

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Interim Financial Information

For the Period Ended March 31, 2020

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, 2020 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, 2020 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 14, 2020

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

ASSETS

		In Thousand Baht			
		Consolidated		The Company Only	
	Note	March 31, 2020 (Reviewed) (Unaudited)	December 31, 2019 (Audited)	March 31, 2020 (Reviewed) (Unaudited)	December 31, 2019 (Audited)
CURRENT ASSETS					
Cash and cash equivalents		940,937	1,021,212	731,363	845,911
Trade receivables					
- Current portion of hire-purchase contract receivables - net	3, 4	3,781,650	4,089,880	2,644,617	3,109,502
- Current portion of loan receivables - net	4	273,475	140,902	264,520	133,613
- Nano finance receivables - net	4	503	566	-	-
- Microfinance receivables - net	4	427	441	-	-
- Other trade receivables		36,379	55,468	35,768	54,558
Receivables from and short-term loans to related parties	3	-	-	631,366	618,059
Current portion of long-term loans to other parties		325	-	325	-
Merchandises		216	406	48	240
Asset foreclosed - net	5	149,518	173,568	148,869	173,568
Other current assets	3	14,285	28,385	9,926	19,158
Total Current Assets		<u>5,197,715</u>	<u>5,510,828</u>	<u>4,466,802</u>	<u>4,954,609</u>
NON-CURRENT ASSETS					
Restricted deposits at financial institutions		34,323	33,610	-	-
Hire-purchase contract receivables - net	3, 4	2,640,247	3,160,736	1,962,290	2,519,421
Loan receivables - net	4	81,702	46,065	72,434	35,894
Investments in subsidiaries accounted for using the cost method	1	-	-	305,835	305,835
Long-term loans to other parties - net		44,750	47,350	44,750	47,350
Property for lease - net		18,012	18,113	-	-
Assets not used in operations		14,282	14,282	5,708	5,708
Property, plant and equipment - net	3	150,754	154,659	117,535	119,463
Right-of-use assets - net	1	87,957	-	70,054	-
Intangible assets - net	3	9,220	9,227	6,285	7,081
Deferred tax assets	7	188,038	153,742	184,673	151,052
Other non-current assets		14,876	14,710	10,125	10,190
Total Non-Current Assets		<u>3,284,161</u>	<u>3,652,494</u>	<u>2,779,689</u>	<u>3,201,994</u>
TOTAL ASSETS		<u>8,481,876</u>	<u>9,163,322</u>	<u>7,246,491</u>	<u>8,156,603</u>

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, 2020 AND DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company Only	
		March 31, 2020 (Reviewed) (Unaudited)	December 31, 2019 (Audited)	March 31, 2020 (Reviewed) (Unaudited)	December 31, 2019 (Audited)
Note					
CURRENT LIABILITIES					
	Bank overdrafts and short-term borrowings from financial institutions	214,185	163,188	16,133	20,831
	Trade payables	-	21,445	-	13,895
	Current portion of long-term loans	297,997	239,475	-	-
1	Current portion of lease liabilities	35,416	-	30,781	-
6	Current portion of debentures	1,400,000	1,800,000	1,400,000	1,800,000
3	Payables to and short-term loans from related parties	51,067	48,328	553,146	535,201
	Income tax payable	98,810	81,180	74,197	37,732
	Deposits and advances from customers	193,066	161,644	133,276	121,635
	Accrued expenses and other current liabilities				
	- Accrued sales promotions and rewards	39,584	56,312	34,524	45,322
	- Others	59,566	86,652	50,468	77,088
	Total Current Liabilities	<u>2,389,691</u>	<u>2,658,224</u>	<u>2,292,525</u>	<u>2,651,704</u>
NON-CURRENT LIABILITIES					
	Long-term loans - net of current portion	115,725	74,835	-	-
1	Lease liabilities - net of current portion	45,945	-	35,589	-
6	Debentures - net of current portion	470,000	1,070,000	470,000	1,070,000
8	Liability for post-employment benefits	30,958	36,625	24,930	30,919
	Total Non-Current Liabilities	<u>662,628</u>	<u>1,181,460</u>	<u>530,519</u>	<u>1,100,919</u>
	Total Liabilities	<u>3,052,319</u>	<u>3,839,684</u>	<u>2,823,044</u>	<u>3,752,623</u>
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	3,937,748	3,825,603	2,900,460	2,880,993
	Other component of equity				
	- Difference on financial statement conversion of subsidiaries	(52,524)	(43,749)	-	-
	- Gain on change in proportion of investment in subsidiary	2,362	2,362	-	-
	Equity attributable to Owners of the Parent	<u>5,410,573</u>	<u>5,307,203</u>	<u>4,423,447</u>	<u>4,403,980</u>
	Non-controlling interests	18,984	16,435	-	-
	Total Shareholders' Equity	<u>5,429,557</u>	<u>5,323,638</u>	<u>4,423,447</u>	<u>4,403,980</u>
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>8,481,876</u>	<u>9,163,322</u>	<u>7,246,491</u>	<u>8,156,603</u>

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, 2020 AND 2019

(REVIEWED)
(UNAUDITED)

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2020	2019	2020	2019
REVENUES					
Interest income on hire purchase	3	601,413	805,851	458,815	699,107
Interest income on loan		3,517	4,679	2,898	4,022
Interest income on nano finance		29	35	-	-
Interest income on microfinance		40	-	-	-
Sales of merchandises		191	2,192	191	2,192
Other income	3	135,743	166,912	148,160	171,588
Total Revenues		740,933	979,669	610,064	876,909
EXPENSES					
Cost of sales		191	2,186	191	2,186
Distribution costs		-	3	-	3
Administrative expenses	3, 8	396,872	540,588	378,533	509,422
Bad debt and loss on impairment of trade receivables	1, 4	191,879	261,411	175,341	250,548
Total Expenses		588,942	804,188	554,065	762,159
Profit from Operating Activities		151,991	175,481	55,999	114,750
Finance costs	3	24,411	33,994	22,313	32,954
PROFIT BEFORE INCOME TAX EXPENSE		127,580	141,487	33,686	81,796
Income Tax Expense	7	24,398	27,904	5,791	16,913
PROFIT FOR THE PERIOD		103,182	113,583	27,895	64,883
Other Comprehensive Income (Loss)					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		(8,775)	6,599	-	-
<i>Item that will not be reclassified subsequently to profit or loss</i>					
- Actuarial loss on remeasurement of liability for post-employment benefits - net of income tax effect by Baht 1,062 thousand for consolidated and Baht 913 thousand for the company only in 2020	7, 8	(4,250)	-	(3,653)	-
Other Comprehensive Income (Loss) for the period		(13,025)	6,599	(3,653)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		90,157	120,182	24,242	64,883
Profit Attributable to:					
Owners of the parent		100,633	112,844	27,895	64,883
Non-controlling interests		2,549	739	-	-
Profit for the period		103,182	113,583	27,895	64,883
Total Comprehensive Income Attributable to:					
Owners of the parent		87,608	119,443	24,242	64,883
Non-controlling interests		2,549	739	-	-
Total Comprehensive Income for the Period		90,157	120,182	24,242	64,883
Basic Earnings per Share (Baht)		0.201	0.226	0.056	0.130
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
Condensed Notes to Financial Statements
March 31, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

1. BASIS OF FINANCIAL STATEMENT PREPARATION

The accompanying interim financial information has been prepared on a condensed basis and in accordance with the Thai Accounting Standard No. 34 “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, 2019 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, 2019.

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

TFRS 9 Financial Instruments (and other related standards)

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

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

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.

Financial liabilities shall be classified and measured at amortized cost except for financial liabilities measured at fair value through profit or loss (such liabilities include derivative liabilities). Reclassification of financial liabilities is prohibited.

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

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2020 and 2019 (Reviewed) (Unaudited)
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For trade receivables, contract assets and lease or other similar receivables, the entity is able to adopt Simplified approach by recognizing the full lifetime expected credit loss for financial assets considered under the aforesaid stages 1, 2 and 3. 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.

Hedge accounting is purposed for reflecting the impacts in the financial statements that are caused in risk management activities using the financial instruments on management of exposures to the risks and such risks shall affect profit or loss or other comprehensive income. TFRS 9 specifies the relationships and related accounting treatment of hedge accounting into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity. There is no material effect on the Group from this part about hedge accounting.

Thus, TFRS 9 affects the Group to classify and measure its financial assets and financial liabilities in statement of financial position for each of the periods ended in 2020 as well as recognizing impairment for the expected credit loss of financial assets with respect to the aforesaid principle which is briefly summarized below:

Classification and measurement

Assets classified and measured at amortized cost

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

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

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

Liabilities classified and measured at amortized cost

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

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

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

Impairment

For receivables and loans, the Group categorized the population by focusing on aging balance information whereby the past records were captured for historical credit loss each of aging balance for a period of approximately 4-5 years to create the business model and determine various variables that are fit to the Group which was conducted in coordination with the contracted independent external advisory company. However, the Company has exercised certain mitigating measure indicated in the accounting guidance for Temporary Mitigating Policies for Alternative Accounting on the Effects from Pandemic Situation of the Coronavirus 2019 (COVID-19), issued by TFAC in April 2020. Such mitigating measure relates to exception from combining the forward looking information as part of consideration and measurement of the expected credit loss.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
March 31, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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

TFRS 16 Leases

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

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

TFRS 16 affects the Group to recognize right-of-use assets (non-current asset) and lease liabilities (non-current liability) on the leases of building space whereby the remaining lease term as at December 31, 2019 is between 1 years and 4 years 10 months. The balances of non-current asset and non-current liability in consolidated and separate statements of financial position as at December 31, 2019 increased from those previously reported of approximately Baht 87.4 million and Baht 71.1 million, respectively, whereas the effect to consolidated and separate statements of comprehensive income is immaterial.

The weighted average incremental borrowing rate that is used in determining the discounted cash flows by the Group is 2.55% p.a. In addition, no restatement on the figures of comparative information of previous periods has been made because the Group exercised the option of modified retrospective adjustment by recognizing the cumulative effect from the first-time adoption of TFRS 16 at the date of initial application (January 1, 2020).

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

	In Million Baht	
	Consolidated	The Company Only
Commitments on leases disclosed as at January 1, 2020	99.9	79.3
Less effect from service agreements related to lease agreements	(22.9)	(22.9)
Add consideration of renewal option	24.4	22.6
Less deferred interest	(6.7)	(5.1)
Less leases exercised exception on short-term leases	(3.5)	(2.8)
Less other immaterial items	(3.8)	-
Lease liabilities as at January 1, 2020	87.4	71.1

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Condensed Notes to Financial Statements (Continued)
March 31, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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.

The consolidated financial statements for the three-month periods ended March 31, 2020 and 2019 and the consolidated financial statements for the year ended December 31, 2019, 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, 2020	December 31, 2019	March 31, 2020	December 31, 2019
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services including vehicle modification services	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile and motorcycle business	40,000	40,000	99.99	99.99
TK Ngerm Tan Jai Co., Ltd.	Nano finance business	50,000	50,000	99.99	99.99
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	41,061*	41,061*	80.50	80.50
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	132,209**	132,209**	99.95	99.95
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	Microfinance business	4,705***	4,705***	99.00	99.00

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

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

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, 2020 and 2019 which are similar to those applied to the preparation of financial statements for the year ended December 31, 2019 except the adoption of newly issued and revised TAS and TFRS as well as TSIC, TFRIC and accounting guidance as discussed in Note 1 whereby the effect was discussed in Note 1.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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March 31, 2020 and 2019 (Reviewed) (Unaudited)
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3. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties for the three-month periods ended March 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Interest income on hire purchase (market price)				
Related company	27	-	-	-
Management fee income				
Subsidiary	-	-	8,339	-
Sales promotion income				
Related companies	284	-	-	-
Rental income				
Related company	108	-	-	-
Interest income				
Subsidiaries	-	-	8,791	7,601
Other income				
Subsidiaries	1	-	1	23
Rental and services				
Subsidiary	-	-	216	216
Related companies	5,430	8,349	5,430	8,349
Total	5,430	8,349	5,646	8,565
Management fee				
Related companies	2,025	2,550	1,665	2,100
Utility expenses				
Related companies	889	880	889	880
Stationery expense				
Related companies	2,980	2,585	2,953	2,542
Other expenses				
Related companies	2,907	3,237	2,306	2,908
Service expenses				
Subsidiaries	-	-	34,996	31,072
Related companies	6,323	5,994	6,068	5,808
Total	6,323	5,994	41,064	36,880
Interest expense				
Subsidiaries	-	-	5,005	4,791
Related company	195	-	195	-
Related person	53	-	53	-
Directors	688	662	-	-
Total	936	662	5,253	4,791
Key management's remunerations				
Short-term benefits	6,700	6,391	6,700	6,391
Post-employment benefits	254	115	254	115
Total	6,954	6,506	6,954	6,506
Purchase of vehicles for hire-purchases				
Related companies	25,793	18,406	-	-
Purchase of office equipment				
Related companies	101	896	101	896

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Condensed Notes to Financial Statements (Continued)
March 31, 2020 and 2019 (Reviewed) (Unaudited)
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	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Sales of asset foreclosed (forfeited vehicles)				
Related company	-	579	-	-

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

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Hire-purchase contract receivable				
Related company	1,195	-	-	-
Receivables and short-term loans				
Accrued interest				
Subsidiary	-	-	820	761
Advances				
Subsidiaries	-	-	5,597	5,349
Short-term loans				
Subsidiaries (interest rate at 3.50%, 3.750%, 3.875%, 6% and 9% p.a. in 2020 and 3.875%, 4.125%, 6% and 9% p.a. in 2019)	-	-	624,949	611,949
Total	-	-	631,366	618,059
Payables and short-term loans				
Accrued interest expenses				
Subsidiary	-	-	1,701	1,694
Accrued expenses				
Subsidiaries	-	-	12,270	12,245
Related companies	2,317	2,368	1,985	2,072
Total	2,317	2,368	14,255	14,317
Short-term loans				
Subsidiaries (interest rate at 3.50%, 3.750%, 3.875% p.a. in 2020 and 3.875%, 4.125% p.a. in 2019)	-	-	537,190	519,190
Directors (interest rate at 6% p.a.)	48,750	45,960	-	-
Total	48,750	45,960	537,190	519,190
Total	51,067	48,328	553,146	535,201

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

	Consolidated (In Thousand Baht)			
	December 31, 2019	Increase	Decrease	March 31, 2020
Short-term loans from related persons				
Directors	45,960	2,790	-	48,750

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Condensed Notes to Financial Statements (Continued)
March 31, 2020 and 2019 (Reviewed) (Unaudited)
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	The Company Only (In Thousand Baht)			
	December 31, 2019	Increase	Decrease	March 31, 2020
Short-term loans to subsidiaries				
Suosdey Finance PLC.	157,181	-	-	157,181
Sabaidee Leasing Co., Ltd.	184,529	-	-	184,529
Chayapak Co., Ltd.	243,000	41,000	28,000	256,000
Mingalaba Thitikorn Microfinance Co., Ltd.	27,239	-	-	27,239
Total	<u>611,949</u>	<u>41,000</u>	<u>28,000</u>	<u>624,949</u>
Short-term loans from subsidiary				
C.V.A. Co., Ltd.	<u>519,190</u>	<u>37,000</u>	<u>19,000</u>	<u>537,190</u>

As at March 31, 2020 and December 31, 2019, the Company has been guarantor for (1) short-term loan credit facilities granted by two local banks of Suosdey Finance PLC. amounting to USD 8 million (fully drawdown as at March 31, 2020) and long-term loan credit facilities granted by other two banks in Cambodia of such subsidiary totalling USD 26 million (drawdown of approximately USD 22.0 million as at March 31, 2020) and (2) loan credit facilities granted by two banks in Lao PDR of Sabaidee Leasing Co., Ltd., amounting to Kip 25,000 million (pertaining to percentage of shareholding) (drawdown amounting to KIP 800 million as at March 31, 2020). There has been no intercompany charge on these guarantees.

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

Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	March 31, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	9,575,852	5,708,486	3,867,366	10,579,309	6,352,575	4,226,734
Accrued interest	108,711	108,711	-	111,049	111,049	-
Less Unearned income	(2,419,555)	(1,741,711)	(677,844)	(2,865,325)	(2,014,895)	(850,430)
Net	<u>7,265,008</u>	<u>4,075,486</u>	<u>3,189,522</u>	<u>7,825,033</u>	<u>4,448,729</u>	<u>3,376,304</u>
Less Allowance for impairment for expected credit loss	(843,111)	(293,836)	(549,275)	(574,417)	(358,849)	(215,568)
Net	<u>6,421,897</u>	<u>3,781,650</u>	<u>2,640,247</u>	<u>7,250,616</u>	<u>4,089,880</u>	<u>3,160,736</u>

	The Company Only (In Thousand Baht)					
	March 31, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	7,136,956	4,125,108	3,011,848	8,411,018	4,959,355	3,451,663
Accrued interest	87,716	87,716	-	93,989	93,989	-
Less Unearned income	(1,835,852)	(1,296,410)	(539,442)	(2,369,101)	(1,636,978)	(732,123)
Net	<u>5,388,820</u>	<u>2,916,414</u>	<u>2,472,406</u>	<u>6,135,906</u>	<u>3,416,366</u>	<u>2,719,540</u>
Less Allowance for impairment for expected credit loss	(781,913)	(271,797)	(510,116)	(506,983)	(306,864)	(200,119)
Net	<u>4,606,907</u>	<u>2,644,617</u>	<u>1,962,290</u>	<u>5,628,923</u>	<u>3,109,502</u>	<u>2,519,421</u>

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Hire-purchase contract receivables at March 31, 2020 and December 31, 2019 (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, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current	4,328,396	4,904,188	2,892,327	3,551,142
Overdue 1 month	1,175,205	1,238,782	906,121	1,033,143
Overdue 2 - 3 months	1,235,440	1,319,063	1,144,842	1,250,975
Overdue 4 - 6 months	378,449	330,801	342,164	298,361
Overdue 7 - 12 months	145,261	30,922	103,366	1,583
Overdue longer than 12 months	2,257	1,277	-	702
Total	7,265,008	7,825,033	5,388,820	6,135,906
Less Allowance for impairment for expected credit loss	(843,111)	(574,417)	(781,913)	(506,983)
Net	6,421,897	7,250,616	4,606,907	5,628,923

The Group determines allowance for impairment for expected credit loss as at March 31, 2020, in accordance with the principle of TFRS 9 “Financial Instruments” as discussed in Note 1. 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, 2020, the Group had allowance for impairment for expected credit loss at 11.61% (14.51% for the Company only) of total hire-purchase contract receivables before deducting allowance for impairment for expected credit loss.

Loan Receivables

	Consolidated (In Thousand Baht)					
	March 31, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	402,879	313,737	89,142	331,980	251,854	80,126
Less Unearned income	(9,382)	(7,543)	(1,839)	(9,932)	(7,907)	(2,025)
Net	393,497	306,194	87,303	322,048	243,947	78,101
Less Allowance for impairment for expected credit loss	(38,320)	(32,719)	(5,601)	(135,081)	(103,045)	(32,036)
Net	355,177	273,475	81,702	186,967	140,902	46,065

	The Company Only (In Thousand Baht)					
	March 31, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	381,105	302,757	78,348	310,797	242,564	68,233
Less Unearned income	(5,983)	(5,629)	(354)	(6,370)	(6,013)	(357)
Net	375,122	297,128	77,994	304,427	236,551	67,876
Less Allowance for impairment for expected credit loss	(38,168)	(32,608)	(5,560)	(134,920)	(102,938)	(31,982)
Net	336,954	264,520	72,434	169,507	133,613	35,894

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	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current	239,000	244,459	224,613	230,313
Overdue 1 month	75,857	38,475	73,270	36,296
Overdue 2 - 3 months	56,151	35,487	55,523	35,016
Overdue 4 - 6 months	21,480	3,082	21,107	2,701
Overdue 7 - 12 months	1,009	535	609	92
Overdue longer than 12 months	-	10	-	9
Total	393,497	322,048	375,122	304,427
Less Allowance for impairment for expected credit loss	(38,320)	(135,081)	(38,168)	(134,920)
Net	355,177	186,967	336,954	169,507

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

Allowance for impairment for expected credit loss of loan receivables as at March 31, 2020 significantly decreased from 2019 because the Company transferred hire-purchase contract receivables, pertaining to the extended installment period by entering into new loan agreements, to loan receivables totalling approximately to Baht 147.0 million in 2019 whereby the Company had provided allowance for doubtful accounts based on management's estimates at the rate 50% of the former overdue balances of hire-purchase contract receivables whereby payment history in 2020 of receivables has turned back to almost normal and resulted in the improvement of status of receivables as well as positive result in consideration and measurement of expected credit loss in accordance with the principle of TFRS 9 "Financial Instruments" as discussed in Note 1.

Nano Finance Receivables

	Consolidated (In Thousand Baht)					
	March 31, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	675	675	-	680	680	-
Less Unearned income	(49)	(49)	-	(53)	(53)	-
Net	626	626	-	627	627	-
Less Allowance for impairment for expected credit loss	(123)	(123)	-	(61)	(61)	-
Net	503	503	-	566	566	-

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Nano finance receivables as at March 31, 2020 and December 31, 2019 are aged by outstanding installment payments of each contract as follows:

	Consolidated (In Thousand Baht)	
	March 31, 2020	December 31, 2019
Current	311	343
Overdue 1 month	82	63
Overdue 2 - 3 months	17	198
Overdue 4 - 6 months	200	23
Overdue 7 - 12 months	16	-
Total	626	627
Less Allowance for impairment for expected credit loss	(123)	(61)
Net	503	566

Microfinance Receivables

	Consolidated (In Thousand Baht)					
	March 31, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Microfinance receivables	511	511	-	514	514	-
Less Unearned income	(78)	(78)	-	(64)	(64)	-
Net	433	433	-	450	450	-
Less Allowance for impairment for expected credit loss	(6)	(6)	-	(9)	(9)	-
Net	427	427	-	441	441	-

Microfinance receivables as at March 31, 2020 and December 31, 2019 are aged by outstanding installment payments of each contract as follows:

	Consolidated (In Thousand Baht)	
	March 31, 2020	December 31, 2019
Current	433	450
Less Allowance for impairment for expected credit loss	(6)	(9)
Net	427	441

5. ASSET FORECLOSED - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Balance not exceeding one year	213,597	247,954	212,670	247,954
Balance exceeding one year	14,543	8,041	14,543	8,041
Total	228,140	255,995	227,213	255,995
Less Allowance for diminution in value	(78,622)	(82,427)	(78,344)	(82,427)
Net	149,518	173,568	148,869	173,568

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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, 2020	December 31, 2019
February 28, 2017 / 2020	Semi-annually	2.83	1,000,000	-	1,000,000
August 18, 2017 / 2020	Semi-annually	2.56	800,000	800,000	800,000
February 23, 2018 / 2021	Semi-annually	2.27	600,000	600,000	600,000
September 5, 2018 / 2021	Quarterly	2.64	70,000	70,000	70,000
July 19, 2019 / 2022	Semi-annually	2.70	400,000	400,000	400,000
Total				1,870,000	2,870,000
Less Current portion				(1,400,000)	(1,800,000)
Net				470,000	1,070,000

As at March 31, 2020, the amount for issuance and offering of the Company's debentures was totally Baht 7,450 million, which was approved by the shareholders' meetings in September 2017, April 2018 and 2019.

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

7. INCOME TAX

Corporate income tax recorded as expense (income) for the three-month periods ended March 31, 2020 and 2019 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Income tax computed from accounting profit	25,497	28,446	6,737	16,359
Effects from non-deductible expenses	36,825	4,634	35,045	3,804
Effects from benefit of tax loss carryforward	(1,298)	(500)	-	-
Effects from additional deductible expenses	(3,392)	(1,868)	(3,282)	(759)
Current tax on taxable profit	57,632	30,712	38,500	19,404
Increase in deferred tax assets	(33,234)	(2,808)	(32,708)	(2,491)
Income tax presented in statement of comprehensive income	24,398	27,904	5,792	16,913
Increase in deferred tax assets from other comprehensive loss	1,062	-	913	-

As at March 31, 2020, a local subsidiary had tax loss carryforward amounting to approximately Baht 35.9 million whereby such loss carryforward is able to be used during the years 2020 to 2024.

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

	In Thousand Baht			
	Consolidated		The Company Only	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Effects from non-deductible items from				
- Allowance for impairment for expected credit loss	166,143	129,932	164,018	128,383
- Allowance for diminution in value of asset foreclosed	15,724	16,485	15,669	16,485
- Liability for post-employment benefits	6,171	7,325	4,986	6,184
Total	<u>188,038</u>	<u>153,742</u>	<u>184,673</u>	<u>151,052</u>

8. LIABILITY FOR POST-EMPLOYMENT BENEFITS

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

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Liability for post-employment benefits as at January 1	36,625	31,666	30,919	26,149
Current service cost	733	452	636	387
Interest cost	169	215	143	182
Actuarial loss on measurement	5,312	-	4,566	-
Expense recognized in statement of comprehensive income	6,214	667	5,345	569
Employee benefits paid during the period	<u>(11,881)</u>	<u>(3,890)</u>	<u>(11,334)</u>	<u>(2,800)</u>
Liability for post-employment benefits as at March 31	<u>30,958</u>	<u>28,443</u>	<u>24,930</u>	<u>23,918</u>

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

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

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

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

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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	The Company Only	Consolidated	The Company Only
Discount rate (increase/decrease by 0.5%)	(1,210)	(1,089)	1,286	1,157
Salary escalation rate (increase/decrease by 0.5%)	1,339	1,201	(1,272)	(1,141)
Employee turnover rate (increase/decrease by 1%)	(3,149)	(2,830)	3,532	3,207

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) by product which is hire-purchase on automobile and motorcycle for general retail customers whereby the business activities with respect of loans and nano finance / microfinance to the general retail customers are insignificant portion as compared to the entire volumes and business activities. Accordingly, the accompanying interim financial information does not include the operating segment information on products and key customers.

Information on Geographic Operating Segment

	Consolidated (In Thousand Baht)					
	2020			2019		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest income on hire purchase	470,535	130,878	601,413	705,583	100,268	805,851
Other income	137,972	1,548	139,520	173,706	112	173,818
Total revenues	608,507	132,426	740,933	879,289	100,380	979,669
Total expenses	(574,095)	(63,656)	(637,751)	(809,304)	(56,782)	(866,086)
Profit for the period	34,412	68,770	103,182	69,985	43,598	113,583

	Consolidated (In Thousand Baht)					
	March 31, 2020			December 31, 2019		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Total assets by segment	6,844,214	1,637,662	8,481,876	7,764,098	1,399,224	9,163,322
Total liabilities by segment	2,298,853	753,466	3,052,319	3,258,804	580,880	3,839,684

Interest income on hire purchase - abroad

	Consolidated (In Thousand Baht)	
	2020	2019
	Cambodia	102,324
Lao PDR	28,554	24,643
Total	130,878	100,268

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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, 2020, the subsidiaries incorporated in Cambodia, Lao PDR and Myanmar had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 25.45 million, Baht 2.83 million and Baht 0.20 million, respectively, were presented in the consolidated statement of financial position as at March 31, 2020 (as at December 31, 2019 : Baht 25.40 million, Baht 3.20 million and Baht 0.20 million, respectively).

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

	Consolidated (In Thousand Baht)	
	2020	2019
At a point in time	75,686	100,247
Over time	-	-

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

	In Thousand Baht	
	2020	2019
Management fee income	8,339	-
Interest income	6,282	4,983
Total	14,621	4,983

10. COMMITMENTS ON LEASE AND LONG-TERM SERVICE AGREEMENTS

As at March 31, 2020, the Group had commitments on lease (short-term) and service agreements for office premises and branches whereby the related lease and service fees are committed to pay as follows:

	In Million Baht	
	Consolidated	The Company Only
Due for payments within 1 year	13.6	13.3
Due for payments within 2 - 5 years	3.5	3.5
Total	17.1	16.8

11. EVENTS AFTER THE REPORTING PERIOD

At the general shareholders' meeting on April 23, 2020, the shareholders passed the resolutions to approve the following significant matters relating to financing and investing activities as follows:

- 1) Declaration of dividends for the 2019 operations at Baht 0.55 per share, totalling Baht 275 million, with the scheduled date for dividend payment on May 12, 2020.
- 2) Acquisition of a private company, whose business is engaged in microfinance in Myanmar, whereby the Company's management has considered for the appropriate value for the acquisition.

12. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved to be issued by the Company's Board of Directors' meeting on May 14, 2020.