

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Interim Financial Information

For the Period Ended September 30, 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 September 30, 2020 and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the consolidated statements of changes in shareholders' equity and cash flows for the nine-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 September 30, 2020 and the related separate statements of comprehensive income for the three-month and nine-month periods then ended, the separate statements of changes in shareholders' equity and cash flows for the nine-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
November 12, 2020

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020 AND DECEMBER 31, 2019

ASSETS

		In Thousand Baht			
		Consolidated		The Company Only	
		September 30, 2020 (Reviewed) (Unaudited)	December 31, 2019 (Audited)	September 30, 2020 (Reviewed) (Unaudited)	December 31, 2019 (Audited)
ASSETS	Note				
CURRENT ASSETS					
Cash and cash equivalents		1,522,045	1,021,212	1,234,137	845,911
Trade receivables					
- Current portion of hire-purchase contract receivables - net	3, 4	3,074,564	4,089,880	2,076,737	3,109,502
- Current portion of loan receivables - net	4	249,337	140,902	241,217	133,613
- Nano finance receivables - net	4	406	566	-	-
- Microfinance receivables - net	4	288	441	-	-
- Other trade receivables		21,194	55,468	20,613	54,558
Receivables from and short-term loans to related parties	3	-	-	538,205	618,059
Current portion of long-term loans to other parties		318	-	318	-
Merchandises		216	406	49	240
Asset foreclosed - net	5	69,269	173,568	69,018	173,568
Other current assets	1	20,605	28,385	12,638	19,158
Total Current Assets		4,958,242	5,510,828	4,192,932	4,954,609
NON-CURRENT ASSETS					
Restricted deposits at financial institutions		33,993	33,610	-	-
Hire-purchase contract receivables - net	3, 4	1,804,563	3,160,736	1,271,254	2,519,421
Loan receivables - net	4	72,025	46,065	62,000	35,894
Investments in subsidiaries accounted for using the cost method	1	-	-	305,835	305,835
Long-term loans to other parties - net		25,961	47,350	25,961	47,350
Property for lease - net		17,810	18,113	-	-
Assets not used in operations		14,282	14,282	5,708	5,708
Property, plant and equipment - net	3	139,076	154,659	106,398	119,463
Right-of-use assets - net	1, 3	112,974	-	91,166	-
Intangible assets - net	3	6,864	9,227	4,911	7,081
Deferred tax assets	7	148,232	153,742	138,910	151,052
Other non-current assets	1	1,986	14,710	1,539	10,190
Total Non-Current Assets		2,377,766	3,652,494	2,013,682	3,201,994
TOTAL ASSETS		7,336,008	9,163,322	6,206,614	8,156,603

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 SEPTEMBER 30, 2020 AND DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company Only	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Note	(Reviewed) (Unaudited)	(Reviewed) (Audited)	(Reviewed) (Unaudited)	(Reviewed) (Unaudited)	(Reviewed) (Audited)
CURRENT LIABILITIES					
		143,563	163,188	14,805	20,831
		-	21,445	-	13,895
	1, 3	255,444	239,475	-	-
	6	40,811	-	35,142	-
	3	670,000	1,800,000	670,000	1,800,000
		50,156	48,328	580,409	535,201
		23,162	81,180	494	37,732
		160,582	161,644	135,329	121,635
		32,308	56,312	28,868	45,322
	1	99,155	125,433	33,856	77,088
		1,475,181	2,697,005	1,498,903	2,651,704
NON-CURRENT LIABILITIES					
	1, 3	94,167	74,835	-	-
	6	53,703	-	42,990	-
	8	400,000	1,070,000	400,000	1,070,000
		31,666	36,625	25,980	30,919
		579,536	1,181,460	468,970	1,100,919
		2,054,717	3,878,465	1,967,873	3,752,623
SHAREHOLDERS' EQUITY					
		500,000	500,000	500,000	500,000
		500,000	500,000	500,000	500,000
		972,987	972,987	972,987	972,987
		50,000	50,000	50,000	50,000
	1	3,774,683	3,786,822	2,715,754	2,880,993
		(37,950)	(43,749)	-	-
		2,362	2,362	-	-
		5,262,082	5,268,422	4,238,741	4,403,980
		19,209	16,435	-	-
		5,281,291	5,284,857	4,238,741	4,403,980
		7,336,008	9,163,322	6,206,614	8,156,603

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 SEPTEMBER 30, 2020 AND 2019

(REVIEWED)
(UNAUDITED)

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2020	2019	2020	2019
REVENUES					
Interest income on hire purchase	3	466,370	723,174	343,444	593,874
Interest income on loan		2,979	3,948	2,349	3,314
Interest income on nano finance		16	30	-	-
Interest income on microfinance		25	-	-	-
Sales of merchandises		-	142	-	142
Other income	3	155,501	210,090	167,433	220,413
Total Revenues		624,891	937,384	513,226	817,743
EXPENSES					
Cost of sales		-	952	-	952
Administrative expenses	1, 3	312,224	443,783	264,113	421,570
Bad debt and loss on impairment of trade receivables	1, 4	162,669	292,437	125,248	273,680
Total Expenses		474,893	737,172	389,361	696,202
Profit from Operating Activities		149,998	200,212	123,865	121,541
Finance Costs	3	15,561	30,855	14,306	28,661
PROFIT BEFORE INCOME TAX EXPENSE		134,437	169,357	109,559	92,880
Income Tax Expense	7	24,567	32,627	19,709	18,464
PROFIT FOR THE PERIOD	1	109,870	136,730	89,850	74,416
Other Comprehensive Income (Loss)					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		55,345	(18,547)	-	-
Other Comprehensive Income (Loss) for the period		55,345	(18,547)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1	165,215	118,183	89,850	74,416
Profit Attributable to:					
Owners of the parent	1	108,518	134,951	89,850	74,416
Non-controlling interests		1,352	1,779	-	-
Profit for the period		109,870	136,730	89,850	74,416
Total Comprehensive Income Attributable to:					
Owners of the parent	1	163,863	116,404	89,850	74,416
Non-controlling interests		1,352	1,779	-	-
Total Comprehensive Income for the Period		165,215	118,183	89,850	74,416
Basic Earnings per Share (Baht)	1	0.217	0.270	0.180	0.149
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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

(REVIEWED)
(UNAUDITED)

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2020	2019	2020	2019
REVENUES					
Interest income on hire purchase	3	1,582,693	2,307,385	1,184,020	1,950,430
Interest income on loan		9,688	13,032	7,750	10,939
Interest income on nano finance		66	101	-	-
Interest income on microfinance		105	-	-	-
Sales of merchandises		191	2,523	191	2,523
Other income	3	395,378	556,555	432,101	581,951
Total Revenues		1,988,121	2,879,596	1,624,062	2,545,843
EXPENSES					
Cost of sales		191	3,327	191	3,327
Distribution costs		-	3	-	3
Administrative expenses	1, 3, 8	1,041,872	1,475,623	930,562	1,381,770
Bad debt and loss on impairment of trade receivables	1, 4	572,525	853,092	494,766	812,583
Total Expenses		1,614,588	2,332,045	1,425,519	2,197,683
Profit from Operating Activities		373,533	547,551	198,543	348,160
Finance Costs	3	61,249	99,103	54,945	93,322
PROFIT BEFORE INCOME TAX EXPENSE		312,284	448,448	143,598	254,838
Income Tax Expense	7	58,161	91,075	25,409	51,863
PROFIT FOR THE PERIOD		254,123	357,373	118,189	202,975
Other Comprehensive Income (Loss)					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		5,799	(35,693)	-	-
<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		1,549	(35,693)	(3,653)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1	255,672	321,680	114,536	202,975
Profit Attributable to:					
Owners of the parent	1	251,349	353,688	118,189	202,975
Non-controlling interests		2,774	3,685	-	-
Profit for the period		254,123	357,373	118,189	202,975
Total Comprehensive Income Attributable to:					
Owners of the parent	1	252,898	317,995	114,536	202,975
Non-controlling interests		2,774	3,685	-	-
Total Comprehensive Income for the Period		255,672	321,680	114,536	202,975
Basic Earnings per Share (Baht)	1	0.503	0.707	0.236	0.406
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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

(REVIEWED)
(UNAUDITED)

Consolidated (In Thousand Baht)										
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Other Components of Equity		Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity
				Appropriated for	Unappropriated	Difference on Financial Statement Conversion of Subsidiaries	Gain on Change in Proportion of Investment in Subsidiary			
				Legal Reserve						
Beginning Balance as at January 1, 2020										
- Balance previously reported	1	500,000	972,987	50,000	3,786,822	(43,749)	2,362	5,268,422	16,435	5,284,857
- Effect from first-time adoption of newly issued Thai financial reporting standards	1	-	-	-	15,762	-	-	15,762	-	15,762
- Balance as adjusted		500,000	972,987	50,000	3,802,584	(43,749)	2,362	5,284,184	16,435	5,300,619
Payment of dividends	10	-	-	-	(275,000)	-	-	(275,000)	-	(275,000)
Total comprehensive income for the period		-	-	-	247,099	5,799	-	252,898	2,774	255,672
Ending Balance as at September 30, 2020		500,000	972,987	50,000	3,774,683	(37,950)	2,362	5,262,082	19,209	5,281,291
Beginning Balance as at January 1, 2019										
Beginning Balance as at January 1, 2019	1	500,000	972,987	50,000	3,381,957	(4,813)	2,362	4,902,493	11,127	4,913,620
Payment of dividends	10	-	-	-	(225,000)	-	-	(225,000)	-	(225,000)
Total comprehensive income for the period	1	-	-	-	353,688	(35,693)	-	317,995	3,685	321,680
Ending Balance as at September 30, 2019		500,000	972,987	50,000	3,510,645	(40,506)	2,362	4,995,488	14,812	5,010,300

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

(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, 2020						
- Balance previously reported		500,000	972,987	50,000	2,880,993	4,403,980
- Effect from first-time adoption of newly issued Thai financial reporting standards	1	-	-	-	(4,775)	(4,775)
- Balance as adjusted		500,000	972,987	50,000	2,876,218	4,399,205
Payment of dividends	10	-	-	-	(275,000)	(275,000)
Total comprehensive income for the period		-	-	-	114,536	114,536
Ending Balance as at September 30, 2020		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>2,715,754</u>	<u>4,238,741</u>
Beginning Balance as at January 1, 2019						
		500,000	972,987	50,000	2,699,967	4,222,954
Payment of dividends	10	-	-	-	(225,000)	(225,000)
Total comprehensive income for the period		-	-	-	202,975	202,975
Ending Balance as at September 30, 2019		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>2,677,942</u>	<u>4,200,929</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

(REVIEWED)
(UNAUDITED)

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period	254,123	357,373	118,189	202,975
Adjustments				
Income tax expense	58,161	91,075	25,409	51,863
Depreciation and amortization	71,548	39,825	62,348	33,710
Expenses for post-employment benefits	2,704	11,656	2,335	9,856
Unrealized loss (gain) on exchange rate	216	(234)	216	(234)
Bad debt and loss on impairment of trade receivables	572,525	853,092	494,766	812,583
Increase (decrease) in allowance for diminution in value of asset foreclosed	(39,490)	4,180	(39,598)	4,142
Loss on write-off asset	924	-	-	-
Gain on sales of equipment	(296)	(4,476)	(296)	(4,476)
Interest income from trade receivables	(1,592,552)	(2,320,518)	(1,191,770)	(1,961,369)
Other interest income	(6,889)	(6,760)	(30,930)	(30,669)
Interest expense	61,249	99,103	54,945	93,322
Decrease (increase) in operating assets				
Trade receivables - hire-purchase contract receivables	1,740,924	478,776	1,697,916	720,491
Trade receivables - loan receivables	(105,840)	(134,234)	(105,135)	(135,363)
Trade receivables - nano finance receivables	(13)	11	-	-
Trade receivables - microfinance receivables	159	(142)	-	-
Trade receivables - other	34,274	38,274	33,945	37,556
Other receivables from related parties	-	-	492	(755)
Merchandises	190	(961)	191	(964)
Asset foreclosed	143,789	(6,401)	144,148	(6,275)
Other current assets	(378)	480	1,883	603
Other non-current assets	(314)	42	48	(145)
Increase (decrease) in operating liabilities				
Trade payables	(21,445)	(70,927)	(13,895)	(63,681)
Other payables to related parties	(1,092)	975	(2,432)	4,385
Deposits and advances from customers	(1,062)	32,141	13,694	31,913
Accrued expenses and other current liabilities	(26,375)	27,482	(36,246)	5,586
Liability for post-employment benefits	(12,975)	(7,325)	(11,840)	(5,589)
Net cash flows provided by (used in) operations	1,132,065	(517,493)	1,218,383	(200,535)
Interest received from trade receivables	1,637,966	2,326,159	1,246,670	1,973,686
Income tax paid	(109,700)	(110,250)	(49,592)	(72,962)
Net Cash Flows Provided by Operating Activities	2,660,331	1,698,416	2,415,461	1,700,189

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

(REVIEWED)
(UNAUDITED)

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted deposits at financial institutions	(383)	629	-	-
Increase in short-term loans to related parties	-	-	(41,000)	(18,000)
Collections from short-term loans to related parties	-	-	120,000	83,000
Increase in investment in subsidiaries	-	-	-	(27,240)
Increase in long-term loans to other parties	(1,415)	(55,013)	(1,415)	(55,013)
Collections from long-term loans to other parties	22,486	65,267	22,486	65,267
Purchases of fixed assets	(18,417)	(35,764)	(17,887)	(17,173)
Additions to right-of-use assets	(1,200)	-	(1,200)	-
Purchases of intangible assets	(586)	(4,973)	-	(3,977)
Proceeds from sales of equipment	412	4,744	412	5,315
Other interest received	6,977	6,909	31,291	36,502
Net Cash Flows Provided by (Used in) Investing Activities	7,874	(18,201)	112,687	68,681
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(19,841)	16,149	(6,242)	(18,356)
Increase in short-term loans from related party	-	-	108,000	101,000
Repayments of short-term loans from related party	-	-	(60,000)	(68,300)
Increase in long-term loans	261,050	260,520	-	-
Repayments of long-term loans	(225,749)	(155,570)	-	-
Payments of lease liabilities	(31,509)	-	(28,049)	-
Issuances of debentures	-	400,000	-	400,000
Redemption of debentures	(1,800,000)	(1,850,000)	(1,800,000)	(1,850,000)
Interest paid	(85,042)	(125,279)	(78,631)	(118,012)
Dividends paid	(275,000)	(225,000)	(275,000)	(225,000)
Net Cash Flows Used in by Financing Activities	(2,176,091)	(1,679,180)	(2,139,922)	(1,778,668)
DIFFERENCE ON FINANCIAL STATEMENT CONVERSION OF SUBSIDIARIES	8,719	(35,538)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	500,833	(34,503)	388,226	(9,798)
Cash and Cash Equivalents at Beginning of Period	1,021,212	438,013	845,911	257,806
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,522,045	403,510	1,234,137	248,008
Supplementary disclosures of cash flow information				
a. Cash and cash equivalents at end of period				
Cash in hand	12,745	16,935	9,010	12,660
Current accounts at banks	210,669	59,371	41,433	26,896
Savings deposits at banks	798,631	327,204	683,694	208,452
Short-term fixed deposit at bank	500,000	-	500,000	-
Total	1,522,045	403,510	1,234,137	248,008
b. Non-cash transactions				
Purchases of fixed assets by means of payables	114	1,997	114	1,997
Initial recognition of right-of-use assets and lease liabilities	126,023	-	106,181	-
Right-of-use assets transferred from other current assets	8,070	-	4,638	-

Right-of-use assets transferred from other non-current assets	12,207	-	8,603	-
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The accompanying condensed notes are an integral part of these financial statements.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (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 “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)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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 measures 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 measures relate to exception from combining the forward looking information for the assets adopted Simplified approach on consideration and measurement of the expected credit loss.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 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 terms as at December 31, 2019 are between 7 months and 10 years 4 months. The balances of non-current asset and non-current liability in consolidated and separate statements of financial position as at December 31, 2019 increased from those previously reported of approximately Baht 126.0 million and Baht 106.2 million, respectively, whereas the effect to consolidated and separate statements of comprehensive income is immaterial. In addition, the Company reclassified balances in consolidated and separate statements of financial position as at January 1, 2020 of (1) prepaid rental charges under other current assets of approximately Baht 8.1 million and 4.6 million, respectively, and (2) rental guarantees under other non-current assets of approximately Baht 12.2 million and 8.6 million, respectively, to be a part of cost of the right-of-use assets.

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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

	In Million Baht	
	Consolidated	The Company Only
Commitments on leases disclosed as at January 1, 2020	99.9	79.3
Less effect from service agreements related to lease agreements	(25.1)	(23.0)
Add consideration of renewal option	62.6	59.5
Less deferred interest	(11.4)	(9.6)
Lease liabilities as at January 1, 2020	126.0	106.2

During the three-month period ended September 30, 2020, a subsidiary in Cambodia was examined and assessed for value-added tax pertaining to the period January 2018 to May 2020 whereby the result of the examination concluding that such subsidiary incompletely submitted the value-added tax as required under the applicable law. Such matter was caused by misinterpretation of the substance relating to loan agreements with customers whereby the subsidiary's interpretation was not in line with that of the related government agency and resulted that such subsidiary was assessed for the prior period value-added tax as well as penalty and surcharge. The assessed amounts pertaining to each relevant accounting period was immaterial to the consolidated financial performances for the three-month and nine-month periods ended September 30, 2019. However, for the sole purpose of clear comparability of information in the consolidated interim financial information of each prior period with current period, the effect for the three-month and nine-month periods ended September 30, 2019 were virtually treat like the misinterpretation did not occur and also taken to revise the comparative corresponding figures in consolidated interim financial information of prior periods which is summarized below:

Related Effect	Consolidated Interim Financial Information (In Thousand Baht)		
	Previously Reported Balance	Revision - Increase (Decrease)	Revised Balance
<u>Consolidated statements of financial position</u>			
Beginning unappropriated retained earnings as at January 1, 2019	3,397,319	(15,362)	3,381,957
Ending unappropriated retained earnings as at September 30, 2019	3,543,320	(32,675)	3,510,645
Beginning unappropriated retained earnings as at January 1, 2020	3,825,603	(38,781)	3,786,822
Accrued expenses and other current liabilities as at December 31, 2019	86,652	38,781	125,433
<u>Consolidated statement of comprehensive income for the three-month period</u>			
Administrative expenses	437,690	6,093	443,783
Profit for the period	142,823	(6,093)	136,730
Total comprehensive income for the period	124,276	(6,093)	118,183
Profit for the period attributable to the parent	141,044	(6,093)	134,951
Total comprehensive income for the period attributable to the parent	122,497	(6,093)	116,404
Basic earnings per share (Baht)	0.282	(0.012)	0.270
<u>Consolidated statement of comprehensive income for the nine-month period</u>			
Administrative expenses	1,458,310	17,313	1,475,623
Profit for the period	374,686	(17,313)	357,373
Total comprehensive income for the period	338,993	(17,313)	321,680
Profit for the period attributable to the parent	371,001	(17,313)	353,688
Total comprehensive income for the period attributable to the parent	335,308	(17,313)	317,995
Basic earnings per share (Baht)	0.742	0.035	0.707

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

The related value-added tax as well as penalty and surcharge for the nine-month period ended September 30, 2020 amounted to approximately Baht 10.2 million which was presented as part of "Administrative expenses" in the consolidated statement of comprehensive income whereas the outstanding balance of related liability as at September 30, 2020 amounted to approximately Baht 48.9 million which was presented as part of "Accrued expenses and other current liabilities" in the consolidated statement of financial position.

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 and nine-month periods ended September 30, 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 (%)	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services including vehicle modification services	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile and motorcycle business	40,000	40,000	99.99	99.99
TK Ngern Tan Jai Co., Ltd.	Nano finance business	50,000	50,000	99.99	99.99
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	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.

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

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 nine-month periods ended September 30, 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
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

3. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

	Three-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Interest income on hire purchase (market price)				
Related company	24	-	-	-
Management fee income				
Subsidiary	-	-	8,045	5,034
Rental income				
Related company	108	-	-	-
Interest income				
Subsidiaries	-	-	7,560	8,267
Other income				
Subsidiaries	-	-	2	12
Rental and services				
Subsidiary	-	-	216	216
Related companies	3,325	8,413	3,325	8,413
Total	3,325	8,413	3,541	8,629
Management fee				
Related companies	2,025	2,550	1,665	2,100
Utility expenses				
Related companies	707	899	707	899
Stationery expense				
Related companies	664	2,444	653	2,414
Other expenses				
Related companies	1,775	3,876	1,463	2,956
Service expenses				
Subsidiaries	-	-	30,547	36,147
Related companies	6,403	6,837	6,174	6,651
Total	6,403	6,837	36,721	42,798
Amortization right-of-use assets				
Related companies	4,603	-	4,603	-
Related person	421	-	421	-
Total	5,024	-	5,024	-
Interest expense				
Subsidiaries	-	-	4,078	4,953
Directors	740	677	-	-
Total	740	677	4,078	4,953
Interest expense under lease liabilities				
Related company	626	-	626	-
Related person	43	-	43	-
Total	669	-	669	-
Key management's remunerations				
Short-term benefits	10,053	14,250	10,053	14,250
Post-employment benefits	244	148	244	148
Total	10,297	14,398	10,297	14,398

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

	Three-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Purchase of vehicles for hire-purchases				
Related companies	13,381	32,232	-	-
Purchase of office equipment				
Related companies	91	787	91	787
Purchase of program				
Related companies	-	792	-	792
Sales of office equipment				
Subsidiaries	-	-	106	571
	Nine-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Interest income on hire purchase (market price)				
Related company	74	-	-	-
Management fee income				
Subsidiary	-	-	24,248	10,088
Sales promotion income				
Related companies	284	-	-	-
Rental income				
Related company	324	-	-	-
Interest income				
Subsidiaries	-	-	24,208	24,380
Other income				
Subsidiaries	-	-	10	52
Rental and services				
Subsidiary	-	-	648	648
Related companies	10,170	25,124	10,170	25,124
Total	10,170	25,124	10,818	25,772
Management fee				
Related companies	6,075	7,650	4,995	6,300
Utility expenses				
Related companies	2,519	2,710	2,519	2,710
Stationery expense				
Related companies	5,583	7,483	5,531	7,391
Other expenses				
Related companies	6,818	10,453	5,492	8,573
Service expenses				
Subsidiaries	-	-	96,992	100,050
Related companies	19,171	19,278	18,348	18,719
Total	19,171	19,278	115,340	118,769
Amortization right-of-use assets				
Related company	14,001	-	14,001	-
Related person	1,263	-	1,263	-
Total	15,264	-	15,264	-

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

	Nine-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Interest expense				
Subsidiaries	-	-	13,223	14,667
Directors	2,174	2,009	-	-
Total	2,174	2,009	13,223	14,667
Interest expense under lease liabilities				
Related company	2,060	-	2,060	-
Related person	145	-	145	-
Total	2,205	-	2,205	-
Key management's remunerations				
Short-term benefits	26,805	34,614	26,805	34,614
Post-employment benefits	742	1,912	742	1,912
Total	27,547	36,526	27,547	36,526
Purchase of vehicles for hire-purchases				
Related companies	48,897	81,506	-	-
Purchase of vehicles for use				
Related companies	-	3,047	-	3,047
Purchase of office equipment				
Related companies	530	3,112	530	3,112
Purchase of program				
Related companies	770	3,977	-	3,977
Sales of office equipment				
Subsidiaries	-	-	106	571
Sales of asset foreclosed (forfeited vehicles)				
Related company	-	579	-	-

Significant outstanding balances with related parties as at September 30, 2020 and December 31, 2019 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Hire-purchase contract receivable - net				
Related company	1,562	-	-	-
Receivables and short-term loans				
Accrued interest				
Subsidiary	-	-	399	761
Advances				
Subsidiaries	-	-	4,857	5,349
Short-term loans				
Subsidiaries (interest rate at 2.875%, 3.10%, 3.50%, 3.75%, 3.875%, 6% and 9% p.a. in 2020 and 3.875%, 4.125%, 6% and 9% p.a. in 2019)	-	-	532,949	611,949
Total	-	-	538,205	618,059

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Right-of-use assets - net				
Related companies	62,962	-	62,962	-
Related person	4,209	-	4,209	-
Total	<u>67,171</u>	<u>-</u>	<u>67,171</u>	<u>-</u>
Payables and short-term loans				
Accrued interest expenses				
Subsidiary	-	-	1,334	1,694
Accrued expenses				
Subsidiaries	-	-	10,864	12,245
Related companies	1,275	2,368	1,021	2,072
Total	<u>1,275</u>	<u>2,368</u>	<u>11,885</u>	<u>14,317</u>
Short-term loans				
Subsidiaries (interest rate at 2.875%, 3.10%, 3.50%, 3.75% and 3.875% p.a. in 2020 and 3.875%, 4.125% p.a. in 2019)	-	-	567,190	519,190
Directors (interest rate at 6% p.a.)	48,881	45,960	-	-
Total	<u>48,881</u>	<u>45,960</u>	<u>567,190</u>	<u>519,190</u>
Total	<u>50,156</u>	<u>48,328</u>	<u>580,409</u>	<u>535,201</u>
Lease liabilities - net				
Related companies	46,361	-	46,361	-
Related person	3,150	-	3,150	-
Total	<u>49,511</u>	<u>-</u>	<u>49,511</u>	<u>-</u>

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

	Consolidated (In Thousand Baht)			
	December 31, 2019	Increase	Decrease	September 30, 2020
Short-term loans from related persons				
Directors	45,960	2,921	-	48,881
	The Company Only (In Thousand Baht)			
	December 31, 2019	Increase	Decrease	September 30, 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	120,000	164,000
Mingalaba Thitikorn Microfinance Co., Ltd.	27,239	-	-	27,239
Total	<u>611,949</u>	<u>41,000</u>	<u>120,000</u>	<u>532,949</u>
Short-term loans from subsidiary				
C.V.A. Co., Ltd.	519,190	108,000	60,000	567,190

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

As at September 30, 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 (drawdown of approximately USD 4 million as at September 30, 2020) and long-term loan credit facilities granted by other three banks in Cambodia of such subsidiary totalling USD 31 million (drawdown of approximately USD 25.8 million as at September 30, 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 1,600 million as at September 30, 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)					
	September 30, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	7,173,047	4,704,471	2,468,576	10,579,309	6,352,575	4,226,734
Accrued interest	68,330	68,330	-	111,049	111,049	-
Less Unearned income	(1,769,473)	(1,302,080)	(467,393)	(2,865,325)	(2,014,895)	(850,430)
Net	5,471,904	3,470,721	2,001,183	7,825,033	4,448,729	3,376,304
Less Allowance for impairment for expected credit loss	(592,777)	(396,157)	(196,620)	(574,417)	(358,849)	(215,568)
Net	4,879,127	3,074,564	1,804,563	7,250,616	4,089,880	3,160,736

	The Company Only (In Thousand Baht)					
	September 30, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	5,190,347	3,356,765	1,833,582	8,411,018	4,959,355	3,451,663
Accrued interest	54,480	54,480	-	93,989	93,989	-
Less Unearned income	(1,339,049)	(963,168)	(375,881)	(2,369,101)	(1,636,978)	(732,123)
Net	3,905,778	2,448,077	1,457,701	6,135,906	3,416,366	2,719,540
Less Allowance for impairment for expected credit loss	(557,787)	(371,340)	(186,447)	(506,983)	(306,864)	(200,119)
Net	3,347,991	2,076,737	1,271,254	5,628,923	3,109,502	2,519,421

Hire-purchase contract receivables as at September 30, 2020 (major contract terms are 1 - 5 years) were classified by staging as discussed in Note 1 as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Performing receivables	4,042,113	2,600,526
Under-performing receivables	949,841	881,012
Credit-impaired receivables	479,950	424,240
Total	5,471,904	3,905,778
Less Allowance for impairment for expected credit loss	(592,777)	(557,787)
Net	4,879,127	3,347,991

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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

The Group determines allowance for impairment for expected credit loss as at September 30, 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 (“ICAAAT”) in 2004, because the Group is able to forfeit or repossess a portion of collaterals from debtors. As at September 30, 2020, the Group had allowance for impairment for expected credit loss at 10.83% (14.28% 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)					
	September 30, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	385,172	308,744	76,428	331,980	251,854	80,126
Less Unearned income	(8,703)	(6,815)	(1,888)	(9,932)	(7,907)	(2,025)
Net	376,469	301,929	74,540	322,048	243,947	78,101
Less Allowance for impairment for expected credit loss	(55,107)	(52,592)	(2,515)	(135,081)	(103,045)	(32,036)
Net	321,362	249,337	72,025	186,967	140,902	46,065

	The Company Only (In Thousand Baht)					
	September 30, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	363,450	298,621	64,829	310,797	242,564	68,233
Less Unearned income	(5,324)	(4,973)	(351)	(6,370)	(6,013)	(357)
Net	358,126	293,648	64,478	304,427	236,551	67,876
Less Allowance for impairment for expected credit loss	(54,909)	(52,431)	(2,478)	(134,920)	(102,938)	(31,982)
Net	303,217	241,217	62,000	169,507	133,613	35,894

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

Loan receivables as at September 30, 2020 were classified by staging as discussed in Note 1 as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Performing receivables	259,788	243,803
Under-performing receivables	61,012	60,095
Credit-impaired receivables	55,669	54,228
Total	376,469	358,126
Less Allowance for impairment for expected credit loss	(55,107)	(54,909)
Net	321,362	303,217

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

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

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

Allowance for impairment for expected credit loss of loan receivables as at September 30, 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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

Nano Finance Receivables

	Consolidated (In Thousand Baht)					
	September 30, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	484	484	-	680	680	-
Less Unearned income	(39)	(39)	-	(53)	(53)	-
Net	445	445	-	627	627	-
Less Allowance for impairment for expected credit loss	(39)	(39)	-	(61)	(61)	-
Net	406	406	-	566	566	-

Nano finance receivables as at September 30, 2020 were classified by staging as discussed in Note 1 as follows:

	Consolidated (In Thousand Baht)
Performing receivables	378
Under-performing receivables	19
Credit-impaired receivables	48
Total	445
Less Allowance for impairment for expected credit loss	(39)
Net	406

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

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

Microfinance Receivables

	Consolidated (In Thousand Baht)					
	September 30, 2020			December 31, 2019		
	Total	Current	Long-term	Total	Current	Long-term
Microfinance receivables	302	302	-	514	514	-
Less Unearned income	(12)	(12)	-	(64)	(64)	-
Net	290	290	-	450	450	-
Less Allowance for impairment for expected credit loss	(2)	(2)	-	(9)	(9)	-
Net	288	288	-	441	441	-

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

Microfinance receivables as at September 30, 2020 were classified by staging as discussed in Note 1 as follows:

	Consolidated (In Thousand Baht)
Performing receivables	290
Less Allowance for impairment for expected credit loss	(2)
Net	<u>288</u>

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

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

During the nine-month period ended September 30, 2020, the Company and its subsidiaries in Thailand, Lao PDR and Cambodia, whose business are engaged in providing credit to retail customers, have launched and applied several measures with respect to the governmental aim of each country in order to relief the impacts on receivables from pandemic situation of the Coronavirus Disease 2019 (COVID-19) by rendering assistance and compromising on payments of principal and interest to certain hire-purchase contract receivables, loan receivables and nano finance receivables, whose status of balance is in line with frame of the policy specified by the Company and its subsidiaries. The aforesaid measures are deferral of installment payment (principal and interest) for three months, reduction in installment payment to the specified minimum amounts and giving special discount in addition to normal rate for customers who prefer to early settle the account balance.

5. ASSET FORECLOSED - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Balance not exceeding one year	98,955	247,954	98,597	247,954
Balance exceeding one year	13,251	8,041	13,250	8,041
Total	112,206	255,995	111,847	255,995
Less Allowance for diminution in value	(42,937)	(82,427)	(42,829)	(82,427)
Net	<u>69,269</u>	<u>173,568</u>	<u>69,018</u>	<u>173,568</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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)	September 30, 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
February 23, 2018 / 2021	Semi-annually	2.27	600,000	600,000	600,000
September 5, 2018 / 2021	Quarterly	2.64	70,000	70,000	70,000
July 19, 2019 / 2022	Semi-annually	2.70	400,000	400,000	400,000
Total				1,070,000	2,870,000
Less Current portion				(670,000)	(1,800,000)
Net				400,000	1,070,000

As at September 30, 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 and nine-month periods ended September 30, 2020 and 2019 consists of:

	Three-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Income tax computed from accounting profit	24,839	35,391	21,911	18,575
Effects from non-deductible expenses	(947)	9,744	(2,483)	9,300
Effects from benefit of tax loss carryforward	(17)	(212)	-	-
Effects from additional deductible expenses	(16,642)	(2,982)	(16,978)	(757)
Current tax on taxable profit	7,233	41,941	2,450	27,118
Decrease (increase) in deferred tax assets	17,334	(9,314)	17,259	(8,654)
Income tax presented in statement of comprehensive income	24,567	32,627	19,709	18,464

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

	Nine-Month Periods (In Thousand Baht)			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Income tax computed from accounting profit	62,402	93,958	28,719	50,967
Effects from non-deductible expenses	16,378	21,367	7,558	20,262
Effects from benefit of tax loss carryforward	(3,040)	(212)	-	-
Effects from additional deductible expenses	(24,151)	(5,782)	(23,923)	(1,716)
Current tax on taxable profit	51,589	109,331	12,354	69,513
Decrease (increase) in deferred tax assets	6,572	(18,256)	13,055	(17,650)
Income tax presented in statement of comprehensive income	<u>58,161</u>	<u>91,075</u>	<u>25,409</u>	<u>51,863</u>
Increase in deferred tax assets from other comprehensive loss	<u>(1,062)</u>	<u>-</u>	<u>(913)</u>	<u>-</u>

As at September 30, 2020, a local subsidiary had tax loss carryforward amounting to approximately Baht 27.2 million whereby such loss carryforward is able to be used during the years 2020 to 2024.

Deferred tax assets presented in statements of financial positions as at September 30, 2020 and December 31, 2019 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Effects from non-deductible items from				
- Allowance for impairment for expected credit loss	130,729	129,932	122,541	128,383
- Allowance for diminution in value of asset foreclosed	8,588	16,485	8,566	16,485
- Liability for post-employment benefits	6,308	7,325	5,196	6,184
- Lease liability - net	2,607	-	2,607	-
Total	<u>148,232</u>	<u>153,742</u>	<u>138,910</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 nine-month periods ended September 30, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2020	2019	2020	2019
Liability for post-employment benefits as at January 1	36,625	31,666	30,919	26,149
Current service cost	2,199	1,727	1,907	1,480
Past service cost	-	9,088	-	7,666
Interest cost	505	841	428	710
Actuarial loss on measurement	5,312	-	4,566	-
Expense recognized in statement of comprehensive income	8,016	11,656	6,901	9,856
Employee benefits paid during the period	(12,975)	(7,325)	(11,840)	(5,589)
Liability for post-employment benefits as at September 30	<u>31,666</u>	<u>35,997</u>	<u>25,980</u>	<u>30,416</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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

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

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

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

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

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

During 2018, the National Legislative Assembly agreed and approved to edit some provisions of the Labour Protection Act 1998 (B.E. 2541) which include the increase in compensations to be paid to the employees whose working period have reached 20 years or above from previously equivalent to basic wage of 300 days to 400 days. Such matter was later legally announced in the early of April 2019 and became effective in the early of May 2019. The Group's management considered, based on their judgement, that amendment of such employee benefit plan (amendment of the applicable laws) occurred and became effective in the second quarter of 2019. Accordingly, the Group accounted for the past service cost, resulted from the plan amendment, amounting to approximately Baht 9.1 million for the consolidated financial statements and Baht 7.7 million for the separate financial statements in the second quarter of 2019, which was presented as part of administrative expenses for the nine-month period ended September 30, 2019.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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

	Nine-Month Periods - Consolidated (In Thousand Baht)					
	2020			2019		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest income on hire purchase	1,214,759	367,934	1,582,693	1,969,281	338,104	2,307,385
Other income	401,423	4,005	405,428	571,980	231	572,211
Total revenues	1,616,182	371,939	1,988,121	2,541,261	338,335	2,879,596
Total expenses	(1,484,182)	(249,816)	(1,733,998)	(2,330,270)	(191,953)	(2,522,223)
Profit for the period	132,000	122,123	254,123	210,991	146,382	357,373

	Consolidated (In Thousand Baht)					
	September 30, 2020			December 31, 2019		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Total assets by segment	5,806,421	1,529,587	7,336,008	7,764,098	1,399,224	9,163,322
Total liabilities by segment	1,409,515	645,202	2,054,717	3,258,804	619,661	3,878,465

Interest income on hire purchase - abroad

	Nine-Month Periods - Consolidated (In Thousand Baht)	
	2020	2019
	Cambodia	295,822
Lao PDR	72,112	78,350
Total	367,934	338,104

The Company and its subsidiaries incorporated in Thailand have no any non-current asset located in the countries other than Thailand. However, as at September 30, 2020, the subsidiaries incorporated in Cambodia, Lao PDR and Myanmar had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 24.2 million, Baht 2.5 million and Baht 0.2 million, respectively, were presented in the consolidated statement of financial position as at September 30, 2020 (as at December 31, 2019 : Baht 25.4 million, Baht 3.2 million and Baht 0.2 million, respectively).

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

	Nine-Month Periods - Consolidated (In Thousand Baht)	
	2020	2019
At a point in time	199,102	342,185
Over time	-	-

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Condensed Notes to Financial Statements (Continued)
September 30, 2020 and 2019 (Reviewed) (Unaudited)
And December 31, 2019 (Audited)

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:

	Nine-Month Periods - In Thousand Baht	
	2020	2019
Management fee income	24,248	10,088
Interest income	18,590	17,151
Total	<u>42,838</u>	<u>27,239</u>

10. DIVIDENDS

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

At the general shareholders' meeting on April 25, 2019, the shareholders unanimously approved the Company to pay dividends for the 2018 operations at Baht 0.45 per share, totalling Baht 225 million. The Company paid such dividends to the shareholders on May 15, 2019.

11. COMMITMENTS ON LONG-TERM SERVICE AGREEMENTS

As at September 30, 2020, the Group had commitments on service agreements for office premises and branches whereby the related service fees are committed to pay as follows:

	Consolidated and The Company Only (In Million Baht)
Due for payments within 1 year	8.1
Due for payments within 2 - 5 years	0.1
Total	<u>8.2</u>

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 November 12, 2020.