
- Allowance for doubtful accounts	117,707	114,386	115,711	112,900
- Allowance for diminution in value of asset foreclosed	17,815	17,683	17,809	17,683
- Liability for post-employment benefits	5,688	6,333	4,783	5,229
<b>Total</b>	<b>141,210</b>	<b>138,402</b>	<b>138,303</b>	<b>135,812</b>

**8. LIABILITY FOR POST-EMPLOYMENT BENEFITS**

Movements of liability for post-employment benefits for the three-month periods ended March 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Liability for post-employment benefits as at January 1	31,666	39,605	26,149	33,262
Current service cost	452	489	387	421
Interest cost	215	231	182	198
Expense recognized in statement of comprehensive income	667	720	569	619
Employee benefits paid during the period	( 3,890)	( 8,219)	( 2,800)	( 7,585)
<b>Liability for post-employment benefits as at March 31</b>	<b>28,443</b>	<b>32,106</b>	<b>23,918</b>	<b>26,296</b>

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

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

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

Significant Assumptions	Liability May Increase (Decrease) from Changes in Significant Assumptions (In Thousand Baht)			
	If assumption increased		If assumption decreased	
	Consolidated	The Company Only	Consolidated	The Company Only
Discount rate (increase/decrease by 0.5%)	( 875)	( 769)	927	816
Salary escalation rate (increase/decrease by 0.5%)	1,275	1,106	( 1,207)	( 1,046)
Employee turnover rate (increase/decrease by 1%)	( 2,894)	( 2,518)	3,307	2,883

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

**9. 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) on products 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 Operating Segment*

	Consolidated (In Thousand Baht)					
	2019			2018		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest income on hire purchase	705,583	100,268	805,851	738,854	44,455	783,309
Other income	173,706	112	173,818	174,365	2	174,367
Total revenues	879,289	100,380	979,669	913,219	44,457	957,676
Total expenses	(809,304)	( 56,782)	(866,086)	(818,649)	( 27,156)	(845,805)
Profit for the period	69,985	43,598	113,583	94,570	17,301	111,871

  

	Consolidated (In Thousand Baht)					
	March 31, 2019			December 31, 2018		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Total assets by segment	9,343,211	1,217,208	10,560,419	9,381,154	1,048,482	10,429,636
Total liabilities by segment	4,968,186	543,069	5,511,255	5,086,107	414,547	5,500,654

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Interest income on hire purchase - abroad

	Consolidated (In Thousand Baht)	
	2019	2018
Cambodia	75,625	33,116
Lao PDR	24,643	11,339
Total	<u>100,268</u>	<u>44,455</u>

The Company and its subsidiaries incorporated in Thailand have no any non-current asset located in the countries other than Thailand. However, as at March 31, 2019, the subsidiaries incorporated in Cambodia, Lao PDR and Myanmar had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 16.33 million, Baht 3.34 million and Baht 0.02 million, respectively, were presented in the consolidated statement of financial position as at March 31, 2019 (as at December 31, 2018 : Baht 10.56 million, Baht 3.59 million and Baht 0.02 million, respectively).

## 10. COMMITMENTS

As at March 31, 2019, the Group had commitments on lease and service agreements for office premises and branches whereby the related lease and service fees are committed to pay as follows:

• Due for payments within one year	47.6	million Baht
• Due for payments after one year but not exceeding five years	<u>54.4</u>	million Baht
• Total	<u>102.0</u>	million Baht

## 11. EVENTS AFTER THE REPORTING PERIOD

At the general shareholders' meeting on May 25, 2019, the shareholders passed the resolutions to approve the following significant matters relating to financing activities as follows:

- 1) Declaration of dividends for the 2018 operations at Baht 0.45 per share, totalling Baht 225 million, with the scheduled date for dividend payment on May 15, 2019.
- 2) Increase in amount for issuance and offering of debentures by Baht 2,000 million.

## 12. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying interim financial information has been approved to be issued by the Company's Board of Directors' meeting on May 13, 2019.